**1004 HORA FAQ**

1. **WHO IS 1004 ESTATES LTD?**

**1004 Estates Limited** is company set up by **UPDC PLC and UNION HOMES** (now part of Aso Savings and Loans) to acquire ownership of 1004 Estate from the Federal Government. This was done in 2004 and it currently holds the Certificate of Occupancy for the estate in trust for the current owners of the estate.

1004 Estate (the Estate) was originally owned by the Federal Government of Nigeria. In 2004, the Estate was sold to 1004 Estates Limited, the special purpose vehicle incorporated by **Union Homes Limited** (Union Homes) **and UPDC Plc** (UPDC) for the purpose of facilitating the said sale as part of the privatisation program of the Federal Government of Nigeria. Subsequent to the upgrade of the estate and facilities, 1004 Estates Limited, advertised units within the Estate for sale and invited prospective purchasers of individual units. Our members responded to the offers for sale and purchased apartments in the Estate. As per the letter of offer issued to each buyer, the interest purchased comprised of:

* Each individual apartment described for sale
* An undivided interest in the facilities management office
* An undivided interest in the power generators and other utilities available for the estate
* An undivided interest in the common areas of the Estate
* An undivided interest in the Certificate of Occupancy
1. **WHO OWNS 1004 ESTATES LTD ? WHAT IS ITS MANAGEMENT STRUCTURE?**

Initially owned by UPDC & Union Homes, 1004 Estates Ltd acted as the management company for the Estate. In September 2011, **UPDC & Union Homes** sold their interests in 1004 Estates Ltd to Hispania SA (initially thought to be a Spanish company but, upon investigation, turned out later to belong to Mr Samuel Ukpong and a few others) without reference to our members to whom they had sold apartments in the estate.

As far as we can ascertain, 1004 Estates Ltd is managed exclusively by Mr. Samuel Ukpong. The Home Owners’ Association which represents all residents and owners within the Estate, has repeatedly sought to have some say in how the Estate is managed and understand the structure and finances of 1004 Estates Ltd, but has not succeeded.

1. **WHAT IS THE RELATIONSHIP BETWEEN THE FACILITY MANAGER AND HOMEOWNERS/RESIDENTS?**

1004 Estates Limited, under its new management, embarked on acts and practices that violate estate management norms by trying to alter the Deed of Sub-lease, the tenor of same and is now laying exclusive claim to common areas that rightfully belong to all homeowners.

1004 Estates Ltd by an addendum to the Deed of Sub-lease assigned itself, the right to manage the facilities in the estate. This self-appropriated right has given it a monopoly that it has consistently abused. This is one of the subjects of contention in court and at the arbitration panel. For your information, less than 10% of homeowners have actually executed this Deed of sub-lease with 1004 Estates Ltd. So in principle there is really no contract between us except the contract of mutual understanding deriving from the payment of the service charge and agreed power tariff to 1004 Estates Ltd.

1. **WHY ARE WE TERMINATING THE FACILITY MANAGEMENT SERVICES RENDERED BY 1004 ESTATES LTD?**

Over the last 4 years, the Home Owners & Residents Association (HORA) has tried to establish a mutually beneficial relationship with 1004 Estates Ltd but its many infractions, impunities and arbitrariness have led us to conclude that we can no longer continue with the relationship. Some of the actions by 1004 Estates Ltd which led us to take this decision are listed below:

**a.** **Refusal to account for over N1.5billion collected as service charge.**

Samuel Ukpong and his company have refused to undertake a detailed/comprehensive account of monies in excess of **N1.5**[One Billion Five Hundred Million Naira], collected by them from 2010 to date. All efforts to get it to submit to an audit by KPMG (appointed by the association) have been thwarted by 1004 Estates Ltd.

**b.** **Refusal to Account for the Asset Replacement Deposit of over N645,000,000.00**

 One of the conditions of sale of flats in the estate was for each buyer to make a deposit of N300,000.00 to 1004 Estates Limited as an asset replacement deposit. This deposit of money was designed to allow for the creation of a trust fund from which common assets for utilities could be replaced in future due to wear and tear. Since 2010, neither 1004 Estates Limited nor UPDC Plc or Union Homes Limited have rendered an account of the funds received from our members, or informed us of the current state of the fund.

**c. Refund of power overcharge of N1.4billion and Power Assets fund of N65,000,000.00.**

 In June 2014, as a result of protracted controversy over charges on electricity, it was discovered that Samuel Ukpong/1004 Estates Limited had over charged residents in excess of N1.4 Billion over aa two year period An agreement between the residents and 1004 Estates Limited, supervised by EKEDC/EKO FORUM, was then reached to cut down the charges per unit of electricity from N75.00/kwhto N41.20/kwh. In addition, each apartment was to pay the sum of N5,000.00 per month towards repairs and replacement of electricity equipment. It was agreed that both the residents and 1004 Estates Limited would jointly run the account into which the funds would be paid. Since the date of the agreement, Samuel Ukpong has prevented the participation of the residents in the running of the account even though the residents have continued to pay this monthly fixed charge.

**d. Misappropriation of prepaid power tariff of N25,000,000.00**

Since May 27, 2015, the estate has been disconnected from the EKEDC supply as a result of 1004 Estates Limited and Samuel Ukpong’s failure to pay the bills of EKEDC to the tune of N25 Million.

Despite collecting power funds “PREPAID” from residents, 1004 Estates Ltd has refused to remit the funds to EKEDP. Based on the bill from EKEDP for the month July 2015, 1004 Estates Ltd owes EKEDC over N25million, despite collecting same upfront from residents;and is currently running the generators 24/7 and proposing to collect N500,000.00 annually (N42,000 each month) from each resident to cover these additional costs.

We believe this will ultimately increase power cost to each resident to an annual minimum of N1,000,000.00 which is unacceptable.

**e. Commercialisation and appropriation of the estate common areas:**

1004 Estates Limited, under Mr. Ukpong, has commercialised sections of the communal property vested in our members that have purchased apartments in the Estate from the company. 1004 Estates Limited has modified the existing facilities management office situate within the estate and falling within the property identified in the Letters of Offer as part and parcel of the estate purchased by each of our members who own apartments in the Estate.

**1004 Estates Limited has:**

i. granted sub-lease to GT Bank Plc for use of a space in the facilities management building as an ATM Gallery

ii. granted sub-lease to UBA Plc for use of a space in the facilities management building as an ATM Gallery

iii. granted sub-lease to Zenith Bank Plc for use of a space in the facilities management building as an ATM Gallery

iv. granted sub-lease to Medplus for use of a space in the facilities management building as a pharmacy

v. granted sub-lease to a supermarket

vi. charged users’ rates for the use of the Club ouses in each of the cluster of the Estate

vii. Granted rights of way and use to MTN for branding of its company in the Estate including erection of telecommunication masts on apartments owned by some of our members without consideration for its environmental and health hazards.

**f. Misappropriation of Insurance Premium of over N75,000,000.00**

 As Manager of the Estate, 1004 Estates Ltd is obliged to provide insurance cover for the entire estate. As part of the payment of annual service charge, each unit contributes an amount towards this insurance coverage.

In 2013, one of the residents dragged 1004 Estates Limited before an Arbitration Tribunal. In the course of the proceedings of that body it was discovered that even though Samuel Ukpong collected insurance premium in respect of all apartments in 2010/2011, 2011/2012, 2012/2013, he did not insure every apartment in 2010/2011 and in 2011/2012, he did not insure any apartment in 2012/2013 and 2013/2014. This has prompted the association to advise residents not to pay any premium to 1004 Estates Ltd until it accounts for all premiums previously paid by residents and homeowners.

**g. Misappropriation of State/Federal Government Taxes (Land Use Charge, Grand Rent)**

Of recent, the Lagos State Government pasted “Contravention Notice” on the doors of residents, accusing each owner of not paying the statutory Land Use Charge. It may interest you to know that the Land Use Charge had been paid over to 1004 Estates Ltd/Samuel Ukpong by an overwhelming majority of the owners before notices were placed on the apartments. It was when this happened that we knew that monies collected for that purpose were not remitted to Lagos State Government; we assume this must also be the case with the Federal Government Ground Rent.

1. **DO WE HAVE A RIGHT TO REMOVE 1004 ESTATES LTD AS MANAGER?**

Every contract has termination clause/conditions. There is no law in the land or anywhere in the world that upholds the rights of one party to the detriment of the rights of the other party. Even where the contract may have been maliciously drafted to favour one party over the other, it can be set aside by a law court. This the association is already pursuing with the courts and the arbitration panel.

Consumer rights law also protects the interest of the consumer to reject any unfairness, whether in pricing or in quality of service or product.

1004 Estates Ltd constantly looking for ways to exploit residents sees power as one such avenue. In most of its communications to residents it has consistently maintained that we ought to be paying a minimum of N1million for power, consistent with what other high rise estates pay in Victoria Island. What it has failed to explain is how many apartments are in these estates it chooses to compare us with.

One of the reasons the association has petitioned against 1004 Estates Ltd to NERC is 1004 Estates Ltd’s belief that it should be selling us power when 1. It has no license to do so 2. The power plant belongs to homeowners/residents 3. Residents pay it to “operate the power plant at cost” and earn a service fee which have all been included in the power tariff.

But it claims it is making losses because in its mind, it has projected a N50million monthly profit from power supply to the estate. So even when there are no real losses, it cries foul and seeks ways to get it from residents at all cost.

This is unacceptable!

**However, we have not sacked 1004 Estates Limited, neither have we sacked Mr Samuel Ukpong from being the MD of his company**. We have simply exercised our rights as consumers to say no to “injustice, poor services, fraud, lack of accountability, impertinence, arbitrariness and abuses” from an organization that we fund to provide us services.

And since there is no real contract of service between 1004 Estates Ltd and homeowners/residents save for the mutual agreement to pay it for services rendered, we can also terminate that mutual agreement by stopping all payments to 1004 Estates Ltd. “No payment , no service” .

1. **HOW MUCH IS THE RATE OF ELECTRICITY IN 1004 ESTATE?**

In 2010 when residents moved into the estate, the power tariff for residents was N50.00/kw/hr. In September 2011 after Samuel Ukpong took over the management of 1004 Estates Ltd, he unilaterally increased the tariff to N75.00/kw/hr, contrary to the position earlier conveyed by the previous management that power cost would drop with higher occupancy. This was resisted by residents and eventually reduced to N41.20/kw/hr in 2014 by a multilateral agreement. One of the conditions of the agreement states that the sum of N5,000.00 would be paid monthly as a fixed charge for “power assets replacement”. This fund was to be jointly managed by both HORA and 1004 Estates Ltd. As at today this fund, which by our calculation should now stand at about N65million, has been unaccounted for by 1004 Estates Ltd.

1. **I ALREADY HAVE A METER IN MY HOUSE, WHY AM I BEING ASKED TO PAY N120,000 BY MR UKPONG/FACILITY MANAGER FOR A METER?**

Every homeowner paid N120,000.00 as payment for two meters before taking possession of their flat. However, only one meter was supplied. There is therefore no justification for this new call by 1004 Estates Ltd.

1. **WHAT DOES THE N100,000.00 REPRESENT?**

In January, 2014 the association advised all homeowners and residents to commence the payment of N15,000.00 monthly service charge to 1004 Estates Limited until it submits itself to an independent audit of the service charge and power accounts. This remains the position of the association in 2015.

It is expected that residents who have been following this advice would have paid the sum of N90,000.00 to 1004 Estates Ltd by June ending, leaving the balance of N90,000.00 to year end. This amount plus N10,000.00 association dues is what has been requested for by the association to cover for the cost of managing the estate till year end.

All residents are therefore required to make this payment promptly if we are to meet our financial obligations to the service providers for the remainder of the year.

1. **WHAT IS HORA’S AIMS/OBJECTIVES?**

The aims and objectives of the Association and the interests of residents are no doubt similar and harmonious. Both share a desire for a secure, decent, peaceful orderly environment. Both want the highest attainable standard in good quality living and a sufficiently relaxing environment for adults and children. Of course, in order to achieve the standards, all must work together to ensure that these are not mere wishes.

1. **AM I UNDER OBLIGATION TO PAY SERVICE CHARGE EVEN THOUGH MY APARTMENT IS NOT OCCUPIED?**

Yes. This is because Service Charge is essentially for general services provided both for the common enjoyment of all residents and for the general upkeep of the entire estate. A well-maintained estate is what will guarantee the sustained /appreciated value of the estate.

1. **WHO COLLECTS THE ESTATE ANNUAL SERVICE CHARGE?**

Yearly Maintenance and Security Charges (Service Charge) are payable to HORA or any other companies or contractors that maybe appointed. This shall be approved by the house by November 30th of every preceding year.

1. **WHAT DOES THE SERVICE CHARGE COVER?**

Service charge covers the following:

* Refuse collection and disposal
* Street /Common areas sweeping and maintenance
* Street gardening and maintenance
* Maintenance of all common areas
* Security
* Water supply provision and maintenance
* Insurance
* Statutory charges
* Sewage system maintenance
* Recreational facilities
1. **DOES SERVICE CHARGE LATE PAYMENT ATTRACT PENALTY?**

Yes. Non-payment of service charge by March 30th of every year does attract sanctions, which are:

1. Late payment charges of 10%
2. Cars and domestic helps of the debtors will not be allowed into the estate in addition to other sanctions that may be imposed by the Estate Managers from time to time.
3. **WHAT IS THE PURPOSE OF THE ANNUAL MEMBERSHIP SUBSCRIPTION PAYMENT MADE BY EACH 1004 ESTATE FLAT?**

The essence of the annual subscription is the effective running of the Secretariat and expenses incidental to the running of the Association with the aim of attaining the objectives of the Association.

1. **WHAT IS THE VEHICULAR SPEED LIMIT WITHIN THE ESTATE?**
* Common Road, e. g. Road through the estate by the schools 20km/h
* Clusters e. g Cluster A 15km/h
1. **WHAT IS THE RULE GUIDING ENGAGEMENT OF CONTRACTORS IN THE ESTATE?**

In the interest of the security and safety of all residents of 1004 estate, no contractor (Electrical, Plumbing. Masonry or any other) will be allowed into 1004 unless his workers are duly registered with the Company and is in possession of a valid entry permit. Regular maintenance work should be directed to the respective Cluster Facility Managers. It is the responsibility of the flat owner / tenant to remove any debris associated with internal modifications.

Contractor hours are from 9:00am to 5:00pm Monday through Saturday. Contractors for personal home repairs and moving contractors may come and go during weekend hours but should be informed to follow the rules when on 1004 estate.

1. **CONSIDERING THE VOLUME OF VEHICULAR MOVEMENT WITHIN THE ESTATE, WHAT IS THE PARKING POLICY/PROHIBITION?**

**Parking Policy**

1. Indiscriminate parking is prohibited within 1004 estate. Parking within 1004 estate is permitted only in assigned spaces. Each resident must respect his/her neighbour's access to their parking spaces.
2. No resident shall make use of any parking space other than the space or spaces allocated to him/her nor shall any resident invite, encourage or permit the use by his guests of parking spaces appurtenant to a resident other than his/her own. No vehicle belonging to any resident or to any guest or employees of any resident shall be parked in a manner that unreasonably interferes with or impedes ready vehicular access to any parking spaces.
3. Residents shall not at any time park or permit parking of carts, bicycles or vehicles by its domestic staff, visitors or agents or deposit any materials of any kind to obstruct any roadway within each cluster.

**Prohibited Parking**

1. Parking of motor vehicles is prohibited in all other areas within 1004 including:

***No Parking Areas:*** Parking is prohibited in all of the locations which are designed by signs or street markings such as "No parking" for various safety reasons such as fire lanes. Vehicles shall not be parked on any green area.

***Access Areas:*** Parked vehicles should not restrict access to pedestrian traffic.

The following vehicles are specifically prohibited from parking overnight within 1004 (between the hours of 5:00pm and 9:00am):

***Commercial vehicles:*** Vehicles that carry ladder, pipes, etc, will be considered commercial vehicles.

***Trucks:*** Including all vehicles designed and used primarily for the transport of goods or services rather than passengers. All other vehicles such as delivery trucks and the like are also prohibited.

***Boats:*** Any device or structure of any material, designed primarily for use by one or more persons as a flotation device upon a body of water.

**NOTE:** Vehicles parked in No Parking area described above may be towed to the nearest Police Station and the owner of the vehicle will be responsible for the cost of towing.

***Oversized Vehicles:*** Any vehicle exceeding 240 inches (20") in length, or 80 inches (6'8") in width, or 90 inches (7'6") in height. Any vehicle with more than four wheels on the roadway.

1. **Restriction on Vehicles**

Vehicles must be maintained in good order, clean, free of rust debris, and must be maintained so that oil and other fluids do not leak, onto the parking areas within the common parts.

1. **Other Restrictions**

In order to avoid unsightliness, the following restrictions are also established

***Extensive Repairs***

No dismantling or repairing of vehicles, boats of any type is permitted on the common areas of 1004.

***Storage of Belongings in Parking Spaces or Common Areas***

No items are to be stored in any parking spaces or within the common areas. This includes personal belongings, motor oil, gas, transmission fluid, brake fluid, rags, etc. Such items shall be removed and disposed of without notice.

***Vehicles that Interfere or Impede Access***

No vehicle belonging to any resident or (the guest or employee of any resident shall be parked in a manner that is unreasonable or interferes with or impedes ready vehicular access to any parking space. Vehicles may not extend outside the designated parking areas.

**Weekend Restriction**

Entrance gate to the estate off Samuel Manuwa Road will be closed from 11pm to 5am on Friday and Saturday nights for security reasons. Exit gate on Adetokunbo Ademola Street will serve as entry and exit gate on Friday and Saturday nights.

1. **WHAT IS THE CRITERIA FOR MOVING IN/OUT OF THE ESTATE?**

Moving in and out times are only between the hours of 9:00 am and 7:00 pm. Please be respectful of your neighbours when joining or leaving 1004.

Clearance Requirements:

* 1. Association dues
	2. Service charge
	3. Landlord’s Clearance

All clearances are to be secured at least one (1) week to movement date.

1. **ARE DOMESTIC ANIMALS ALLOWED, IF YES WHAT ARE THE RULES?**

YES.

Residents should ensure that dogs and other domestic animals are kept within their premises and all dogs must be on leash. All dogs or domestic animals’ droppings must be picked up by individuals walking them. Residents walking dogs are encouraged to take extra precautions to use mouth guards. The company reserves the right to rid 1004 of stray dogs.

1. **WHAT IS EXPECTED OF CHILDREN CONDUCT WITHIN THE ESTATE?**

Children below the age of 16 (sixteen) years should not be on the street after 9:00pm unless accompanied by an adult.

1. **WHAT CONDUCT IS EXPECTED OF DOMESTIC STAFF WITHIN THE ESTATE?**

Residents are advised to educate their domestic servants on the Rule and Regulations of 1004 and are further enjoined to monitor the movement and conduct of their staff, particularly ensuring they do not roam about 1004 between 7:00pm and 6:00 am.

1. **WHAT IS THE QUIET HOURS IN THE ESTATE**

All residents and their guest should avoid unnecessary noise during all hours of the day, but particularly between 10:00pm and 8:00 am in order not to disturb other residents. Playing radios, television or other sound producing devices so that noise may be heard outside the residence is not allowed. Please be conscientious of your neighbours and respect the quiet hours of 1004 estate. Please notify the Company if you are hosting a party.

1. **WHAT IS THE PROVISION FOR FIRE SAFETY?**

In the high-rise building, the corridors being fire escapes shall be free of all obstructions, including flower pots. Such pots can be kept in the private balconies. This is a fire regulation requirement. Fire drills will be conducted in the estate at least one a year.

1. **IS THERE POLICY ON SANITATION AND ENVIRONMENT?**

Yes, and they are:

* Residents of 1004 should always ensure that their surroundings are kept clean at all time.
* Illegal kiosk and structures for shops are prohibited within 1004.
* Hawking within 1004 is strictly prohibited.
* Hand bill/ flyer distribution within estate is prohibited.
* No street parties are allowed within 1004.
* Not to carry out on the common corridors cooking, washing, barbecue, spreading of clothes, pouring of water or any activity which may constitute nuisance to occupiers of adjoining flats
* Not to pound yam or any other food or substance within the flats or on the common corridor of the demised premises.
* Waste should not be placed in the common areas under any circumstances. Littering the elevators is particularly unacceptable.
* Not to loiter on the common corridor or do anything that could constitute an obstruction to the right of other occupiers and disable people within the estate.
* Not to throw or deposit or allow to accumulate any wastes or refuse otherwise than in the containers provided therefore and not to put anything in the sinks or lavatories which could lead to blockage in the pipes or drains serving the clusters.
* Not to smoke or encourage a guest to smoke in the common parts of the estate except in designated smoking areas.
* Not to throw spit, pour water, or however cause to be thrown or poured any object from the balcony or corridor of the buildings.
* Follow the directions for use of Chutes provided in the high-rise building; shall not leave trash of debris at the hatch of the chutes.
1. **WHAT IS/ARE BENEFIT OF RECREATIONAL FACILITY/GARDEN WITHIN 1004 ESTATE**

The Recreational Facilities and Garden within 1004 are for the benefit of residents who have duly paid both maintenance and the Association dues.

1. **WHO IS RESPONSIBLE FOR CLEANLINESS OF A RESIDENT’S APARTMENT?**

The occupant is responsible for the cleanliness of his/her apartment.

1. **WHAT IS THE POLICY ON ELECTRICAL INSTALLATIONS AND EQUIPMENTS WITHIN THE ESTATE?**
2. On no account, whatsoever are residents permitted to tamper with any electrical equipment within 1004.
3. All external electrical faults are to be reported to the respective Cluster Facilities Manager for immediate action and repairs.
4. You are not to remove the prepaid meter serving the demised premises.
5. Do not tamper or interfere in any way with equipment for making and pumping water, electricity, telephone and other services serving all or any of the buildings and other neighbouring property.
6. Not to install or use generators or inverters of whatever kind or size in or around the demised premises
7. Not to install or permit to be installed any industrial machinery or industrial electrical equipment on the demised premises or with the estate which is unduly noisy or causes dangerous vibrations.
8. **WHAT IS THE POLICY ON NOISE PROHIBITION?**
9. The persistent hooting of horn, particularly at night is inconsiderate and constitutes noise. Residents are advised to install doorbells at their doors for access to their premises.
10. Residents are advised to minimize noise emanating from their household in kind consideration for peaceful existence with neighbours. Also, we advise that the noise level should be kept low when parties are organized. We appeal to organizers of such parties to stop music at 9:00pm.in sympathy to neighbours in 1004.
11. Residents should also be considerate with the level of noise from their audio, video equipment and television.
12. **WHAT IS THE POLICY ON BUILDING DEVELOPMENT?**
13. Flats are designed essentially for residential purpose. Flats that are being used as offices shall ensure that they do not inconvenience their neighbours and adjourning flats.
14. Not to exhibit any sign plate or placard in or upon the demised premises.
15. Not to run electrical wires/cables or any other type of wire or cable to or from the demised premises to adjoining premises or any other part of the estate.