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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



RODNEY A. STOKES
DIRECTOR

Dear DNR License Retailer:

Thank you for partnering with us and selling licenses to the sporting public. We wanted to take this opportunity to let you know of some system upgrades that will be taking place over the next year and a half that will directly involve you. For those of you who have been with us since the mid 1990's and the beginning of electronic license sales, you know that we've employed the same type of retail system since that time. Michigan was the first state to develop an electronic license sales program, which is the basis for most of the other state's systems. The State of Michigan owns that product and is turning that into a next-generation system using a phased approach with our partner Hewlett Packard.

You're likely wondering why we're investing in a new system at this time. We've taken our current behind-the-scenes hardware and software to the limit of its life and the manufacturer will no longer support those products beyond March, 2013. Initially, we're upgrading that hardware and software and laying the foundation for a better license sales system which will evolve over the next 3 to 5 years.

While this is our initial formal communication with you regarding this topic, our customer service staff has been collecting your suggestions for a better product or sales terminal. Some of your suggestions will be implemented initially and others may be future "releases" as time and money permit.

What does all of this mean to you and your company? The biggest change you will experience in the next year is the receipt and setup of new Point of Sale (POS II) countertop equipment. The enclosed specifications document describes the POS II equipment, space needs, and connectivity requirements. After this changeover, the items you will sell and the menus that you see will remain largely unchanged. You will still process credit card transactions and sales through your own merchant banks. You do not need to do anything at this time except keep us updated on your current contact information, mailing address, and banking information.

Limiting New Agents, Outlets and Training on Old Equipment

To ensure a successful changeover, the DNR has initiated a moratorium on new agents unless they are an outlet associated with an existing agent, a sale of an existing business to a qualified entity, or an agent who is required for a particular marketing purpose. We've discontinued our new agent training until the changeover is complete. Please keep this in mind if you plan on putting in a new outlet or selling your business. We welcome you to contact us to talk about your needs.

Training on New Equipment

Equipment setup instructions will be provided. Your equipment will come with a training DVD.

An optional paper Agent Manual is available. The POS II will also have a Help system available online. We will offer a limited number of in-person training sessions for those who prefer to learn that way. As always, our customer service staff will be available on the phones to talk you through any questions you may have.

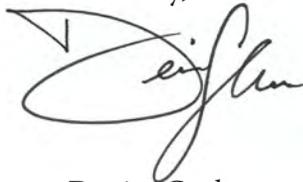
New Features You'll See Right Away

- Bigger screen with more readable font and a full size keyboard.
- On-screen help manuals for your reference.
- Sales will be processed in real time as a step toward a system which will enforce buying rules in the future. Voids and Replacements will also be processed in real time, verifying against prior purchases.
- Contractible (and expandable) lists of items available will eliminate the task of scrolling through the entire list of items to find the right one.
- The entire list of a customer's past transactions will be viewable and available for voiding or replacing, making it easier to pick and process, rather than typing from the license form.
- Before a customer's order is complete, you will be able to view all the items in an order, verify the list with the customer, and remove any items from the shopping cart that are in error, before finalizing the transaction.
- Online viewing, storage and retrieval of current and past bulletins.
- Sales reports will be viewable online.
- Hunting and fishing digests will be viewable online as well.
- And, we're investing in Michigan! You will receive supplies and equipment swaps from a Michigan-based company located in Rochester Hills. Training materials will also be created by a Lansing company. And, as in the past, our HP system development, support and programming are provided by a Michigan team.

Scheduling the Changeover

Over the next couple of months we'll send more information on the changes including your assigned month for the equipment exchange. Please keep this information together for reference, and be sure to share the news with your outlet managers and retail associates. Again, you do not need to do anything at this time. Thank you in advance for your patience and cooperation while we go through this transition. If you have any questions, please feel free to contact our Customer Service Staff at 800-737-6367.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise Gruben". The signature is fluid and cursive, with a large loop at the end.

Denise Gruben

For the Michigan DNR Customer Service Team

POS II Equipment Specifications and Information

Equipment

Starting in March 2012, we will begin swapping out old POS equipment for new countertop hardware (POS-II). The swaps will happen over 8 months, with 200 license agents being swapped per month, and the last set of 200 swapping in October of 2012. Parallel operations will be run to handle both sets of hardware and software until the transformation is complete. You will have 2 weeks to set up and begin selling on your new equipment. During this time you can continue to sell on your old Verifone terminal. The new equipment is a Personal Computer with two printers and will consist of the components shown below.

LED Monitor



Receipt Printer



Rp3000 PC



License Printer



Keyboard

(with magnetic strip reader)



Space Requirements

There are several options for the layout of the POS II configuration, depending upon the counter space available in your store.

- If the entire POS II configuration is set-up on the retail counter with the monitor on top of the flat rp3000 PC and the printers positioned on the side of the PC, with the keyboard in front of the PC and monitor, the space required is 30" wide by 24" deep by 19" high.
- The Rp3000 and printers can be located under the counter, within 3 feet of the monitor and keyboard (limited by connecting cable length). Only the LED monitor and keyboard need to be accessible on the counter for transacting a license sale. If this configuration is used, allow for counter space of 16" wide by 18" deep by 16" high.

Connectivity

The POS II application is a web application available through the internet. The rp3000 PC has an Ethernet card allowing for network connection. You will be responsible for providing your own internet connection through an Internet Service Provider of your choosing, just as you provide an analog phone line today. Your existing local area network (if available) that is connected to the Internet will work. Otherwise, internet service can be connected with a cable modem, DSL modem, or a dial-up internet access with a telephone line using the internal LSI HAD Modem.

There are several internet connectivity options which may or may not be available depending upon the area of the state:

Cable Internet

- Allows the PC to connect to the internet through the same connection as cable TV.
- The service provider should provide the cable modem with the high-speed internet service.



Digital Subscriber Line (DSL)

- Allows the PC to connect to the internet through high-speed connection using the same wires as a regular telephone line.
- The service provider should provide the DSL modem with the internet service.
- DSL technology transmits data over phone lines without interfering with voice service.



Satellite Internet

- A satellite dish is installed at the customer site to pick up the satellite signal. The service provider should provide the dish and satellite modem with the internet service.
- Satellite internet is appropriate for customers who cannot get a cable or DSL connection, typically in rural areas.



Mobile Broadband - Wireless adaptors that plug into a USB port

- Most mobile broadband services require the use of a wireless Internet card which allows users to access the Internet through cellular signals.
- An aircard modem plugs into the USB port of the PC.
- Coverage is nationwide and Web Service is accessible in many areas, with no Wi-Fi connection needed.
- This is another option if cable or DSL is not available.



Dial-up Connection

- Allows connection to the internet via a local provider server using the internal LSI HAD Modem or a standard 56k modem and a phone number provided by the Internet Service Provider (ISP).
- Usage is charged per minute of the dial-up connection
- Agents should only use this option if no other connection options are available.
- This is the slowest option available and only recommended if you can not obtain ISP service from any other source.



Please do not have your connectivity changed now as your current POS equipment will not run on anything except an analog dial-up phone line.