LifeSize® Flexible Leasing

Powered by TAMCO

Frequently asked questions

Why should we lease our video conferencing equipment?

There are many excellent reasons to lease, including: the ability to preserve cash, protect business credit lines, budget cash flow, improve your balance sheet, gain tax benefits, and enjoy flexible end-of-term options.

Shouldn't we just buy our solution and count it as an asset?

In most cases, no. Technology depreciates quickly – making it an asset you may not want on your balance sheet. And since technology changes every day, it's not uncommon to find yourself stuck with obsolete equipment that needs to be written off.

We're just a small business. Does it make sense for us to lease technology like large companies?

Actually, it may make even more sense. In fact, 86% of last year's Small Business Administration (SBA) winners leased their equipment. And the SBA recently reported that, for small to medium businesses, leasing has increased by 20% over the past two years. Leasing provides business owners with more flexibility as they work to grow or change their organizations.

What are the different types of leases?

LifeSize® Flexible Leasing™, *powered* by TAMCO, offers two programs: a capital Lease and the Smart Lease™. A capital lease allows you to spread the cost over a few years and own it at the end. It is recorded as a capital expense on your books and is less flexible because it obligates you to ownership.

On the other hand, the Smart Lease program can be recorded it as an operating expense which keeps it off your books. A key feature is the *LifeSize Guarantee* which allows you to migrate to a new solution at anytime during the contract term without penalties if your business needs change. There is no balance to rollover or hidden costs – your old agreement is forgiven and a new one issued

> Smart Lease allows us to stay current on technology while preserving our balance sheet, improving our return on assets, lowering our capital costs, and increasing our flexibility

for your new technology. Smart Lease also includes natural disaster protection and features more end-of-term options than traditional leasing programs.

Are end-of-term options the same for all leases?

They're really quite different. A capital lease obligates you to own the equipment at the end of term, leaving you ultimately responsible for the technology.

LifeSize® Smart Lease™ provides multiple end of term options and guarantees–in writing–a specific reduction in payments should you opt to extend your contract. Smart Lease also comes with the *LifeSize Guarantee* which allows you to replace your system when or if your technology needs change.

What if we want to add equipment to our existing system in a year or two?

If you experience growth or need to adapt to meet new needs, our lease terms won't stand in your way. Many leasing companies require you to initiate a new lease on additional equipment, features, or components, thus creating a new term and a new end date. The next thing you know, you're trapped by a lease that never seems to end.

Using LifeSize Flexible Leasing, all add-ons become "co-terminus". In other words, the lease term for the new equipment will be the same as your existing agreement and will end on the same date.

Do all leases protect us against technology obsolescence?

Absolutely not. Many sales people will say that leasing is a good hedge against technology obsolescence without giving you the whole story. The fact is that most lease contracts contain no language that defines how an unforeseen system replacement will be handled. Many allow a "conditional upgrade" if new technology becomes available, but the fine print usually includes a balance rollover (i.e. adding the remaining payments into the new lease) or an early payoff requirement (i.e. a required lump-sum-payment of your outstanding balance before the new agreement begins).

The Smart Lease program is designed to accommodate a system replacement by featuring the *LifeSize Guarantee*. Our Smart Lease agreement clearly spells out what "upgradeability" means and how to qualify for it. There are no time restrictions, no balance rollovers, no re-casts, and no hidden costs. LifeSize Flexible Leasing lets you out of your current agreement and issues you a new one for a new system.

A Sales Representative told us that we would be protected by a "technology refresh program." What does that mean?

It means you're paying extra for that "protection" every time you make a payment. A "refresh allowance" is built up on your lease and the credit may be applied toward a new contract should you choose to move into new technology. Smart Lease does not need a refresh allowance because you are completely covered for an unforeseen system replacement from day one.

Do credit approvals or contracts expire?

Yes they do. Credit approvals are good for 60 days. Rates fluctuate from time to time, but we guarantee your lease payment quote for a period of time that gives you the opportunity to make an informed decision or get the project approved.

Also, signed contracts are valid for 6 months. Installation of your new technology must occur within this 6 month window or it will be necessary to execute new contracts based on an updated quote using market rates at the time of the update.

Will a deposit be required?

Yes, an advanced payment is required at contract execution. For more details, we recommend consulting your LifeSize Flexible Leasing representative.

LifeSize Headquarters
Austin, Texas, USA
+1 512 347 9300
Toll Free US +1 877 543 3749

TAMCO Headquarters
Tampa, Florida USA
+1 813 472 1600
Toll Free US +1 888 350 1842

www.lifesize.com
E-mail info@lifesize.com
E-mail lifesize@tamcocorp.com

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A division of Logitech

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