

<u>Lease vs. Purchase Analysis</u>	<u>Pitney-Bowes Connect+2000 Mailing System</u>			
	Lease	5 Year Total	Purchase	5 Year Total
Annual Equipment Lease Cost	\$4,614.24	\$23,071.20	\$0.00	\$0.00
Purchase Cost	\$0.00	\$0.00	\$14,534.00	\$14,534.00
Interest cost				\$560.67
Postage refill charge	included		\$10/each	\$400.00
Annual Meter Rental Cost	included			
Year 1	included	\$0.00	\$744.00	\$744.00
Year 2	included	\$0.00	\$781.20	\$781.20
Year 3	included	\$0.00	\$820.26	\$820.26
Year 4	included	\$0.00	\$861.27	\$861.27
Year 5	included	\$0.00	\$904.34	\$904.34
Annual Maintenance Cost				
Year 1	included	\$0.00	\$0.00	\$0.00
Year 2	included	\$0.00	\$1,014.25	\$1,014.25
Year 3	included	\$0.00	\$1,115.68	\$1,115.68
Year 4	included	\$0.00	\$1,283.03	\$1,283.03
Year 5	included	\$0.00	\$1,475.48	\$1,475.48
Buyout Cost (own @ end of 5 yrs)	\$1.00	\$1.00	\$0.00	\$0.00
	Lease >	\$23,072.20	Purchase >	\$24,494.17
Assumptions:				
Under purchase, meter rental increases 5.0% annually				
Under purchase, maintenance cost increases 10% year 3, 15% each years 4 and 5				
Interest cost is opportunity cost (lost interest) based on 2.0% interest earned				