NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

A Federal Court has authorized this notice. Please read this notice carefully.

IMPORTANT INFORMATION AT A GLANCE.

This Notice is to inform you of a proposed settlement in a lawsuit about rules affecting Housing Choice Voucher tenants in Providence Homeowners Association ("PHOA").

You may be a member of the settlement class if you claim that you were harmed by PHOA's rental rules or by PHOA's alleged failure to address complaints of racial hostility.

This Notice is about proposed changes to PHOA's rules and policies. A separate part of the settlement addresses payments to eligible class members.

PHOA has agreed to:

- Change certain rental rules;
- Create a process for reporting discrimination, harassment, and retaliation;
- Provide annual fair housing training; and
- Maintain certain protections for current tenants.

Please read this Notice carefully. It contains important information about your legal rights, your options, and important deadlines.

1. WHY DID I RECEIVE THIS NOTICE?

A proposed settlement has been reached in a class action lawsuit, *Johnson et al. v. Providence Homeowners Association et al.*, Case No. 4:25-CV-00418-ALM.

The Plaintiffs in this lawsuit are seven Housing Choice Voucher households who lived in PHOA in Providence Village, Texas, when PHOA adopted certain rental restrictions in June 2022.

The lawsuit claims that PHOA violated the Fair Housing Act, 42 U.S.C. §§ 3604, 3617, by adopting Rental Rules that banned owners in PHOA from leasing to Housing Choice Voucher ("voucher") tenants, 92% of whom are Black or African-American. The lawsuit claims that PHOA's actions discriminated on the basis of race. The lawsuit also claims that PHOA failed to address complaints of racial hostility in PHOA and on unofficial PHOA social media.

The challenged rules included:

- A rule prohibiting homeowners in PHOA from leasing to voucher tenants;
- A rule requiring homeowners to live in their homes for 24 months before renting them out;
- A rule limiting the number of rental homes a homeowner could lease;
- A rule that capped the number of rental properties allowed in PHOA.

The lawsuit was filed against both PHOA and FirstService Residential Texas, Inc., which served as PHOA's property manager during the relevant period.

The Plaintiffs and PHOA have reached a proposed settlement. FirstService Residential Texas, Inc. has not settled. This Notice concerns only the proposed injunctive relief settlement with PHOA to change the rental rules and policies. The claims against FirstService Residential Texas, Inc. remain pending.

If approved, this settlement will change certain PHOA Rental Rules and create a process for reporting discrimination, harassment, retaliation, and racial hostility to the PHOA.

The Court has preliminarily approved the settlement but has not yet decided whether to grant final approval.

Note: This settlement provides injunctive relief to change the PHOA rental rules and policies; there is no monetary compensation or money damages being paid to individual class members.

2. AM I INCLUDED IN THE SETTLEMENT?

You may be a class member if you were harmed by:

- PHOA's rental rules, including rules affecting Housing Choice Voucher tenants; and/or
- PHOA's alleged failure to address complaints of racial hostility in PHOA or on unofficial PHOA social media.

The legal definition of the settlement class is:

> All "aggrieved persons," as defined by the Fair Housing Act, 42 U.S.C. § 3602(i), who claim to have been injured by Defendant PHOA's alleged discriminatory housing practices which are:
>
> 1. The enactment of the "PHOA Rental Rules" that banned voucher tenants in PHOA and enacted other rental restrictions for PHOA; and/or
> 2. The failure to address complaints of racial hostility in PHOA and in the unofficial PHOA social media.

3. WHAT DOES THE SETTLEMENT PROVIDE?

If the Court gives final approval of the settlement, PHOA has agreed to make the following changes to its rules:

1. **Owner-Occupancy:** PHOA shall eliminate any requirement for a PHOA Owner to reside in the home for any minimum period before leasing the home to any tenant, including any tenant who uses a Housing Choice Voucher or any other rental assistance. PHOA shall remove from all governing documents, rules, forms, and notices, any contrary language, including the following provision in the PHOA Rental and Leasing Rules:

"xiii. Initial Owner Occupancy Term. An Owner must reside in the home for the first twenty-four (24) consecutive months after acquiring an ownership interest in the home before the Owner may rent or lease the home pursuant to these Lease Rules."

2. **Fifteen-Rent House Rule:** PHOA will rescind and remove the existing One-Rent House Rule from its Declaration of Covenants and Restrictions. PHOA may amend its Declaration of Covenants and Restrictions to limit the number of houses each landlord may lease, but that limit may not be fewer than 15 houses.

3. **Housing Discrimination Complaint Process:** Within ninety days after the effective date of the settlement agreement, PHOA shall adopt and publish a written fair-housing grievance policy, subject to the Plaintiffs' reasonable review and comment, for complaints by applicants, tenants, prospective tenants, visitors, landlords, owners, and residents concerning discrimination, harassment, or retaliation. PHOA shall also provide anyone asserting a housing discrimination complaint or racial harassment complaint with instructional information on contacting HUD/local housing authorities including providing the information on how to file a Fair Housing complaint at https://www.tdhca.texas.gov//how-file-fair-housing-complaint.

4. **Fair Housing Training:** For five years after the effective date of the settlement agreement, PHOA's Board members, officers, committee members involved in leasing or enforcement, management staff, property managers, agents, contractors, and any future management company personnel assigned to PHOA leasing, compliance, or enforcement shall complete annual fair-housing training with a qualified provider selected by the HOA Board. The PHOA shall certify completion to the Plaintiffs within 10 days after each training.

5. **Rental House Cap:** PHOA shall not provide a cap on rental properties in PHOA at less than 18% of the single-family homes in PHOA.

6. **Current Leases:** All Owners leasing homes in PHOA as of the Settlement Effective Date will be able to continue leasing their homes to the current tenants through the pendency of any current lease and renewals or extensions to the current tenant, subject to the Leasing Rules section 2(i) Registration Requirements. PHOA shall not require any such Owner or tenant to sign any form, addendum, registration, certification, or acknowledgment that limits or prohibits rental assistance.

4. WHO REPRESENTS THE CLASS?

The Court has appointed the following attorneys as Class Counsel: Laura Beshara and Michael Daniel of Daniel & Beshara, P.C.; and Jason Bailey, Lauren Carbajal, Amira Perryman, and Maydrian Strozier-Lowe of the NAACP Legal Defense and Educational Fund, Inc. Class Counsel can be reached at:

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5. WHAT ARE MY RIGHTS AND OPTIONS?

This settlement class was certified for injunctive relief under Federal Rule of Civil Procedure 23(b)(2). Because of that, class members do not have the right to exclude themselves (opt-out) from the settlement.

If You Agree with the Settlement

- You do not need to do anything.
- If the Court grants final approval, the settlement will take effect and PHOA will be required to implement the changes described in this Notice.

If You Disagree with the Settlement

- If you disagree with the proposed settlement, you have the right to tell the Court why you disagree with the proposed settlement by submitting an objection in writing.
- Your objection must be mailed and received by the Court, Class Counsel, and Defense Counsel no later than December 12, 2026.
- If you want to testify or give evidence at the hearing, you must do the following:
    - Put the objection in writing;
    - Include "Johnson v. Providence Homeowners' Association", Case No. 4:25-CV-00418-ALM, at the top.

- Send copies of your objection at least fourteen (14) days before the hearing to the addresses listed below:
    - **Class Counsel:** Laura Beshara or Michael Daniel, Daniel & Beshara, P.C., 3301 Elm Street, Dallas, Texas 75226.
    - **Providence Homeowners Association attorney**: David Talbot or Sarah Smith, Dinsmore, JPMorgan Chase Tower, 600 Travis St., Suite 7350, Houston, Texas 77002.
    - **The Court:** United States District Clerk, Paul Brown United States Courthouse, 101 East Pecan Street Room 216, Sherman Division, Texas 75090

If you have any questions, please contact Class Counsel. **DO NOT CALL THE CLERK OR THE JUDGE**.

6. WHEN WILL THE COURT HOLD THE FAIRNESS HEARING?

The Court will hold a Fairness Hearing on **January 13, 2027 at 9:00 AM** at the United States District Court for the Eastern District of Texas Sherman Division in Judge Amos Mazzant's Court at the Paul Brown United States Courthouse, 101 East Pecan Street, Sherman, TX 75090.

At this hearing, the Court will consider whether the proposed settlement is fair, reasonable, and adequate, and whether to grant final approval.

You may attend the hearing, but you are not required to do so.

7. WHERE CAN I GET MORE INFORMATION?

This Notice is only a summary. For a complete copy of the Settlement Agreement, the Class Complaint, and other official court documents, please contact Class Counsel or visit the settlement website at www.ProvidenceHOAsettlement.com.