

Exhibit A

STATEMENT OF WORK #1

This Statement of Work #1 (this “SOW”) is made and entered into as of May 20th, 2024 by The Town of Lyons (“Client”) and BC Services, Inc. (“Company”) (individually, a “Party”) and collectively, the “Parties”), and is subject to the terms and conditions of the Master Services Agreement between the Parties dated May 20th, 2024 (the “Services Agreement”). The entire Services Agreement is incorporated herein by reference. To the extent of any conflict between this SOW and the Services Agreement, the Services Agreement will control.

- 1. PURPOSE AND HIGH-LEVEL SCOPE OF SERVICES:** Client has the need for a Third-Party Collection Company to perform collection and legal activity on outstanding and/or delinquent Accounts Receivable (“AR”) accounts. These Accounts will be placed with Company to perform the Collection Activity.
- 2. TERM:** This SOW shall be effective as of March 20th, 2024 (“Effective Date”) and shall thereafter be subject to the Term and Renewal Term provisions of the Master Services Agreement (“Agreement”). The term can be modified by mutual agreement of the parties.
- 3. OPERATING STATES:** Client anticipates placing accounts related to this SOW from all the following states: *Mostly the State of Colorado with the potential for all others.*
- 4. DETAILED DESCRIPTION OF SERVICES:**
 - A. Preliminary Data Scrubs.** When Client places accounts with Company, prior to any collection communication, accounts will be scrubbed for the following information:
 - i. Bankruptcy
 - ii. Deceased
 - iii. National Change of AddressIn the event client is unable to provide necessary data points to Company, the results of the scrub could be incomplete or inconclusive. Data scrubs outside of preliminary scrub do occur as necessary.
 - B. Standard Collection Activity.** As per FDCPA and Regulation F, any accounts that are placed for bad debt recoveries are required a minimum of 50 days collection activity prior to additional legal activity.
 - i. Letters: Company will send out all necessary collection notices that are standardized to be in full compliance with the Consumer Financial Protection Bureau (“CFPB”) Regulation F, the Fair Debt Collection Practices Act (“FDCPA”) and all applicable state laws.

- ii. Calls: Company will attempt all necessary phone calls to collect the account. Company has established standard best practice workflows and segmentation to maintain compliance with the CFPB's Regulation F, the FDCPA and the Telephone Consumer Protection Act (TCPA).
- iii. Skip tracing: As necessary, Company will utilize third party providers to try and find location information for debtors.

C. Extraordinary Collection Activity.

- i. Legal Collections: Company will obtain prior written approval from Client before pursuing litigation on any Client consumer bad debt account. Company pursues litigation when Company determines that consumer or guarantor can pay the debt and refuses to do so. Company validates that certain criterion are met before a legal option is recommended, including balance thresholds, employment status, and the consumer/guarantor must not be active in the military or have declared bankruptcy. Company has in-house debt collection attorneys to oversee the legal process. In the event litigation is approved, Client will assign legal title to the account to Company, as Company will litigate in its own name.
- ii. Credit Reporting: Company will, at its discretion, report delinquent accounts to Experian (Company's preferred Credit Reporting Agency). Company will adhere to the Fair Credit Reporting Act (FCRA), Experian's rules for reporting accounts and applicable state/Federal laws.
- iii. Interest: Company will add interest on account placed for collections. Money is only applied to interest after the principal balance is collected in full. Interest can be waived at Company's discretion.

D. Business Hours. Company will staff call center for Client's consumer calls weekdays, excluding holidays, 8:00 am to 5:00 pm MST.

E. Payments

- i. Payments: Company will collect and process all payments on accounts placed for collection through its collection software and these funds will be remitted back to the Client as described in Fees section below.
- ii. Company will update all direct payments on accounts reported by Client. These funds will then be invoiced to Client on the next detailed invoice.

F. Performance Reporting

- i. Client Access Web Portal. Provide Client with access to Company's Client Access Web portal and maintain consumer bad debt account activity data and reports on the portal.
- ii. Reporting: Company will provide industry best practices reports monthly. These reports will allow Client to track collection performance and activity. Any special reports required by client should be detailed and listed under special requirement section of SOW.
- iii. Company will provide monthly activity statements that allow Client to reconcile payments taken by Company and amounts remitted to Client.

G. Reconciliation of Accounts. Company will receive an inventory file monthly from Client and reconcile Client inventory file to Company's inventory file. Company will provide Client with information on unreconcilable accounts and balance amounts for Client.

5. CLIENT RESPONSIBILITIES:

- A. Placement File Transmissions. Transmitting placement files to Company on a mutually agreed to schedule with all necessary regulatory data elements and Company agreed upon formats.
- B. Reconciliation File Transmissions. Transmitting monthly reconciliation files to be used by Company to reconcile accounts and amounts on Company system with accounts and amounts on Client system.
- C. Access to Client Systems. Client shall provide designated Company staff within ten (10) business days (two calendar weeks) access to Client patient accounting system(s) necessary to perform services under this agreement.
- D. Payment and Adjustment File Transmissions. Transmitting payment and adjustment files daily or at a minimum of weekly cadence to Company.
- E. Contact by Debtor. Client shall immediately notify Company of any communication or payment by the debtor and refer any payment request to Company to process payment.
- F. Bankruptcies. Client shall not knowingly place any accounts with Company that, as of the date of placement, are included in any proceeding under the United States Bankruptcy Code which has been initiated on behalf of any individual or entity. Additionally, Client shall immediately notify Company upon receipt of any notification of the commencement of any proceeding under the United States Bankruptcy Code initiated on behalf of any Consumer whose account has been placed with Company by Client.
- G. Notice of Attorney Representation. If Client knows that a Consumer is represented by an attorney, Client shall notify Company of such attorney representation at the

time Client places any of such Consumer's accounts with Company. Additionally, Client shall notify Company upon receipt of any notification that an attorney represents any Consumer whose account has been placed with Company by Client within one (1) business day.

- H. Accurate Information. To the best of Client's knowledge, all accounts placed with Company by Client shall contain accurate information.
- I. Timely Approval of Legal Collection Activities. Client will endeavor to approve or decline timely legal collection activities proposed by Company within five (5) business days.
- J. Timely response to disputed accounts. Client will respond to any dispute provided to Company by debtor within five (5) business days.
- K. Listing of Disputed accounts. Client will not list any account with a known dispute to the Company, unless the Company is made aware of the dispute when listing accounts.
- L. Provision of verification of the debt. Client will promptly provide Company original paperwork or documentation that shows the validity of the debt being collected on by Company.
- M. Notice of Payment Information. Client shall transmit a weekly report to Company listing the following information for each account on which a payment was received by Client during the prior week: amount of payment; name of the Consumer or the guarantor of the Consumer's account; and Client's account number.
- N. Indemnification to Bankruptcy Trustee. If an account which is making payments to the Company files for bankruptcy, and a bankruptcy trustee makes a 90-day demand for reimbursement of preferential payments from Company, Client hereby agrees to participate in a pro-rata turnover of any payments Company is required by law to pay back to the bankruptcy trustee.

6. FEES

- A. Non-Legal Accounts Collections Fee. The rate is 25% of all amounts recovered without resorting to legal action on accounts that have been placed with Company.
- B. Legal Accounts Collections Fee. The rate is 40% of all amounts recovered after the commencement of legal action on accounts that have been placed with Company.
 - i. Legal action shall be considered to have commenced when Company's legal department produces documents, court orders, or collection activity through garnishment, levy, etc.
- C. Payment of Accounts Collections Fees. Payment of fees will utilize the "netback" payment approach whereby the Company will remit back to Client all money from payments received minus the fees due Company. Company shall submit a monthly invoice payment and netback report to Client detailing the total amount recovered minus the fees due from Client to Company for payments received. Company's report shall also indicate the following information: amount(s) of payment(s); name

of the Consumer or the guarantor on the Consumer's account; Client's account number(s); and Company's total fee(s).

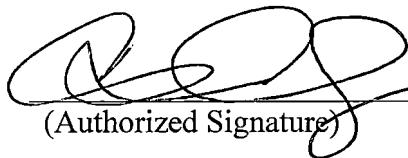
- D. Charging for Legal Attorney Fees and Court Costs. If attorney fees are allowed in the underlying contract or agreement with the consumer, Company has the right to charge attorney fees once litigation is commenced on the account. Company shall be entitled to retain one hundred percent (100%) of any attorney fees collected on accounts placed with the Company by Client. These fees are recovered with the first dollars collected by the Company until the total amount is recovered. All payments after Fees and Court Costs are recovered will go directly to the principal amount of the debt. The decision to waive (or the refusal to waive) attorney fees on any account placed for collection with the Company by Client shall be committed to the sole discretion of the Company
- E. Company's Fees After Termination. Company shall receive compensation after termination of this SOW by either party, for payments received by either the Company or Client on the following types of accounts:
 - i. accounts on which Company has received a payment within six (6) months prior to the termination of this SOW, provided Company shall no longer receive compensation for payments received on such an account if six (6) months elapses without either party receiving a payment on such an account.
 - ii. accounts that Company has placed on hold pending the receipt of any information from Client.
 - iii. accounts that Company has reduced to a legal judgement.

[Signature page follows]

The terms and conditions contained in this SOW constitute the parties' complete understanding and agreement relating to the subject matter hereof. Notwithstanding anything to the contrary in the Agreement or elsewhere, in the event of a conflict between this SOW and the Agreement, the Agreement will control. No other terms and conditions, beyond those contained herein, will be valid unless mutually agreed to by Client and Company in a writing signed by authorized representatives of each party.

BC Services, Inc.

By:



(Authorized Signature)

Name

Chris Gaddis

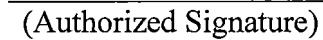
(Print or Type)

Title:

CEO

The Town of Lyons

By:



(Authorized Signature)

Name

(Print or Type)

Title:

(Print or Type)

Date:

5/16/24

Date: