IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

Dewanna Johnson, Sheilla Nathan, Alonzo Tutson, Evora Sykes, Chanell Hobbs Revisha Silas, Evette Townsend, et al. Plaintiffs,	*	
	*	Case No. 4:25-CV-00418-ALM
v.	*	Judge Mazzant
Providence Homeowners Association, FirstService Residential Texas, Inc., Defendants.	*	

CLASS SETTLEMENT AGREEMENT WITH PROVIDENCE HOMEOWNERS' ASSOCIATION

PARTIES

This Settlement Agreement is entered into between Plaintiffs Dewanna Johnson, Sheilla Nathan, Alonzo Tutson, Evora Sykes, Chanell Hobbs, Revisha Silas, Evette Townsend, and the Plaintiff Class members (collectively, "Plaintiffs" or "Johnson Plaintiffs"), and Defendant Providence Homeowners' Association ("PHOA").

Plaintiffs Dewanna Johnson and Sheilla Picon (formerly Sheilla Nathan) are the Class Representatives for both the Federal Rule of Civil Procedure Rule 23(b)(2) Injunctive Relief Class certified in this Settlement Agreement and the Federal Rule of Civil Procedure Rule 23(b)(3) Damages Class certified in this Settlement Agreement.

The Parties agree that it is in the Parties' best interests to fully and finally resolve this matter on mutually agreeable terms, having reached a compromise and settlement of all claims without trial of any issues of fact or law raised in *DeWanna Johnson, et al. v. Providence Homeowners*

Association, Inc., et al., Case No. 4:25-cv-00418, pending in the United States District Court for the Eastern District of Texas, Sherman Division.

FACTUAL BACKGROUND

In June 2022, the Johnson Plaintiffs were residents of Providence Village, a residential subdivision located in Denton County, Texas ("Providence Village"). Defendant PHOA is the duly elected homeowners' association tasked with enacting and enforcing the subdivision's Declaration of Covenants, Conditions and Restrictions. In June 2022, PHOA enacted a ban on leasing to Section 8 Housing Choice Voucher ("voucher") tenants and related rental and leasing restrictions in Providence Village, including restrictions concerning owner- occupancy prior to leasing a home, the one-house limit on the number of rental properties by a Providence Village owner, and the rental cap on rental properties enacted in 2024(collectively, the "PHOA Rental Rules"). All of the Johnson Plaintiffs were leasing homes in PHOA with vouchers.

The Johnson Plaintiffs all filed administrative complaints with the U.S. Department of Housing and Urban Development ("HUD") concerning the voucher rental ban and alleged racial hostility accompanying the PHOA June 2022 Rental Rules. On January 14, 2025, the Secretary of HUD issued a Charge of Discrimination against PHOA and for the 53 filed administrative complaints that included Plaintiffs' complaints. HUD withdrew the referral of the Charge to the U.S. Department of Justice (DOJ) on February 21, 2025, and the DOJ did not file a lawsuit based on the HUD Charge.

The Johnson Plaintiffs filed this federal lawsuit, Civil Action No. 4:25-CV-00418-ALM *DeWanna Johnson, et al v. Providence Homeowners Association, Inc., et al,* in the United States District Court, Eastern District of Texas, Sherman Division, ("Lawsuit") on April 22, 2025, asserting claims

in this civil rights lawsuit under the federal Fair Housing Act pursuant to 42 U.S.C. §§ 3604 (a), (b), 3617 against PHOA and its property management company, FirstService Residential, Texas, Inc. In addition to their individual housing discrimination claims in the Lawsuit, Plaintiffs Dewanna Johnson and Sheilla Picon (formerly Sheilla Nathan) sought to represent a class for injunctive relief and a class for damages.

On January 5, 2026, the Court issued an opinion on Defendants' Motion to Dismiss and entered an Order of Partial Dismissal dismissing the Johnson Plaintiffs' disparate impact claims. To date, the Johnson Plaintiffs' individual and class claims for intentional racial discrimination under the Fair Housing Act remain in the case.

SETTLEMENT

Plaintiffs and Defendant PHOA consider it desirable that all causes of action and the claims alleged in the pending Lawsuit against Defendant PHOA be settled upon the terms and conditions set forth in this Agreement, in order to avoid the further expense and uncertainty of protracted litigation.

This Settlement specifically excludes any settlement with Defendant FirstService Residential, Texas, Inc., and the Johnson Plaintiffs' and Class Members' claims are proceeding in litigation against Defendant FirstService Residential Texas, Inc.

INVESTIGATION

Counsel for the proposed settlement class have investigated the factual allegations raised in the HUD proceeding available to counsel and the applicable law. This includes the HUD Final Investigative Report concerning the HUD investigation that led to HUD's Charge and the

corresponding HUD electronic record of over 10,000 pages Both parties have engaged in discovery and obtained facts concerning the litigation.

SETTLEMENT NEGOTIATIONS

The Parties have engaged in extensive arms-length settlement negotiations. The Parties attended mediation on March 9 and 10, 2026, with a neutral mediator agreed to by the Parties, Judge David Kelton. After this mediation, the Parties continued to engage in settlement discussions through the mediator. Another mediation session was held with Judge Kelton on May 20, 2026, . After this last mediation, the Johnson Plaintiffs and the Class Representatives sent a formal written settlement demand made pursuant to the *Stowers* doctrine as established in *G.A. Stowers Furniture Co. v. American Indemnity Co.*, 15 S.W.2d 544 (Tex. Comm'n App. 1929), and its progeny to PHOA's insurer on May 24, 2026, and this demand was accepted on May 29, 2026. The Johnson Plaintiffs and the Class Representatives have decided to settle all claims with Defendant PHOA with this Settlement Agreement subject to the Court's approval pursuant to Federal Rule of Civil Procedure Rule 23(e).

CLASS ACTION SETTLEMENT AGREEMENT

The Johnson Plaintiffs, Class Representatives and their Counsel have concluded that the terms and conditions of this Settlement Agreement are fair, reasonable and adequate to Class Representatives and the Class, and in their best interests, and have agreed to settle the claims raised in the Amended Complaint pursuant to the terms and provisions of this Settlement Agreement. The Johnson Plaintiffs desire to settle their claims against Defendants, having taken into account, through their counsel, the risks, delay and difficulties involved in further litigation. Based on the foregoing, and upon an analysis of the benefits which this Settlement Agreement affords the Class

Members, Counsel for the Class Members considers it in the best interests of the Class Members to enter into this Agreement, and that the Agreement is fair, reasonable, adequate and in the best interests of the Class.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among Class Representatives and Defendant, subject to the approval of the Court pursuant to the procedures mandated by Federal Rule of Civil Procedure 23(e), as follows:

EFFECTIVE DATE

"Effective Date" means the date upon which the Settlement contemplated by this Settlement Agreement shall become effective, upon approval by the Court, and entry of an Order approving the settlement.

ESTABLISHMENT OF CLASS SETTLEMENT FUND

Within ten (10) days following the Effective Date, Defendant PHOA, through its insurer, shall pay or cause to be paid $567,250 into the Escrow Account for the Class Settlement Fund established by the Class Settlement Administrator.

SETTLEMENT CLASSES

Injunctive Relief Class

The Class Representatives and PHOA agree and stipulate that for the sole purposes of resolving and settling the class claims for injunctive relief, pursuant to the Court's approval, the following Rule 23(b)(2) Class shall be certified under rules 23(a) and 23(b)(2) of the Federal Rules of Civil Procedure:

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 ban on leasing to Housing Choice Voucher tenants, owner-occupancy requirements, rental property ownership limitations or any other leasing restrictions in the PHOA enacted by the PHOA in June 2022 and 2024, and/or claim to have been injured by any alleged racial hostility, threats, intimidation and/or harassment made the basis of the claims and/or causes of action alleged in the Lawsuit.

Damages Class

The Class Representatives and PHOA agree and stipulate that for the sole purpose of resolving and settling the claims for monetary relief, pursuant to the Court's approval, the following Rule 23(b)(3) Class should be certified under Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure:

All Housing Choice Voucher tenants who reside or resided in Providence Village at the time of the enactment of the ban on vouchers and other rental restrictions, including tenants who subsequently moved out of PHOA, who were and are impacted by PHOA's ban on vouchers and/or the rental restrictions and/or the racially hostile living environment for whom an award for damages is sought.

Both Classes certified for this Settlement Agreement exclude the McKinney Housing Authority and the Denton Housing Authority, which have filed separate lawsuits against the PHOA.

SETTLEMENT ADMINISTRATOR

The Settlement Administrator shall be American Legal Claims Services. Counsel for the Johnson Plaintiffs and Class Members will provide the Settlement Administrator with the lists

obtained by the FirstService subpoena from the Denton Housing Authority, the Dallas Housing Authority, and the McKinney Housing Authority under the Confidentiality Order in this case for use in providing Notice to the Class Members within 15 days of the Court's order preliminarily approving the Settlement Agreement. Additionally, these housing authorities are producing the PHOA voucher tenant names, email addresses, and mailing addresses under the Confidentiality Order in this case for the purpose of providing notice to the putative class. Notice shall be sent within 30 days of the Court's order preliminarily approving the Class Settlement and the proposed Notice to the classes. The proposed Notice to the Damages Class is attached as Exhibit A and the proposed Notice to the Injunctive Relief Class is attached as Exhibit B.

The Class Settlement Administration costs incurred by the Class Settlement Administrator shall be paid out of the Escrow Account. The Class Settlement Administrator has agreed that the Settlement Administration Costs will not exceed $10,000.

CASE CONTRIBUTION AWARDS TO THE JOHNSON NAMED PLAINTIFFS

Within fifteen (15) days from the Court's final approval of this Settlement Agreement, the Settlement Administrator shall issue payments from the Class Settlement Fund in the amount of $15,000 to each of the following individual Plaintiffs: Dewanna Johnson, Sheilla Picon, Alonzo Tutson, Evora Sykes, Chanell Hobbs, Revisha Silas, and Evette Townsend. These payments include Case Contribution Awards in recognition of these individual Plaintiffs' efforts on behalf of the Settlement Classes. These Plaintiffs provided significant evidence during the HUD investigation and this litigation that assisted in the resolution of this case for the benefit of the Classes.

These case contribution awards are for this civil rights settlement described herein. Pursuant to 24 C.F.R. §5.609 (b)(25) and 24 C.F.R. §5.601, these awards shall not be considered as income by any Housing Authority or HUD, for purposes of determining eligibility for Housing Choice Voucher assistance. Nor shall such payments be treated as income for purposes of calculating tenant rent obligations under the Housing Choice Voucher program.

MONETARY RELIEF TO THE RULE 23(b)(3) CLASS

Within fifteen (15) days following the Effective Date of this Settlement Agreement, the Class Settlement Administrator, shall begin the distribution of the Class Settlement Fund to the members of the Rule 23(b)(3) Class.

The distribution of the Class Settlement Fund to Rule 23(b)(3) Class members is set forth as follows:

If a Rule 23(b)(3) Class Member submits a completed **Form A** and a signed Release of Claims (**Form** B) to the Class Settlement Administrator within one (1) year of the Notice to the Rule 23(b)(3) Class, and the claim is approved by the Class Settlement Administrator, the Administrator shall issue a damages payment to the Class Member within ten (10) days of approval of the claim form.

The amounts to be distributed to the Rule 23(b)(3) Class members are as follows:

All Rule 23(b)(3) class members, as defined above, shall be eligible for a $2,024 award from the Class Settlement Fund. Each eligible Housing Choice Voucher receives only one payment under this Class Settlement.

If a Class Member informs the Settlement Administrator during the Notice and Opt-Out Period, pursuant to the process specified in the Damages Class Notice **(Exhibit A)**, that they elect to receive payment via peer-to-peer electronic payment and provides the Settlement Administrator with the information necessary to facilitate such payment, the Settlement Administrator shall disburse the Class Member's payment through the elected peer-to-peer payment method. If a Class Member does not elect an alternative payment method, the Settlement Administrator shall mail a check to the address identified by the Class Member during the Notice and Opt-Out Period pursuant to the process specified in the Damages Class Notice **(Exhibit A)**. If no address is identified by the Class Member, payment shall be mailed to the address to which the most recent Notice not returned undeliverable was sent.

These damages awards for the voucher tenants are for this civil rights settlement described herein. Pursuant to 24 C.F.R. §5.609 (b)(25) and 24 C.F.R. §5.601, these damages awards shall not be considered as income by any Housing Authority or HUD for purposes of determining eligibility for Housing Choice Voucher housing assistance. Nor shall such payments be treated as income for purposes of calculating tenant rent obligations under the Housing Choice Voucher program.

If any portion of the Class Settlement Fund remains in the Escrow Account one (1) year after the distribution of payments to the Named Plaintiffs and Class Members, any remaining funds shall be distributed to a mutually agreed upon charity whose work includes assisting Housing Choice Voucher tenants.

INJUNCTIVE RELIEF FOR RULE 23(b)(2) CLASS

In full, complete and final resolution of the injunctive relief claims asserted or that could have been asserted in the Class Action, and subject to the satisfaction of all the terms and conditions

of this Class Settlement Agreement, PHOA shall engage in the following injunctive relief for the benefit of the Plaintiffs, Class Representatives, and the Rule 23(b)(2) Class upon Court approval of this Settlement Agreement:

a. 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."

b. 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.

c. 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.

d. 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.

e. Rental House Cap: PHOA shall have the right to enforce a cap limiting the percentage of rental properties in Providence Village to no lower than 18% of the single-family homes in Providence Village.

f. 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.

ATTORNEYS FEES AND COST

The Class Representatives and PHOA agree that Class Counsel are entitled to recover reasonable attorneys' fees and costs in an amount of $100,000 from the Class Settlement Fund. This amount is equal to 17.63% of the total Class Settlement Fund. PHOA agrees not to oppose Class Counsel's motion to the Court for $100,000 in attorneys' fees and costs.

Within fifteen (15) days following the Effective Date, the Class Settlement Administrator shall issue payment for attorneys' fees and costs to Class Counsel via check or wire transfer made out to Daniel & Beshara, P.C. for $90,000 and to LDF for $10,000.

RELEASES

The individual Johnson Plaintiffs and each putative Class Member shall, as of the Effective Date of the approval of the Settlement Agreement by the Court, be deemed to fully release, acquit and forever discharge Defendant PHOA, as well as its respective past, present and future officers, directors, employees, members, managers, stockholders, attorneys, agents (but agent specifically does not include Defendant FirstService Residential Texas, Inc.), servants, representatives, insurers, and all employees, subsidiaries, parents, affiliates, partners, predecessors, successors in interest, and all other persons, firms, or corporations with whom any of the former have been, or now may hereinafter be affiliated of and from any and all causes of action, claims, charges, suits and/or demands for damages, expenses, costs, debts, obligations, interest, sanctions and/or fees of any kind and/or any and all liabilities, foreseen or unforeseen, claimed or unclaimed, in law or in equity, in any way arising out of, relating to, resulting or which may result from the allegations contained in the Lawsuit against PHOA.

THE JOHNSON PLAINTIFFS AGREE TO SETTLE AND/OR SATISFY ANY AND ALL OUTSTANDING LIENS, LETTERS OF PROTECTION, RIGHTS OF SUBROGATION OR INDEMNIFICATION WITH RESPECT TO ANY DAMAGES NECESSITATING REMEDIATION; OR ANY OTHER PAID SERVICES OTHERWISE PROVIDED TO OR ON BEHALF OF JOHNSON PLAINTIFFS RESULTING FROM

JOHNSON PLAINTIFFS' DAMAGES ARISING FROM OR RELATING TO THE LAWSUIT, OR MATTERS RELEASED IN THIS AGREEMENT.

The release of Defendant PHOA specifically excludes from any release and will not release FirstService Residential Texas, Inc., Cody Watson, or any other FirstService Residential, Texas, Inc. employees from any claims in the instant litigation

CLASS SETTLEMENT NOTICE AND HEARING

Concurrently with submission of this Class Settlement Agreement, Class Representatives shall submit to the Court a motion that will be unopposed by PHOA for entry of the Order for Notice and Hearing, requesting preliminary approval of the Settlement and certification of the Class; and authorization to disseminate Notice of such certification of the Class, of the Settlement, and of the final judgment contemplated by this Class Settlement Agreement to all known Class Members.

PHOA agrees to not oppose the Class Representatives' motion for approval of the Class Settlement Agreement.

NOTICE TO THE RULE 23(b)(3) DAMAGES CLASS

Rule 23(b)(3) Class Members will be identified from the subpoena responses from the Denton Housing Authority, the Dallas Housing Authority, and the McKinney Housing Authority. These three housing authorities will provide the PHOA voucher tenant names, email addresses, and mailing addresses under the Confidentiality Order in this case for the purpose of providing notice to the putative class.

Within thirty (30) days after the date of entry of the Order for Notice and Hearing, the Class Settlement Administrator shall distribute a Notice, substantially in the form attached as Exhibit A, by first class mail and email to all individuals identified on the Rule 23 (b)(3) Class List using the most recent contact information available to the Parties, including mailing and email addresses where available.

NOTICE TO THE RULE 23(b)(2) INJUNCTIVE RELIEF CLASS

Rule 23(b)(2) Class Members shall be provided notice of the of the proposed Injunctive Relief Settlement. The Injunctive Relief Class members to be noticed shall consist of the following groups:

a. The fifty-one (51) HUD Complainants identified in the January 14, 2025 HUD Charge, excluding the McKinney Housing Authority and the Denton Housing Authority;

Owners in PHOA who lease homes to voucher tenants, as identified in the responses to the FirstService subpoena to the Denton Housing Authority, the Dallas Housing Authority, and the McKinney Housing Authority;

b. Housing Choice Voucher tenants who resided in PHOA at any time after May 31, 2022, as identified in the FirstService subpoena responses from the Denton Housing Authority, the Dallas Housing Authority, and the McKinney Housing Authority.

Within thirty (30) days after the date of entry of the Order for Notice and Hearing, the Class Settlement Administrator shall distribute Notice, substantially in the form of Exhibit B, to Rule 23(b)(2) Class Members by email using the most recent contact information available.

CLASS NOTICE FORMAT

The class notice to the Damages Class will be in the general format attached hereto as **Exhibit A.** The class notice to the Injunctive Relief Class will be in the general format hereto as **Exhibit B**. The costs of providing Notice to the Classes shall be paid from the amount allocated to the Settlement Administrator.

CLASS MEMBER RIGHT TO OPT OUT

All Class Members who wish to present objections to the proposed Class Settlement must do so in writing as specified by the procedure in the Notice.

Written objections must be mailed and postmarked no later than ___ days after entry of the Order for Notice and Hearing to the United States District Court for the Eastern District of Texas, Paul Brown United States Courthouse, 101 East Pecan Street, Sherman, TX, 75090, and to Class Counsel and Defense Counsel. In the event the Class Settlement Administrator receives a written objection, within five (5) days of receipt, the Class Settlement Administrator shall serve copies on Class Counsel, who will electronically file the written objection with the Court and cause the written objections to be served electronically on Defense Counsel contemporaneously therewith.

OBJECTIONS AND RIGHT TO APPEAR

Any Class Member who objects to the settlement contemplated by this Agreement shall have a right to appear and be heard at the fairness hearing, provided that such person files with the Court a written notice of objection no more than ___ days after the Court's Order preliminarily approving the class settlement. Through his or her notice of objection, and subject to the court's approval, a Class Member must include his or her:

a. Full name;

b. Address;

c. Telephone number;

d. A statement of the objection.

PRELIMINARY APPROVAL

As soon as practicable after execution of this Settlement Agreement, the Parties shall apply to the Court for an order which:

a. Preliminarily approves this Settlement Agreement.

b. Schedules a hearing for final approval of this Settlement Agreement by the Court.

c. Approves the form of notice to the class, to be published as described above.

d. Finds that emailing and/or mailing of such class notice as set forth in the procedure for Notice to the Rule 23(b)(2) Injunctive Relief Class members and separately to the Rule 23(b)(3) Damages Class members is the only notice required and that such notice satisfies the requirements of due process and Rule 23 of the Federal Rules of Civil Procedure.

FINAL APPROVAL

After the conclusion of the fairness hearing, the Court will determine whether to enter a final order approving the terms of this Settlement Agreement as fair, reasonable, and adequate, providing for the implementation of those terms and provisions, finding that the Notice given to the Class Members satisfies the requirements of due process and Rule 23 of the Federal Rules of Civil Procedure, directing the entry of the proposed final order, and retaining jurisdiction to enforce the provisions of this Agreement.

MISCELLANEOUS PROVISIONS

OTHER MATTERS

The parties and their attorneys agree to cooperate fully with one another in seeking court approval of this Settlement Agreement, and to use their best efforts to effect the consummation of this Agreement and the settlement provided for herein as soon as is reasonably possible.

Should the Court deny approval of the Proposed Settlement of the Class Claims, and/or the Parties despite their best efforts, otherwise fail to complete the settlement of the Class Claims, both Parties reserve the right to re-assert their positions contained in their respective pleadings, motions and briefs concerning the Class Action claims.

The parties, through their authorized Counsel, have executed this Settlement Agreement as of the date(s) indicated below.

BY: Glenda Bradford DATE: 9/1/26

FOR DEFENDANT PROVIDENCE HOMEOWNERS' ASSOCIATION, INC.

BY: s/ Laura B. Beshara DATE: August 19, 2026

ON BEHALF OF PLAINTIFFS AND THE PUTATIVE CLASS

Respectfully submitted,

s/ Laura B. Beshara
Laura B. Beshara
State Bar No. 02261750
DANIEL & BESHARA, P.C.
3301 Elm Street
Dallas, Texas 75226-1637
214-939-9230
Fax 214-741-3596
E-mail: laurabeshara@swbell.net
Lead Attorney for Plaintiffs

Michael M. Daniel
State Bar No. 05360500
DANIEL & BESHARA, P.C.
3301 Elm Street
Dallas, Texas 75226-1637
214-939-9230
Fax 214-741-3596
E-mail: daniel.michael@att.net

Lauren Carbajal*
Amira Perryman**
NAACP LEGAL DEFENSE & EDUCATIONAL FUND, INC.
40 Rector St., FL 5,
New York, NY 10006
(212) 217-1690
lcarbajal@naacpldf.org
aperryman@naacpldf.org

Jason Bailey*
Maydrian A. Strozier-Lowe*
NAACP LEGAL DEFENSE & EDUCATIONAL FUND, INC.
700 14th Street NW, Suite 600
Washington, DC 20005
(202) 249-2187
jbaliey@naacpldf.org
mstrozier-lowe@naacpldf.org
*admitted pro hac vice
** pro hac vice admission forthcoming

Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I hereby certify that I served counsel for all Parties with the foregoing document though ECF/ PACER, as authorized by the Federal Rules of Civil Procedure on September 4, 2026.

s/ Laura B. Beshara
Laura B. Beshara

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

Dewanna Johnson, et al., Plaintiffs,	*	
	*	Case No. 4:25-CV-00418-ALM
v.	*	Judge Mazzant
Providence Homeowners Association, et al., Defendants.	*	

NOTICE OF PENDING CLASS ACTION SETTLEMENT

TO: Housing Choice Voucher Tenants Who Resided in Providence Homeowners' Association in Providence Village, Texas, as of May 31, 2022.

IMPORTANT: PLEASE READ THIS NOTICE CAREFULLY.
IT EXPLAINS YOUR RIGHTS AND OPTIONS.

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

You may be entitled to a monetary payment under the proposed settlement if you had a Housing Choice Voucher and lived in PHOA as of May 31, 2022.

Please read this Notice carefully. It contains important information about your options, your legal rights, and important deadlines for you to take action.

IMPORTANT INFORMATION AT A GLANCE

You may be included in this settlement and eligible for a payment of **$2,024** if:

- You were the head of a Housing Choice Voucher household; and
- You lived in Providence Homeowners Association in Providence Village, Texas as of May 31, 2022.

To receive a payment, you must:

✓ Complete the Eligibility Form;
✓ Sign the Release of Claims Form; and
✓ Submit both forms by [**DATE**].

EX A

You will not receive a payment from this settlement if you do not submit both forms by the deadline.

WHY DID I RECEIVE THIS NOTICE?

You received this Notice because records from the Denton Housing Authority, the Dallas Housing Authority, or the McKinney Housing Authority show that you may be a member of a proposed settlement class.

The Plaintiffs in this lawsuit are current and former Housing Choice Voucher tenants who lived in the Providence Homeowners' Association ("PHOA") in Providence Village, Texas. They sued PHOA and First Service Residential Texas, Inc., which was PHOA's property manager during the relevant time period.

The lawsuit alleges that PHOA adopted rental restrictions in 2022 that unlawfully discriminated against Housing Choice Voucher ("voucher") tenants. The lawsuit alleges that the restrictions violated the Fair Housing Act because were racially discriminatory because most of the voucher tenants were Black or African-American. The lawsuit also alleges that PHOA's rental restrictions affecting voucher households created a racially hostile living environment for Black or African-American residents.

PHOA denies the allegations and denies that it violated the law.

The Plaintiffs and PHOA have reached a proposed settlement. FirstService Residential, Texas, Inc. has not settled. The part of the lawsuit against FirstService Residential Texas, Inc. is not resolved by this settlement and will continue to proceed in court.

The Court has not yet decided whether to approve the settlement, but the Court will hold a hearing to determine if the settlement will be approved.

You can learn more about the lawsuit and proposed settlement **[here – link to website set up by Settlement Administrator].**

This Notice is to inform you of both a proposed Class certification and a proposed class settlement with the PHOA and to advise you of your options under the settlement.

AM I INCLUDED IN THE SETTLEMENT?

You may be included in the settlement if:

- You had a Housing Choice Voucher; and
- You lived in PHOA as of May 31, 2022.

According to the records of the Denton Housing Authority, the Dallas Housing Authority, and the McKinney Housing Authority, you may be a member of the class and may be eligible to receive a payment of **$2,024**.

This payment represents your share of the compensatory damages payment that PHOA is making to resolve this lawsuit. Only the holder of the Housing Choice Voucher is eligible to receive this payment.

WHAT DOES THIS MEAN FOR ME?

If you are determined to be included in the settlement (which means you are a Settlement Class Member), this settlement will provide you with a one-time monetary payment.

To receive this payment, you must release, or agree to give up, certain legal claims against PHOA. These claims are described in the enclosed Release of Claims Form.

WILL THIS PAYMENT AFFECT MY ELIGIBILITY FOR HOUSING VOUCHERS?

This payment is for the settlement of a civil rights lawsuit. Housing Authorities and the U.S. Department of Housing and Urban Development ("HUD") are **NOT** allowed to count this payment as income when deciding whether you are eligible for Housing Choice Voucher housing pursuant to 24 C.F.R. §5.609 (b)(25) and 24 C.F.R. §5.601. They also are **NOT** allowed to count this payment as income when calculating your rent for a Housing Choice Voucher.

This settlement applies only to claims against PHOA. It does not settle or release any claims against FirstService Residential, Texas, Inc., PHOA's property manager during the relevant time period.

OTHER TERMS OF THE PROPOSED SETTLEMENT

PHOA's will pay a total settlement fund of $567,250.

The settlement fund will be used as follows:

Payment Category	Amount
Attorneys' fees	$100,000
Payment to the seven named Plaintiffs, including the two class representatives	$105,000
Administrative costs to distribute the settlement money.	$10,000
Estimated amount available for class member payments	$352,250

The two class representatives and the other five named plaintiffs will receive settlement payments of $15,000 each. These payments are to compensate them for their significant contributions to this lawsuit, including providing evidence that helped resolve the case for the class. These payments also recognize the additional effort and risks that come with being named Plaintiffs in the lawsuit.

The total amount of the settlement fund from PHOA that is set aside for the class action settlement is $567,250. The following amounts will be paid for specific purposes: $100,000 in attorney fees (this is 17.6% of the total fund); $105,000 for the total payments to the seven named plaintiffs including the two class representatives; and $10,000 for the administrative work to accurately distribute the money to the Settlement Class Members.

The number of Settlement Class Members for the per capita distribution of the remaining $352,250 of the fund (62% of the fund) is estimated to be 213, not counting the named Plaintiffs.

If this estimate is correct, each eligible Settlement Class Member will receive approximately **$ 2,024**. If fewer class members submit valid claims, any remaining funds will also be distributed to the Settlement Class Members that did make valid claims.

RIGHT TO OBJECT TO THE SETTLEMENT AND OPT OUT OF THE CLASS

You have the right to object to this proposed settlement.

You have the right to object to the attorneys' fees set out in the proposed settlement and to object to the Plaintiffs' Motion for Attorneys' Fees in the Amount Set out in the Settlement Agreement.

If you want to object to this Class Settlement, then mail your written objections along with the enclosed "Objection Form" to:

United States District Court
Eastern District of Texas
Sherman Division
101 East Pecan Street
Sherman, TX 75090

You can appear in person to state your objections to the Court at the hearing set by the Court to decide whether to approve this proposed Class Settlement. The Court hearing on whether to approve this proposed Class settlement will be held on _____, 2026 at _____, 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.

If you agree with this proposed settlement, then you do not need to appear at the Court hearing and you do not need to fill out an Objection Form.

If the Court approves the settlement, and you continue to object to the Class Settlement, you will have the right to take the action of opting out of the settlement and out of this case. "Opting out" means that you will not receive payment from the proposed settlement. Opting out means you are turning down the proposed settlement payment. If you opt out, you can bring your own separate lawsuit against the PHOA for damages.

To opt out, fill out the enclosed "Opt Out" form and mail it to:

United States District Court
Eastern District of Texas
Sherman Division
101 East Pecan Street
Sherman, TX 75090

You do not have to state any reasons for your decision to Opt Out. If you Opt Out, do not fill out or sign the "Release form."

WHAT IS MY NEXT STEP TO BE AN ELIGIBLE CLASS MEMBER?

To be eligible for payment, you must complete, sign and return the enclosed (1) Eligibility form and (2) Release of Claims form to:

[mailing address]

Or

Complete these forms on the portal at [website].

DEADLINE: The forms must be submitted by [specific date].

You may receive a share of the settlement funds only if you fill out, sign, and submit both of these forms and the Court approves this Class Settlement. The Eligibility Form asks for information needed to confirm that you are one of the individuals covered by this settlement. The Release form says that in return for the payment, you will not continue to sue PHOA for the claims in the lawsuit and that upon your receipt of the funds, your claim against PHOA will be dismissed. The Release form also says that you will not have any basis to file a new lawsuit against PHOA for the claims asserted in this lawsuit or for the facts regarding the June 2022 rental rules. The Release Form does not apply to your claims against FirstService Residential, Texas, LLC., and the claims against FirstService Residential, Texas, LLC will continue.

Do not fill out, sign, or submit the Eligibility Form or Release Form if you want to Opt Out. If you want to Opt Out, submit the Opt Out form instead.

After the Court approves the Class Settlement after the Court hearing and after correct completion and submission of these forms, a final decision will be made about your eligibility for payment.

If you fail to return both of the required forms by the deadline above, or if your forms do not verify your eligibility, you will not be eligible to receive any of the PHOA settlement funds.

ADDITIONAL INFORMATION

The lawyers representing the Plaintiffs are available to answer your questions. These lawyers and their contact information are set out below.

Laura B. Beshara
State Bar No. 02261750
DANIEL & BESHARA, P.C.
3301 Elm Street
Dallas, Texas 75226-1637
214-939-9230
Fax 214-741-3596
E-mail: laurabeshara@swbell.net
Lead Attorney for Plaintiffs

Michael M. Daniel
State Bar No. 05360500
DANIEL & BESHARA, P.C.
3301 Elm Street
Dallas, Texas 75226-1637
214-939-9230
Fax 214-741-3596
E-mail: daniel.michael@att.net

Lauren Carbajal
Amira Perryman
NAACP LEGAL DEFENSE &
EDUCATIONAL FUND, INC.
40 Rector St., FL 5,
New York, NY 10006
(212) 217-1690
lcarbajal@naacpldf.org
aperryman@naacpldf.org

Jason P. Bailey
Maydrian A. Strozier-Lowe
NAACP LEGAL DEFENSE &
EDUCATIONAL FUND, INC.
700 14th Street NW, Suite 600
Washington, DC 20005
(202) 249-2187
jbailey@naacpldf.org
mstrozier-lowe@naacpldf.org

EX A

FORM A

Eligibility Form

COMPLETE THIS FORM to find out if you are eligible to receive a payment from the Class Settlement Fund.

MORE INFORMATION: https://www.___ [Settlement Administrator website]

To receive a Class Settlement payment, you must carefully read, complete and sign this Eligibility Form and the Release Form. These forms are required by the terms of the Class Settlement in *Dewanna Johnson et al. v. Providence Homeowners Association; et al,* Civil Action No. 4:25-CV-00418-ALM, U.S. District Court, Eastern District of Texas, Sherman Division.

You may fill out these forms online at the [website___]

OR

You may mail these forms to the address below:

_____

c/o American Legal Claims Services, LLC, Settlement Administrator

Complete the information below to determine whether you are eligible for a Class Settlement payment.

Name:_____

Current Address:_____

Email:_____

Telephone Numbers: Cell_____ Work_____

Please state the dates that you leased a home in Providence Homeowners Association. You must have been in residence as of May 31, 2022 to be eligible:

_____

Please provide the address where you resided in Providence Homeowners' Association during this time_____

Please provide the Housing Authority that administered your Housing Choice Voucher while you resided in Providence Housing Authority _____

RELEASE OF CLAIMS

In consideration of the payment offered to me in Class Settlement between the Johnson plaintiffs (Housing Choice Voucher tenants) and the Providence Homeowners' Association (PHOA) in *Dewanna Johnson et al. v. Providence Homeowners Association; et al*, Civil Action No. 4:25-CV-00418-ALM, U.S. District Court, Eastern District of Texas, Sherman Division:

I, _____(print name), hereby fully release, acquit and forever discharge Defendant Providence Homeowners' Association PHOA, as well as its respective past, present and future officers, directors, employees, members, managers, stockholders, attorneys, agents (but agent specifically does not include Defendant FirstService Residential Texas, Inc.), servants, representatives, insurers, and all employees, subsidiaries, parents, affiliates, partners, predecessors, successors in interest, and all other persons, firms, or corporations with whom any of the former have been, or now may hereinafter be affiliated its officers, directors, board members, successors, assigns and employees of and from any and all causes of action, claims, charges, suits and/or demands for damages, expenses, costs, debts, obligations, interest, sanctions and/or fees of any kind and/or any and all liabilities, foreseen or unforeseen, claimed or unclaimed, in law or in equity, in any way arising out of, relating to, resulting or which may result from the allegations contained in the of all claims, controversies, liabilities, actions and causes of action, which were asserted or could have been asserted in this litigation Lawsuit against PHOA.

The release of Defendant PHOA specifically excludes from any release and will not release FirstService Residential Texas, Inc., Cody Watson, or any other FirstService Residential, Texas, Inc. employees from any claims in the instant litigation

This Release constitutes the entire agreement between myself and Defendant Providence Homeowners' Association with regard to the claims identified above.

I acknowledge that a copy of the Class Settlement Agreement has been made available to me through the website maintained by the Settlement Administrator (https://www._____ [American Legal Claims Services, LLC website]. By signing this Release, I acknowledge that I have been provided the opportunity to review the Class Settlement Agreement.

I HAVE READ THIS RELEASE AND UNDERSTAND THE CONTENTS THEREOF AND I EXECUTE THIS RELEASE OFMY OWN FREE WILL.

Date:_____ _____

Signature

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:

Laura B. Beshara
State Bar No. 02261750
DANIEL & BESHARA, P.C.
3301 Elm Street
Dallas, Texas 75226-1637
214-939-9230
Fax 214-741-3596
E-mail: laurabeshara@swbell.net
Lead Attorney for Plaintiffs

Michael M. Daniel
State Bar No. 05360500
DANIEL & BESHARA, P.C.
3301 Elm Street
Dallas, Texas 75226-1637
214-939-9230
Fax 214-741-3596
E-mail: daniel.michael@att.net

Lauren Carbajal
Amira Perryman
NAACP LEGAL DEFENSE &
EDUCATIONAL FUND, INC.
40 Rector St., FL 5,
New York, NY 10006
(212) 217-1690
lcarbajal@naacpldf.org
aperryman@naacpldf.org

Jason P. Bailey
Maydrian A. Strozier-Lowe
NAACP LEGAL DEFENSE &
EDUCATIONAL FUND, INC.
700 14th Street NW, Suite 600
Washington, DC 20005
(202) 249-2187
jbaliey@naacpldf.org
mstrozier-lowe@naacpldf.org

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 [Insert Date].
- 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 **[Insert Date]** at **[Insert Time]** in **[Courtroom Number]** 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 [website].