

Option 1 – 24-Month Rental to Purchase in Year 3

(7 years, total \$4,973,580)

Year	Nominal Cost	Discount Factor	Present Value
1	862,780	0.952	821,549
2	800,000	0.907	725,600
3	2,406,800	0.864	2,081,475
4	226,000	0.823	185,998
5	226,000	0.784	177,184
6	226,000	0.747	168,822
7	226,000	0.712	160,912
Total PV			\$4,319,540

Option 2 – Pay-Per-Use (7 Years)

(7 years, total \$5,247,582)

Year	Nominal Cost	Discount Factor	Present Value
1	\$723,982	0.952	\$689,183
2	\$862,400	0.907	\$782,937
3	\$610,200	0.864	\$526,237
4	\$678,000	0.823	\$557,994
5	\$678,000	0.784	\$531,552
6	\$847,500	0.747	\$633,983
7	\$847,500	0.712	\$603,420
Total PV			\$4,325,153

Comparison Summary (5 % Discount Rate)

Option	Nominal Cost	PV Cost (5 %)	Rank
1 – Rental to Purchase	\$4,973,580	\$4.32 M	
2 – Pay-Per-Use	\$5,247,582	\$4.33 M	