

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 balance sheet, gain tax benefits, and enjoy flexible end-of-lease options.

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

In most cases, no. Technology depreciates very quickly, making it an asset you may not want on your balance sheet. And since technology changes every day, it's not uncommon to suddenly 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 companies.

What are the different types of leases?

LifeSize Flexible Leasing, powered by TAMCO, offers two basic programs: a traditional capital Lease and the Smart Lease[™]. The capital lease allows you to spread the cost of your technology out over a few years and then purchase it at the end. It does not qualify as an off balance sheet item and is a less flexible option because it obligates you to ownership.

On the other hand, the Smart Lease program is all about flexibility. If technology or your business needs change, you can move to a new solution at anytime during the contract term without financial penalty - no rollover balance and no hidden costs - your old agreement is forgiven and a new one is issued. Smart Lease also includes Act of God coverage and has more end of term options than other leases.

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

They're really quite different. A capital lease obligates you to own the equipment at the end of the contract 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 if you choose to extend your contract. Smart Lease also offers a System Replacement Guarantee, if and when your technology needs change - without rolling over your previous balance.

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, 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 balance rollovers (adding the remaining payments into your new lease) or early payoffs (a required lump-sum-payment of your old balance before the new agreement begins).

The Smart Lease program is a System Replacement Guarantee lease. The 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. TAMCO lets you out of your current agreement and simply issues you a new one for the new system. Now that's a lease that protects you against obsolescence.

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 "protection" every time you make a payment. A "refresh allowance" is built up as you move forward on your lease and the credit may be applied toward a new contract should you choose to move into new technology. The LifeSize Smart Lease program needs no refresh allowance because you are already completely covered for an unforeseen system replacement from day one. For more information, contact your LifeSize Sales Representative.



The Smart Lease System Replacement Guarantee and Act of God Coverage are both guaranteed in writing with complete details and requirements outlined in the customer contract. You should consult your accounting advisor regarding the benefits of financing and the impact on your books and taxes. While some programs provide tax benefits, every situation is different and laws vary. LifeSize® Flexible Leasing™ (LFL) and its programs are offered and administered by TAMCO Capital Corporation in the United States and TAMCO of Canada, ULC in Canada. LifeSize Partners must be approved by TAMCO and considered "certified" in order to offer LFL programs. To find a certified LFL Partner, consult your LifeSize representative or call 1.888.350.1842



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