

TERMS OF AGREEMENT

Please read the following carefully before signing. All items of property or equipment are rented (or sold) subject to the conditions expressed below and on the reverse page. Your signature on the Assignment of Benefits page evidences your understanding and agreement to these terms.

I understand and agree that I am responsible for rental fees and other charges for equipment or services that are (1) not a covered benefit reimbursable by Medicare, Medicaid or other medical insurance programs or plans, public or private, under which I am entitled to benefits, (2) deemed by Medicare, deemed by other medical insurance programs or plans, public or private, to be not medically necessary. I agree to provide to American HomePatient, Inc. and its affiliates ("The Company") all documents and other information necessary for The Company to obtain direct payment from such third party payers. I agree to pay all deductible amounts and other charges not covered by the assignment of benefits unless provided a signed written waiver based solely on financial hardship. I also agree to pay The Company for all collection fees, attorney's fees, court costs and other expenses involved in collection any charges hereunder.

I agree that all rental periods are on a monthly basis unless explicitly otherwise written on the Assignment of Benefits and that if I wish to extend the rental of the equipment beyond the initial rental period, I agree to make payment for the following rental period on or before the due date, either at the store or by mail. If the item is not returned by the due date, I agree to continue the rental for an additional rental period and the rental charge will be due and payable immediately by me.

It is agreed that title of rental equipment remains with The Company, and that I will return all rented items immediately upon expiration of the rental period unless the equipment converts to purchase. It is also agreed that if and when rental equipment converts to purchase, title transfers from The Company to the patient, and the patient retains ownership of the equipment. I agree that all items have been delivered in good condition and that I am responsible for normal care of the equipment (including parts and accessories) and I agree to pay in full for any loss or damage due to accident, fire, flood theft, wind damage, or negligence at the current fair market value.

Except with the express written consent of The Company, I agree that the rented property will be used solely by me, only at the address designated and solely for the purpose for which the property was manufactured and intended.

I agree to hold harmless, defend and indemnify The Company against any and all liability, loss or expense whatsoever resulting from negligent or improper use of the property. I am aware that the need for this equipment is prescribed by my physician and neither The Company nor the manufacturer is responsible for the effectiveness of the equipment or the success or failure of any treatment performed with the equipment.

I agree to immediately cease using any rented property if it becomes unsafe or in disrepair. I will immediately notify The Company in either case, and The Company agrees to replace the rented property with similar property in good working condition with reasonable dispatch. In such cases, I agree to be responsible for any repair or replacement caused by act or neglect. The Company agrees to maintain and replace directly, or through a service contract with another company, Medicare-covered items on rental. The Company agrees to accept returns of substandard (less than full quality for the particular item) or unsuitable items (inappropriate for the beneficiary at the time it was fitted and rented or sold) from you.

I acknowledge having received notification of the warranty coverage and that The Company honors all warranties under applicable State law. I also acknowledge having received notification that The Company will repair or replace free of charge Medicare-covered items that are under warranty.

I ACKNOWLEDGE THAT THE COMPANY IS NOT THE MANUFACTURER OF THE EQUIPMENT OR THE MANUFACTURER'S AGENT AND THAT THE COMPANY MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, ALL OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED, INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACTS THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS.

I acknowledge that this assignment applies to rental of the medical equipment, sales and services listed on the reverse side of this agreement and administrative expenses beyond normal billing procedures may be subject to additional charges not covered by third party payers.

This agreement contains the entire agreement of the parties and supersedes any other discussions or agreements relating to the subject of this agreement. The customer acknowledges that he has not received any representation or promises concerning the property or the terms of this agreement other than as set forth herein.

This agreement shall be governed by and construed in accordance with the laws (other than the conflict law rules) of the State of Tennessee. This agreement may not be assigned by the customer without the prior written consent of The Company. The Company may assign this agreement to any successor to The Company's business. This agreement may be amended or modified only in writing signed by both parties.

WARNING: The Company retains title and full ownership rights to the property rented hereunder unless and until such rental property converts to purchase. By execution of this agreement, the customer acknowledges and understands that if the property is not returned to The Company as provided herein, The Company will institute legal proceedings against the customer to recover the property and any and all damages which The Company may suffer related to the customer's failure to return the property in good condition and repair.

I understand that The Company will keep my medical records private and that I have the right to a copy of my medical records. The Company uses my medical records in order to provide me with services as well as perform billing and other routine business operations activities. The Company may also disclose my medical records as required by law or use my medical information in order to inform me about health-related benefits or services that may be of interest to me. For any non-routine use or disclosure of my medical records, The Company will contact me for authorization.

Future Communications. We may communicate with you via newsletters, mailings, email, **telephone calls**, or other means regarding treatment options, health-related information, disease-management programs, wellness programs, or other community-based initiatives or activities in which we are participating.