

NFSA – IAF: Prospectus

Introduction

NFSA has initiated a fund for the advancement of the fire sprinkler industry for any sprinkler contractor, Supplier, Manufacturer, individual or organization to participate in on a totally voluntary basis. The Industry Advancement Fund will supplement the efforts of the Sprinkler Manufacturers Industry Fund and Industry Promotion Funds. Such promotional efforts include, **but are not limited to** legislative efforts to pass the Fire Sprinkler Incentive Act and to support the following programs and organizations:

- Design Advantage Program (Architect Training)
- Best Practices
- Center for Campus Fire Safety
- Campus Fire Watch
- Fire Team USA (and Fire Team Tennessee)
- Home Safety Council
- Home Fire Sprinkler Coalition
- Adoption of fire sprinklers in the International Residential Code (IRC)
- Advertising and public relations to promote the fire sprinkler concept

The sprinkler industry is on the verge of vastly expanding current markets through legislative and code initiatives intended to result in 100% sprinkler requirements for all new commercial construction and retrofit of existing high-rise buildings. Meanwhile, the residential market offers fire sprinkler industry concerns the opportunity to expand their businesses and garner additional market share while providing life saving protection to the public.

Business Opportunity

The Chairman of the Board of NFSA, Mr. Wayne Gey, suggested the establishment of such a Fund at the NFSA Annual Seminar & Exhibition in Las Vegas in May of 2007. Subsequently, NFSA approached several contractors and inquired whether a vehicle could be established to permit any business, individual or organization to supplement industry promotion efforts already established by NFSA Sprinkler Manufacturers and union contractors. As a result, the NFSA Industry Advancement Fund has been established to offer Contractors, Suppliers, Manufacturers and others the opportunity to provide additional revenue to support those efforts and to increase the sprinkler market. It would also allow those who participate to be publicly listed as supporting these special promotional efforts. In addition to being publicly recognized as a contributor to the Fund, Suppliers and Manufacturers making contributions to the Fund will be given credit in the current booth selection process administered by NFSA's show management firm, Exhibit Promotions Plus.

Current Business Position

Currently, there is no vehicle available for many contractors and others to participate in

industry promotion efforts. The creation of this Fund provides such a vehicle.

Product/Service Description

The Industry Advancement Fund is a Section 501(c)(6) tax exempt organization under the IRS code. Contributions, except money used for lobbying efforts, are tax deductible.

The Fund is separate from all other Industry Funds and NFSA. Contributions and expenditures are not commingled with other Funds or NFSA finances. All participants will receive annual audited statements reflecting all activity. All disbursements must be approved or directed by the Board of Trustees and all checks written must be signed by the NFSA President and NFSA Financial Controller.

Board of Trustees

The Fund is be administered by a Board of Trustees consisting of the President and the Executive Vice President of NFSA and three contributors elected from those participating in the Fund.

Financial Potential

Several voluntary contribution levels are available. They are:

- \$2,000: Industry supporter;
- \$5,000: Industry promoter;
- \$10,000: Industry Bronze level promoter;
- \$20,000: Industry Silver level promoter;
- \$30,000: Industry Gold level promoter; and,
- \$50,000: Industry Platinum level promoter

Contributions may be paid on an annual basis, or in twelve equal monthly installments. The above contribution levels are intended to provide interested contributors with some guidelines within which to make such a contribution but should not be considered limitations.

Summary

Adoption of this Plan by the NFSA Board of Directors has resulted in providing a vehicle for Contractors, Suppliers, Manufacturers and others to finance industry promotion efforts, much the same as unionized contractors and Sprinkler Manufacturers have done for many years. Again, participation in the Industry Advancement Fund is strictly voluntary.