



March 17, 2020

Re: ARMS Camps COVID-19 Business Proposal Update – Important Please Read

Dear Valued ARMS Camps Clients,

I write this note to you recognizing the unparalleled disruption that the COVID-19 pandemic has placed on everyone across the world over the past several weeks. This has affected all of our lives, both personally and professionally, in countless ways and I hope that each of you continue to keep your families, coworkers, friends, and others around you safe in this trying time.

I also know that each of you has some part of managing a business around camps, clinics, or other area for which you trust ARMS Camps as your technology platform and ARMS Software as your trusted partner to help run your business. COVID-19 has created a tremendous amount of uncertainty concerning upcoming camps for our entire ARMS Camps family and, even more importantly, our consumers that want to attend our camps.

The ARMS Team is always striving to strategically partner with you, as camp owners. As such, I am writing you this note to provide some strategic thoughts that will hopefully bring more certainty around successfully executing around this unprecedented situation. None of us can fully predict the future that this camp season holds, but we can execute on a plan that hopefully creates the highest opportunity for success while lowering everyone's risk.

Background

Many of you have been taking registrations for camps for several months or weeks already and have collected the registration fees for future camps. This obviously presents a risk given that most of us are unsure about the ability to hold these camps and it may require you, as camp owners, to refund these registration fees to your consumers.

As you are all well aware, ARMS does not charge any annualized fees for ARMS Camps. ARMS only collects a "Processing Fee" for each credit card transaction that is processed through our system. This "Processing Fee" includes a "Transaction Fee" that ARMS pays immediately to its credit card processor. This "Transaction Fee" is non-refundable to ARMS.

Given the uncertainty of camp season, ARMS has also witnessed first-hand that consumers are concerned about purchasing camps without understanding the financial risk, as registration numbers have significantly decreased over the past week for many of our clients.

ARMS Camps Proposed Solution

We have developed a two-pronged solution to help mitigate financial impact and risk to your business.

1. **Convert All Product SKUs in ARMS Camps to Scheduled Payment Plans with:**
 - a. \$0 Down at Registration
 - b. Full Payment Scheduled 2 Weeks Before Camp
 - c. If Camp is Cancelled due to COVID-19, cancel all Scheduled Payments before they Occur.
 - d. If Camp is Not Cancelled, the payments automatically process on the due date.

ARMS is working on several changes to the ARMS Camps system that will accommodate this strategy that will be released later this week.

2. **ARMS Camps Client Financial Risk Management Proposal for Camps Scheduled to begin on or before August 31, 2020**
 - a. If Camp is 100% Cancelled because of COVID-19 (postponements and/or providing camp credits to registrants do not qualify); AND
 - b. If Registrant receives a "FULL REFUND INCLUDING ANY PROCESSING FEES PASSED ALONG TO THE CONSUMER" (Partial Refunds or Future Camp Credits WILL NOT Meet this Requirement; AND
 - c. Registration by the consumer occurred before Midnight (12:00 AM) EDT on Sunday, March 22, 2020

If conditions a, b, and c above are met, ARMS will provide a full refund of the entire "Processing Fee" paid to ARMS (including the "Transaction Fee") for those transactions that meet the qualifications above. ARMS will consolidate all of these transactions into a single report and pay each Client in a single check payment after the end of summer camp season (August 31, 2020) for the total of all Processing Fees that qualify.

Basically, we understand that this COVID-19 situation surprised us all. ARMS also understands that we have the ability to show what being a true partner really is. Our losses on these transactions will be significant (due to the non-refundable "Transaction Fee" that we will have already paid to our credit card processor), but we understand that we are all in this together and it is our pleasure to do business with partners like you.

We also understand that all of us now have the opportunity to manage our risks. Our team believes that moving to the \$0 down, scheduled payment 2 weeks before camp strategy helps business continue to flow while alleviating the risks associated with refunds. That is why ARMS will only issue refunds of the "Processing Fee" for registrations (consumer purchases of your camps) processed before Midnight (12:00 AM) EDT on Sunday, March 22, 2020. Nothing processed after this day and time will be refunded per the terms above.

What You Should Do Now:

1. Respond to this message directly.
2. State “Yes, I would like to Opt-In to the \$0 down process”.
3. Please state your Business or School Name and Site Name or Sport.

ARMS will handle the rest, which will include:

1. Migrating all of your Camps for sale to the \$0 Down Option as described above.
2. Placing a message on each page of your ARMS site concerning the fact that this payment option is available to the consumer visiting your site.
3. Please note that if you would like to have new Camps, Memberships, or Events listed with this \$0 down option, please contact our customer success team via the normal methods so that we can help make sure you implement any new camps successfully with these options turned on correctly.

As always, should you have any questions or need help, please email our Customer Success Team at help@armssoftware.com or call 855-215-ARMS (2767).

Thanks for the opportunity to be your partner and to help bring some clarity in these uncertain times.

Very truly yours,
Mike

Michael Hurt
CEO
ARMS Software, LLC