UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported):
September 24, 1997

CHEMED CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	1-8351	31-0791746
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

2600 Chemed Center, 255 East 5th Street, Cincinnati, OH 45202
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(513) 762-6900

Not applicable
(Former name or former address, if changed since last report)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On September 24, 1997, OCR Holding Company ("OCR"), a wholly owned subsidiary of Chemed Corporation (the "Company") completed the sale of all of the issued and outstanding shares of capital stock of its wholly owned businesses comprising the Omnia Group ("Omnia") to Banta Corporation ("Banta"). The Omnia Group manufactures medical and dental supplies and distributes them to dealers throughout the United States. Products include paper, cotton, gauze items and other supplies used by the primary, acute and long-term care markets. Banta is a leading competitor in the single-use healthcare products market. There is no material relationship between Banta and the Company, OCR, any of the Company's affiliates, any Company director or officer or any associate of any such directors or officers.

Pursuant to the agreement with Banta, the Company received aggregate consideration of $52.1 million (before estimated expenses and income taxes) consisting of (1) an immediate cash payment of $50 million which was paid at closing and (2) deferred payments of $2.1 million (payable in annual installments of $350,000 per year commencing on September 30, 2000). These deferred payments will be recorded at their net present value.

On August 11, 1997, National Sanitary Supply Company ("National") , Unisource Worldwide, Inc. ("Unisource") and TFBD, Inc. ("Merger Subsidiary") a wholly owned subsidiary of Unisource, entered into an Agreement and Plan of Merger (the "Merger Agreement") whereby the Merger Subsidiary would be merged into National, the Merger Subsidiary would cease its separate existence and National would emerge as the surviving corporation and a wholly owned subsidiary of Unisource. Concurrent with the execution of the Merger Agreement, the Company, owning 5,144,551 of the issued and outstanding shares of National which comprises an equity ownership interest in excess of 80%, delivered its written consent approving the merger transaction. Such consent constitutes the only action necessary by shareholders of National to effect the merger under Delaware law. National is the largest specialized distributor of sanitary maintenance supplies and paper supplies in the United States. There exists no material relationship between Unisource or the Merger Company and the Company, National, any of the Company's affiliates, any Company director or officer or any associate of any such directors or officers.

On September 30, 1997, the sale of National was completed. In exchange for its surrender of National shares, the Company received cash consideration of $120.2 million (before estimated expenses and income taxes). In addition, the Merger Agreement required that intercompany borrowings owed by National to the Company be repaid (approximately $18 million).

The Company anticipates that a portion of the cash proceeds from these two transactions will be used to retire borrowings under uncommitted lines of credit and the amended revolving credit agreement with Bank of America National Trust and Savings Association. By September 30, 1997 the Company had utilized $72,000,000 of such proceeds to retire borrowings. The balance of the proceeds will be invested in marketable securities in the short term and will be available for the funding of future acquisitions and general corporate purposes.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(a) FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED.
Not applicable.

(b) PRO FORMA CONDENSED FINANCIAL INFORMATION (UNAUDITED) The following assumptions have been made in preparing the unaudited Pro Forma Condensed Consolidated Statements of Income of Chemed Corporation and Subsidiary Companies ("Chemed") for the six months ended June 30, 1997 and 1996 and for the year ended December 31, 1996 and the unaudited Pro Forma Condensed Consolidated Balance Sheet of the Company as of June 30, 1997:

(i) For purposes of preparing the unaudited Pro Forma Condensed Consolidated Statements of Income, Chemed's dispositions of National and Omnia were assumed to have occurred at the beginning of each fiscal period presented.

(ii) For purposes of preparing the unaudited Pro Forma Condensed Balance Sheet, Chemed's aforementioned dispositions of National and Omnia were assumed to be consummated on the balance sheet date.

(iii) As discussed in Item 2, an intended use of the cash proceeds from these transactions is to retire portions of the Company's debt. At June 30, 1997, the Company had borrowings totalling $77,000,000 under these agreements.

Accordingly, the Unaudited Pro Forma Condensed Consolidated Balance Sheet at June 30, 1997 reflects the financial position of Chemed after giving effect to the retirement of $5 million of borrowings under an

uncommitted line of credit with Sanwa Bank, Ltd. and $72 million of long-term debt under the amended revolving credit agreement with Bank of America National Trust and Savings Association. These borrowings had a weighted average interest rate of 6.01% at June 30, 1997.

(iv) The pro forma earnings have been adjusted to reflect the interest savings that would have resulted had the borrowings under the Company's uncommitted lines of credit and the amended revolving credit agreement been retired at the beginning of each fiscal period presented.

(v) The unaudited pro forma condensed consolidated financial statements presented herein are shown for illustrative purposes only and are not necessarily indicative of the future financial position or future results of operations of Chemed, or of the financial position or results of operations of Chemed that would have actually occurred had the transactions been in effect as of the date or for the periods presented.

(vi) The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the historical financial statements and related notes of Chemed.

The unaudited pro forma condensed financial statements of Chemed follow on the next page:

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
JUNE 30, 1997
(in thousands)

		Pro Forma Adjustments - Add/(Deduct)			
	Historical	National(a)	Omnia (a)	Other	Pro Forma
ASSETS					
Current assets					
Cash and cash equivalents	$ 12,361	$ 20,395	$ (331)	$ 83,092(b)	$ 115,517
Accounts receivable, less allowances	85,984	(36,080)	(12,018)	--	37,886
Inventories	50,778	(27,049)	(15,139)	--	8,590
Statutory deposits	16,980	--	--	--	16,980
Other current assets	37,878	(4,016)	(1,232)	--	32,630
Total current assets	203,981	(46,750)	(28,720)	83,092	211,603
Other investments	43,097	--	--	--	43,097
Properties and equipment, net	90,529	(23,055)	(20,264)	--	47,210
Identifiable intangible assets, net	18,452	--	(4,741)	--	13,711
Goodwill, net	189,213	(25,679)	(22,543)	--	140,991
Other assets	17,741	(1,022)	(252)	1,457(c)	17,924
Total assets	$ 563,013	$ (96,506)	$ (76,520)	$ 84,549	$ 474,536
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities					
Accounts payable	$ 26,312	$ (16,055)	$ (1,956)	$ --	$ 8,301
Bank notes and loans payable	5,110	--	--	(5,000)(d)	110
Current portion of long-term debt	15,689	(19)	--	--	15,670
Income taxes	5,345	(855)	(1,120)	29,272(e)	32,642
Deferred contract revenue	25,606	--	--	--	25,606
Other current liabilities	46,450	(10,312)	(3,161)	--	32,977
Total current liabilities	124,512	(27,241)	(6,237)	24,272	115,306
Deferred income taxes	4,575	(893)	(3,138)	--	544
Long-term debt	164,026	(24)	--	(72,000)(d)	92,002
Other liabilities and deferred income	39,874	(1,129)	(1)	--	38,744
Minority interest	12,086	(12,086)	--	--	--
Total liabilities	345,073	(41,373)	(9,376)	(47,728)	246,596
Total stockholders' equity	217,940	(55,133)	(67,144)	132,277	227,940
Total liabilities and stockholders' equity	$ 563,013	$ (96,506)	$ (76,520)	$ 84,549	$ 474,536

(a) To eliminate the assets and liabilities related to National Sanitary Supply Company and the Omnia Group. National's cash balance reflects the repayment of the National intercompany balances due to Chemed.
(b) To record the proceeds from the sale of National, the proceeds from the sale of Omnia, and the subsequent retirement of borrowings. Proceeds are net of estimated expenses and costs assocated with theses dispositions.
(c) To record deferred payments to be received by the Company.
(d) To record the retirement of borrowings under the amended revolving credit agreement and under uncommitted lines of credit.
(e) To record income tax liabilities related to the transactions.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30,
1997 (in thousands except per share data)

	Historical	Pro Forma Adjustments Add/ (Deduct) National(a)	Omnia(b)	Other	Pro Forma
CONTINUING OPERATIONS					
Sales	$ 196,099	$(152,702)	$ (34,891)	$ --	$ 8,506
Service revenues	155,170	--	--	--	155,170
Total sales and service revenues	351,269	(152,702)	(34,891)	--	163,676
Cost of goods sold	132,946	(102,219)	(24,757)	--	5,970
Cost of services provided	96,337	--	--	--	96,337
Selling and marketing expenses	49,989	(32,665)	(5,320)	126(c)	12,130
General and administrative expenses	50,892	(12,315)	(2,403)	115(c)	36,289
Depreciation	6,630	(1,674)	(840)	--	4,116
Total costs and expenses	336,794	(148,873)	(33,320)	241	154,842
Income from operations	14,475	(3,829)	(1,571)	(241)	8,834
Interest expense	(5,802)	6	3	2,600(c,d)	(3,193)
Other income, net	14,536(e)	667	(329)	--	14,874(e)
Income before income taxes and minority interest	23,209(e)	(3,156)	(1,897)	2,359	20,515(e)
Income taxes	(8,697)	1,314	548	(941)	(7,776)
Minority interest in earnings of subsidiaries	(331)	331	--	--	--
Income from continuing operations	$ 14,181(e)	$ (1,511)	$ (1,349)	$ 1,418	$ 12,739(e)
EARNINGS PER COMMON SHARE					
Income from continuing operations	$ 1.42(e)				$ 1.27(e)
Average number of shares outstanding	10,018				10,018

(a) To eliminate the earnings of National Sanitary Supply for the six months ended June 30, 1997.
(b) To eliminate the earnings of the Omnia Group for the six months ended June 30, 1997.
(c) To reclassify compensation costs and interest expense to reflect the withdrawal of National and Omnia employees from continuing participation in the Company's ESOPs.
(d) To reflect interest savings that would have resulted from the retirement of borrowings under the Company's uncommitted lines of credit and the amended revolving credit agreement.
(e) Amounts include pretax gains aggregating $12,235,000 ($7,652,000 aftertax or $.76 per share) from the sales of investments during the period.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30,
1996 (in thousands except per share data)

	Historical	Pro Forma Adjustments Add/ (Deduct) National(a)	Omnia(b)	Other	Pro Forma
CONTINUING OPERATIONS					
Sales	$ 199,642	$(154,487)	$ (36,781)	$ --	$ 8,374
Service revenues	138,290	--	--	--	138,290
Total sales and service revenues	337,932	(154,487)	(36,781)	--	146,664
Cost of goods sold	135,790	(104,417)	(26,178)	--	5,195
Cost of services provided	84,289	--	--	--	84,289
Selling and marketing expenses	48,897	(32,118)	(5,439)	153(c)	11,493
General and administrative expenses	47,913	(11,824)	(2,019)	198(c)	34,268
Depreciation	6,002	(1,666)	(763)	--	3,573
Total costs and expenses	322,891	(150,025)	(34,399)	351	138,818
Income from operations	15,041	(4,462)	(2,382)	(351)	7,846
Interest expense	(3,831)	5	12	1,123(c,d)	(2,691)
Other income, net	21,479(e)	689	(70)	--	22,098(e)
Income before income taxes and minority interest	32,689(e)	(3,768)	(2,440)	772	27,253(e)
Income taxes	(12,211)	1,615	750	(308)	(10,154)
Minority interest in earnings of subsidiaries	(2,593)	350	--	--	(2,243)
Income from continuing operations	$ 17,885(e)	$ (1,803)	$ (1,690)	$ 464	$ 14,856(e)
EARNINGS PER COMMON SHARE					
Income from continuing operations	$ 1.82(e)				$ 1.51(e)
Average number of shares outstanding	9,852				9,852

(a) To eliminate the earnings of National Sanitary Supply for the six months ended June 30, 1996.
(b) To eliminate the earnings of the Omnia Group for the six months ended June 30, 1996.
(c) To reclassify compensation costs and interest expense to reflect the withdrawal of National and Omnia employees from continuing participation in the Company's ESOPs.
(d) To reflect interest savings that would have resulted from the retirement of borrowings under the Company's uncommitted lines of credit and the amended revolving credit agreement.
(e) Amounts include pretax gains aggregating $17,431,000 ($10,919,000 aftertax or $1.11 per share) from the sales of investments during the period.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 1996
(in thousands except per share data)

	Historical	Pro Forma Adjustments Add/ (Deduct) National(a)	Omnia(b)	Other	Pro Forma
CONTINUING OPERATIONS					
Sales	$ 399,776	$(310,125)	$ (72,479)	$ --	$ 17,172
Service revenues	284,041	--	--	--	284,041
Total sales and service revenues	683,817	(310,125)	(72,479)	--	301,213
Cost of goods sold	271,885	(207,851)	(52,659)	--	11,375
Cost of services provided	171,397	--	--	--	171,397
Selling and marketing expenses	99,038	(64,948)	(11,010)	303(c)	23,383
General and administrative expenses	98,155	(23,985)	(4,330)	383(c)	70,223
Depreciation	11,960	(3,353)	(1,254)	--	7,353
Total costs and expenses	652,435	(300,137)	(69,253)	686	283,731
Income from operations	31,382	(9,988)	(3,226)	(686)	17,482
Interest expense	(8,950)	(4)	--	3,391(c,d)	(5,563)
Other income, net	34,953(e)	1,350	(234)	--	36,069(e)
Income before income taxes and minority interest	57,385(e)	(8,642)	(3,460)	2,705	47,988(e)
Income taxes	(21,866)	3,633	1,031	(1,079)	(18,281)
Minority interest in earnings of subsidiaries	(3,791)	827	--	--	(2,964)
Income from continuing operations	$ 31,728(e)	$ (4,182)	$ (2,429)	$ 1,626	$ 26,743(e)
EARNINGS PER COMMON SHARE					
Income from continuing operations	$ 3.23(e)				$ 2.72(e)
Average number of shares outstanding	9,836				9,836

(a) To eliminate the earnings of National Sanitary Supply for the year ended December 31, 1996.
(b) To eliminate the earnings of the Omnia Group for the year ended December 31, 1996.
(c) To reclassify compensation costs and interest expense to reflect the withdrawal of National and Omnia employees from continuing participation in the Company's ESOPs.
(d) To reflect interest savings that would have resulted from the retirement of borrowings under the Company's uncommitted lines of credit and the amended revolving credit agreement.
(e) Amounts include pretax gains of $28,166,000 ($17,731,000 aftertax or $1.80 per share) from the sales of investments during the period.

(c) EXHIBITS

SK 601 Ref. No.	Description
2.1	Agreement and Plan of Merger dated as of August 11, 1997 among National Sanitary Supply Company, Unisource Worldwide, Inc. and TFBD, Inc. ("Merger Agreement"). Pursuant to Paragraph 229.601(b)(2) of Regulation S-K of the Securities Act of 1933, the Registrant has omitted the exhibits and schedules to the Agreement. A description of the schedules is included in the Amended Disclosure Schedule furnished as Exhibit 2.2. The Registrant hereby agrees to furnish supplementally to the Securities and Exchange Commission upon request a copy of any omitted schedule, or exhibit.
2.2	Amended Disclosure Schedules to Merger Agreement
2.3	Stock Purchase Agreement By and Among Banta Corporation, Chemed Corporation and OCR Holding Company dated September 24, 1997. Pursuant to Paragraph 229.601(b)(2) of Regulation S-K of the Securities Act of 1933, the Registrant has omitted the exhibits and schedules to the Agreement. A description of the schedules is included within the agreement. The Registrant hereby agrees to furnish supplementally to the Securities and Exchange Commission upon request a copy of any omitted schedule, or exhibit.
99.1	Press release, dated September 25, 1997
99.2	Press release, dated September 30, 1997

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHEMED CORPORATION

BY: Arthur V. Tucker, Jr.
Its: Vice President & Controller

Dated: October 9, 1997

Exhibit 2.1

ANNEX A

AGREEMENT AND PLAN OF MERGER

DATED AS OF

AUGUST 11, 1997

AMONG

NATIONAL SANITARY SUPPLY COMPANY,

UNISOURCE WORLDWIDE, INC.

AND

TFBD, INC.

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Exhibit A -- Indemnity Agreement
Exhibit B -- Tax Matters Agreement

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER dated as of August 11, 1997 among NATIONAL SANITARY SUPPLY COMPANY, a Delaware corporation (the "Company"), UNISOURCE WORLDWIDE, INC., a Delaware corporation ("BUYER"), and TFBD, INC., a Delaware corporation and a wholly owned subsidiary of Buyer ("MERGER SUBSIDIARY").

WHEREAS, the Board of Directors of each of Buyer, the Company and Merger Subsidiary have determined that it is advisable and in the best interests of their respective stockholders to engage in the transactions contemplated hereby; and

WHEREAS, the Board of Directors of the Company has approved the merger (the "MERGER") of the Merger Subsidiary with and into the Company in accordance with the terms of this Agreement and the General Corporation Law of the State of Delaware (the "DELAWARE LAW") and other applicable law; and

WHEREAS, this Agreement and the Merger shall be approved by the stockholders of the Company for purposes of Delaware Law at such time as the Company is in receipt of written consents approving this Agreement and the Merger executed by the holders of that number of shares of common stock, par value $1.00 per share, of the Company (each, a "SHARE") representing the right to cast a majority of the votes entitled to be cast at a meeting to consider the Agreement and the Merger; and

WHEREAS, Chemed Corporation, a Delaware corporation ("CHEMED"), owns in excess of 80% of the issued and outstanding Shares and concurrently with the execution of this Agreement is delivering its written consent approving this Agreement and the Merger as permitted by the certificate of incorporation and bylaws of the Company and Delaware Law; and

WHEREAS, such consent constitutes the only action necessary by stockholders of the Company required in order to authorize this Agreement and the Merger under the Company's certificate of incorporation and bylaws and Delaware Law; and

WHEREAS, Chemed, as an inducement to Buyer and Merger Subsidiary to enter into the transactions contemplated hereby, is contemporaneously herewith entering into the Indemnity Agreement and the Tax Matters Agreement (each as defined below);

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1

THE MERGER

SECTION 1.01. The Merger. (a) At the Effective Time (as defined below), Merger Subsidiary shall be merged with and into the Company in accordance with Delaware Law, whereupon the separate existence of Merger Subsidiary shall cease, and the Company shall be the surviving corporation (the "SURVIVING CORPORATION").

(b) As soon as practicable after the later of (i) satisfaction or waiver of all conditions to the Merger and (ii) the 20th calendar day after the Company Information Statement (as defined below) is first sent or given to the stockholders of the Company, the Company and Merger Subsidiary will file a certificate of merger with the Secretary of State of the State of Delaware and make all other filings or recordings required by Delaware Law in connection with the Merger. The Merger shall become effective at such time as the certificate of merger is duly filed with the Secretary of State of the State of Delaware or at such later time as is specified in the certificate of merger (the "EFFECTIVE TIME").

(c) From and after the Effective Time, the Surviving Corporation shall possess all the rights, privileges, powers and franchises and be subject to all of the restrictions, disabilities and duties of the Company and Merger Subsidiary, all as provided under Delaware Law.

SECTION 1.02. Conversion of Shares. At the Effective Time:

(a) each Share held by the Company as treasury stock or owned by Buyer or any subsidiary of Buyer immediately prior to the Effective Time shall be canceled, and no payment shall be made with respect thereto;

(b) each share of common stock of Merger Subsidiary outstanding immediately prior to the Effective Time shall be converted into and become one share of common stock of the Surviving Corporation with the same rights, powers and privileges as the shares so converted and shall constitute the only outstanding shares of capital stock of the Surviving Corporation; and

(c) each Share outstanding immediately prior to the Effective Time shall, except as otherwise provided in Section 1.02(a) or as provided in Section 1.04 with respect to Shares as to which appraisal rights have been exercised, be converted into the right to receive $21.00 in cash, without interest (the "MERGER CONSIDERATION").

SECTION 1.03. Surrender and Payment. (a) Prior to the Effective Time, Buyer shall appoint an agent (the "EXCHANGE AGENT") for the purpose of exchanging certificates representing Shares for the Merger Consideration. Buyer will make available to the Exchange Agent, in such amounts as may be needed from time to time, the Merger Consideration to be paid in respect of the Shares. Promptly after the Effective Time, Buyer will send, or will cause the Exchange Agent to send, to each holder of Shares at the Effective Time a letter of transmittal for use in such exchange (which shall specify that the delivery shall be effected, and risk of loss and title shall pass, only upon proper delivery of the certificates representing Shares to the Exchange Agent).

(b) Each holder of Shares that have been converted into a right to receive the Merger Consideration, upon surrender to the Exchange Agent of a certificate or certificates representing such Shares, together with a properly completed letter of transmittal covering such Shares, will be entitled to receive the Merger Consideration payable in respect of such Shares. From and after the Effective Time, all shares which have been so converted shall no longer be outstanding and shall automatically be canceled and retired and each such certificate shall, after the Effective Time, represent for all purposes, only the right to receive such Merger Consideration. From and after the Effective Time, the holders of Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Shares except as otherwise provided in this Agreement or by applicable law. All cash paid upon the surrender of certificates in accordance with the terms of this Section 1.03 shall be deemed to have been paid in full satisfaction of all rights pertaining to the Shares previously represented by such certificates.

(c) If any portion of the Merger Consideration is to be paid to a Person (as defined below) other than the registered holder of the Shares represented by the certificate or certificates surrendered in exchange therefor, it shall be a condition to such payment that the certificate or certificates so surrendered shall be properly endorsed or otherwise be in proper form for transfer and that the Person requesting such payment shall pay to the Exchange Agent any transfer or other taxes required as a result of such payment to a Person other than the registered holder of such Shares or establish to the satisfaction of the Exchange Agent that such tax has been paid or is not payable. For purposes of this Agreement, "PERSON" means an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

(d) After the Effective Time, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers of Shares. If, after the Effective Time, certificates representing Shares are presented to the Surviving Corporation, they shall be canceled and exchanged for the consideration provided for, and in accordance with the procedures set forth, in this Article 1.

(e) Any portion of the Merger Consideration made available to the Exchange Agent pursuant to Section 1.03(a) that remains unclaimed by the holders of Shares twelve months after the Effective Time shall be returned to Buyer, upon demand, and any such holder who has not exchanged his Shares for the Merger Consideration in accordance with this Section prior to that time shall thereafter look only to Buyer for payment of the Merger Consideration in respect of his Shares. Notwithstanding the foregoing, Buyer shall not

be liable to any holder of Shares for any amount paid to a public official pursuant to applicable abandoned property laws. Any amounts remaining unclaimed by holders of Shares two years after the Effective Time (or such earlier date immediately prior to such time as such amounts would otherwise escheat to or become property of any governmental entity) shall, to the extent permitted by applicable law, become the property of Buyer free and clear of any claims or interest of any Person previously entitled thereto.

(f) Any portion of the Merger Consideration made available to the Exchange Agent pursuant to Section 1.03(a) to pay for Shares for which appraisal rights have been perfected shall be returned to Buyer, upon demand.

SECTION 1.04. Dissenting Shares. Notwithstanding Section 1.02, Shares outstanding immediately prior to the Effective Time and held by a holder who has not voted in favor of the Merger or consented thereto in writing and who has demanded appraisal for such Shares in accordance with Delaware Law shall not be converted into a right to receive the Merger Consideration, unless such holder fails to perfect or withdraws or otherwise loses his right to appraisal. If after the Effective Time such holder fails to perfect or withdraws or loses his right to appraisal, such Shares shall be treated as if they had been converted as of the Effective Time into a right to receive the Merger Consideration. The Company shall give Buyer prompt written notice of any demands received by the Company for appraisal of Shares, and Buyer shall have the right to participate in all negotiations and proceedings with respect to such demands. The Company shall not, except with the prior written consent of Buyer, make any payment with respect to, or settle or offer to settle, any such demands.

SECTION 1.05. Stock Options. (a) At or immediately prior to the Effective Time, each outstanding employee stock option to purchase Shares granted under any employee stock option or compensation plan or arrangement of the Company shall be canceled, and each holder of any such option, whether or not then vested or exercisable, shall be paid by the Company promptly after the Effective Time for each such option an amount determined by multiplying (i) the excess, if any, of the Merger Consideration over the applicable exercise price of such option by (ii) the number of Shares such holder could have purchased (assuming full vesting of all options) had such holder exercised such option in full immediately prior to the Effective Time, less any taxes required to be withheld by the Company with respect thereto.

(b) Prior to the Effective Time, the Company shall (i) obtain any consents from holders of options to purchase Shares granted under the Company's stock option or compensation plans or arrangements and (ii) make any amendments to the terms of such stock option or compensation plans or arrangements that, in the case of either clauses 1.05(b)(i) or 1.05(b)(ii), are necessary to give effect to the transactions contemplated by Section 1.05(a). Notwithstanding any other provision of this Section, payment may be withheld in respect of any employee stock option until necessary consents are obtained.

SECTION 1.06. Lost Certificates. If any certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed and, if required by the Surviving Corporation, the posting by such holder of a bond, in such reasonable amount as the Surviving Corporation may direct, as indemnity against any claim that may be made against it with respect to such certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed certificate the Merger Consideration to be paid in respect of the Shares represented by such certificate as contemplated by this Article.

SECTION 1.07. Adjustments. If at any time during the period between the date of this Agreement and the Effective Time, any change in the outstanding Shares shall occur, including by reason of any reclassification, recapitalization, stock dividend, stock split or combination, exchange or readjustment of Shares, or any stock dividend thereon with the record date during such period, the price per share to be paid to holders of Shares in the Merger shall be appropriately adjusted.

ARTICLE 2

THE SURVIVING CORPORATION

SECTION 2.01. Certificate of Incorporation. The certificate of incorporation of Merger Subsidiary in effect at the Effective Time shall be the certificate of incorporation of the Surviving Corporation until amended in accordance with applicable law, except that the name of the Surviving Corporation shall be changed to "National Sanitary Supply Company".

SECTION 2.02. Bylaws. The bylaws of Merger Subsidiary in effect at the Effective Time shall be the bylaws of the Surviving Corporation until amended in accordance with applicable law.

SECTION 2.03. Directors and Officers. From and after the Effective Time, until successors are duly elected or appointed and qualified in accordance with applicable law, (a) the directors of Merger Subsidiary at the Effective Time shall be the directors of the Surviving Corporation, and (b) the officers of the Company at the Effective Time shall be the officers of the Surviving Corporation.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as disclosed in the letter of the Company dated the date hereof and delivered to Buyer in connection with this Agreement (the "Disclosure Letter") and making reference to the particular section of this Agreement to which exception is being taken, the Company represents and warrants to Buyer that:

SECTION 3.01. Corporate Existence and Power. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except for those jurisdictions where the failure to be so qualified would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), business, assets or results of operations of the Company and the Subsidiaries (as defined below) taken as a whole (a "MATERIAL ADVERSE EFFECT"). The Company has heretofore delivered to Buyer true and complete copies of the Company's certificate of incorporation and bylaws as currently in effect.

SECTION 3.02. Corporate Authorization. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby are within the Company's corporate powers and have been duly authorized by all necessary corporate action (including all necessary stockholder action). This Agreement constitutes a valid and binding agreement of the Company.

SECTION 3.03. Governmental Authorization. The execution, delivery and performance by the Company of this Agreement and the consummation of the Merger by the Company require no action by or in respect of, or filing with, any governmental body, agency, official or authority other than (a) the filing of a certificate of merger in accordance with Delaware Law; (b) compliance with any applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR ACT"); and (c) compliance with any applicable requirements of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder (the "EXCHANGE ACT").

SECTION 3.04. Non-contravention. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby do not and will not (a) contravene or conflict with the certificate of incorporation or bylaws of the Company, (b) assuming compliance with the matters referred to in Section 3.03, contravene or conflict with or constitute a violation of any provision of any law, regulation, judgment, injunction, order or decree binding upon or applicable to the Company or any Subsidiary, (c) constitute a default under or give rise to a right of termination, cancellation or acceleration of any right or obligation of the Company or any Subsidiary or to a loss of any benefit to which the Company or any Subsidiary is entitled under any provision of any agreement, contract or other instrument

binding upon the Company or any Subsidiary or any license, franchise, permit or other similar authorization held by the Company or any Subsidiary, or (d) result in the creation or imposition of any Lien on any asset of the Company or any Subsidiary. For purposes of this Agreement, "LIEN" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset.

SECTION 3.05. Capitalization. The authorized capital stock of the Company consists of 9,000,000 Shares, and 1,000,000 shares of preferred stock, par value $1.00 per share. As of July 31, 1997, there were outstanding 6,269,824 Shares, no shares of preferred stock and employee stock options to purchase an aggregate of 513,139 Shares. All outstanding shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable. Except as set forth in this Section and except for changes since July 31, 1997 resulting from the exercise of employee stock options outstanding on such date, there are outstanding (a) no shares of capital stock or other voting securities of the Company, (b) no securities of the Company convertible into or exchangeable for shares of capital stock or voting securities of the Company, and (c) no options or other rights to acquire from the Company, and no obligation of the Company to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of the Company (the items in clauses 3.05(a), 3.05(b) and 3.05(c) being referred to collectively as the "COMPANY SECURITIES"). There are no outstanding obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any Company Securities.

SECTION 3.06. Subsidiaries. (a) Each Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except for those jurisdictions where failure to be so qualified would not, individually or in the aggregate, have a Material Adverse Effect. For purposes of this Agreement, "SUBSIDIARY" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by the Company. All Subsidiaries and their respective jurisdictions of incorporation are identified in the Company's annual report on Form 10-K for the fiscal year ended December 31, 1996 (the "COMPANY 10-K").

(b) All of the outstanding capital stock of, or other ownership interests in, each Subsidiary, is owned by the Company, directly or indirectly, free and clear of any Lien and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other ownership interests). There are no outstanding (i) securities of the Company or any Subsidiary convertible into or exchangeable for shares of capital stock or other voting securities or ownership interests in any Subsidiary, and (ii) options or other rights to acquire from the Company or any Subsidiary, and no other obligation of the Company or any Subsidiary to issue, any capital stock, voting securities or other ownership interests in, or any securities convertible into or exchangeable for any capital stock, voting securities or ownership interests in, any Subsidiary (the items in clauses 3.06(b)(i) and 3.06(b)(ii) being referred to collectively as the "SUBSIDIARY SECURITIES"). There are no outstanding obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any outstanding Subsidiary Securities.

SECTION 3.07. SEC Filings. (a) The Company has delivered to Buyer (i) the annual reports on Form 10-K for its fiscal years ended December 31, 1996, 1995 and 1994, (ii) the quarterly report of the Company on Form 10-Q for the fiscal quarter ended March 31, 1997, (iii) its proxy or information statements relating to meetings of, or actions taken without a meeting by, the stockholders of the Company since December 31, 1996, and (iv) all of its other reports, statements, schedules and registration statements filed with the Securities and Exchange Commission (the "SEC") since December 31, 1994.

(b) As of its filing date, each such report or statement filed pursuant to the Exchange Act did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(c) Each such registration statement, as amended or supplemented, if applicable, filed pursuant to the Securities Act of 1933 as of the date such statement or amendment became effective did not contain any

untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

SECTION 3.08. Financial Statements. The audited consolidated financial statements and unaudited consolidated interim financial statements of the Company included in its annual reports on Form 10-K and the quarterly report on Form 10-Q referred to in Section 3.07 fairly present, in conformity with generally accepted accounting principles applied on a consistent basis (except as may be indicated in the notes thereto), the consolidated financial position of the Company and its consolidated subsidiaries as of the dates thereof and their consolidated results of operations and changes in financial position for the periods then ended (subject to normal year-end adjustments in the case of any unaudited interim financial statements). For purposes of this Agreement, "BALANCE SHEET" means the consolidated balance sheet of the Company as of December 31, 1996 set forth in the Company 10-K and "BALANCE SHEET DATE" means December 31, 1996.

SECTION 3.09. Disclosure Documents. (a) Each document required to be filed by the Company with the SEC in connection with the transactions contemplated by this Agreement (the "COMPANY DISCLOSURE DOCUMENTS"), including, without limitation, the proxy or information statement of the Company (the "COMPANY INFORMATION STATEMENT") to be filed with the SEC in connection with the Merger, and any amendments or supplements thereto will, when filed, comply as to form in all material respects with the applicable requirements of the Exchange Act.

(b) At the time the Company Information Statement or any amendment or supplement thereto is first mailed to stockholders of the Company, and at the Effective Time, the Company Information Statement, as supplemented or amended, if applicable, will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. At the time of the filing of any Company Disclosure Document other than the Company Information Statement and at the time of any distribution thereof, such Company Disclosure Document will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties contained in this Section 3.09(b) will not apply to statements or omissions included in the Company Disclosure Documents based upon information furnished to the Company in writing by Buyer specifically for use therein.

SECTION 3.10. Absence of Certain Changes. Since the Balance Sheet Date, the Company and Subsidiaries have conducted their business in the ordinary course consistent with past practice and there has not been:

(a) any event, occurrence or development of a state of circumstances or facts which has had or reasonably could be expected to have a Material Adverse Effect;

(b) any declaration, setting aside or payment of any dividend or other distribution with respect to any shares of capital stock of the Company, or any issuance, grant, sale, repurchase, redemption or other acquisition by the Company or any Subsidiary of any outstanding shares of capital stock or other securities of, or other ownership interests (including options, rights or warrants) in, the Company or any Subsidiary;

(c) any amendment of any material term of any outstanding security of the Company or any Subsidiary or any subdivision, reclassification, recapitalization, split, combination or exchange of any shares of capital stock of the Company (other than in connection with outstanding options);

(d) any incurrence, assumption or guarantee by the Company or any Subsidiary of any indebtedness for borrowed money;

(e) any creation or assumption by the Company or any Subsidiary of any Lien on any material asset other than in the ordinary course of business consistent with past practices;

(f) any making of any loan, advance or capital contributions to or investment in any Person other than loans, advances or capital contributions to or investments in wholly-owned Subsidiaries made in the ordinary course of business consistent with past practices;

(g) any damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or assets of the Company or any Subsidiary which, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect;

(h) any transaction or commitment made, or any contract or agreement entered into, by the Company or any Subsidiary relating to its assets or business (including the acquisition or disposition of any assets) or any relinquishment by the Company or any Subsidiary of any contract or other right, in either case, material to the Company and the Subsidiaries taken as a whole, other than transactions and commitments in the ordinary course of business consistent with past practice and those contemplated by this Agreement;

(i) any change in any method of accounting or accounting practice by the Company or any Subsidiary, except for any such change required by reason of a concurrent change in generally accepted accounting principles;

(j) any tax election, other than those consistent with past practice, not required by law or any settlement or compromise of any tax liability in either case that is material to the Company and the Subsidiaries;

(k) any (i) grant of any severance or termination pay to any director, officer or employee of the Company or any Subsidiary, (ii) entering into of any employment, severance or termination, deferred compensation or other similar agreement (or any amendment to any such existing agreement) with any director, officer or employee of the Company or any Subsidiary, (iii) increase in benefits payable under any existing severance or termination pay policies or employment agreements or (iv) increase in compensation, bonus or other benefits payable to directors, officers or employees of the Company or any Subsidiary, other than in the ordinary course of business consistent with past practice; or

(l) any labor dispute, other than routine individual grievances, or any activity or proceeding by a labor union or representative thereof to organize any employees of the Company or any Subsidiary, which employees were not subject to a collective bargaining agreement at the Balance Sheet Date, or any lockouts, strikes, slowdowns, work stoppages or threats thereof by or with respect to such employees.

SECTION 3.11. No Undisclosed Material Liabilities. There are no liabilities or obligations of the Company or any Subsidiary of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances which could reasonably be expected to result in such a liability or obligation, other than:

(a) liabilities or obligations disclosed or provided for in the Balance Sheet;

(b) liabilities or obligations incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date, which in the aggregate are not material to the Company and the Subsidiaries, taken as a whole; and

(c) liabilities or obligations under this Agreement.

SECTION 3.12. Litigation. Section 3.12 of the Disclosure Letter sets forth, as of the date of this Agreement, a list of all pending lawsuits or claims of which the Company is aware, threatened against or affecting the Company or any Subsidiary or any of their respective properties. Except as set forth in the Disclosure Letter or Company 10-K, there is no action, suit, investigation or proceeding (or any basis therefor) pending against, or to the knowledge of the Company threatened against or affecting, the Company or any Subsidiary or any of their respective properties before any court or arbitrator or any governmental body, agency or official (i) as of the date hereof and (ii) which, if determined or resolved adversely to the Company or any Subsidiary in accordance with the plaintiff's demands, would reasonably be expected to have a Material Adverse Effect or which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Merger or any of the other transactions contemplated hereby.

SECTION 3.13. Taxes. Except as set forth in the Balance Sheet (including the notes thereto) and except as would not, individually or in the aggregate, have a Material Adverse Effect, (i) all tax returns, statements,

reports and forms (collectively, the "COMPANY RETURNS") required to be filed with any taxing authority by, or with respect to, the Company and its Subsidiaries have been filed in accordance with all applicable laws, (ii) the Company and its Subsidiaries have timely paid all taxes shown as due and payable on such Company Returns that have been so filed, and, as of the time of filing, the Company Returns correctly reflected the facts regarding the income, business, assets, operations, activities and the status of the Company and its Subsidiaries, (iii) the Company and its Subsidiaries have made adequate provision on their books for all taxes payable by the Company and its Subsidiaries for which no Company Return has yet been filed, (iv) the charges, accruals and reserves for taxes with respect to the Company and its Subsidiaries reflected on the Balance Sheet (excluding any provision for deferred income taxes) are adequate under United States generally accepted accounting principles ("GAAP") to cover the tax liabilities accruing through the date thereof, (v) there is no action, suit, proceeding, audit, or claim with respect to tax matters now proposed or pending against or with respect to the Company or any of its Subsidiaries, (vi) there are no outstanding waivers or other agreements extending any statutory periods of limitation for the assessment of taxes of the Company and its Subsidiaries, (vii) neither the Company nor any of its Subsidiaries has been a United Sates real property holding corporation within the meaning of Section 897(c)(2) of the Internal Revenue Code of 1986, as amended (the "CODE") during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code and (viii) neither the Company nor any of its Subsidiaries has been a member of an affiliated, consolidated, combined or unitary group other than one of which Chemed is the common parent. With respect to the 1997 calendar year, the Shares are "regularly traded on an established securities market" within the meaning of Section 897(c)(2) of the Code and the final and temporary regulations thereunder.

SECTION 3.14. ERISA. (a) Definitions. For purposes hereof the following terms have the following meanings:

"BENEFIT ARRANGEMENT" means any employment, severance or similar contract or arrangement (whether or not written) providing for compensation, bonus, profit-sharing, stock option, or other stock related rights or other forms of incentive or deferred compensation, vacation benefits, insurance coverage (including any self-insured arrangements), health or medical benefits, disability benefits, worker's compensation, supplemental unemployment benefits, workers' compensation, supplemental unemployment benefits, severance benefits and postemployment or retirement benefits (including compensation, pension, health, medical or life insurance or other benefits) that (i) is not an Employee Plan (as defined below), (ii) is entered into, maintained, administered or contributed to, as the case may be, by the Company or any of its Affiliates (as defined below) and (iii) covers any employee or former employee of the Company or any Subsidiary.

"EMPLOYEE PLAN" means any "employee benefit plan", as defined in Section 3(3) of ERISA, that (i) is subject to any provision of ERISA, (ii) is maintained, administered or contributed to by the Company or any of its Affiliates and (iii) covers any employee or former employee of the Company or any Subsidiary.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA AFFILIATE" of any entity means any other entity which, together with such entity, would be treated as a single employer under Section 414 of the Code.

"MULTIEMPLOYER PLAN" means each Employee Plan that is a multiemployer plan, as defined in Section 3(37) of ERISA.

"PBGC" means the Pension Benefit Guaranty Corporation.

"TITLE IV PLAN" means an Employee Plan subject to Title IV of ERISA other than any Multiemployer Plan.

(b) The Company has provided, or will provide prior to the Effective Time, Buyer with a list and copies of the Employee Plans (and, if applicable, related trust agreements) and all amendments thereto and written interpretations thereof together with the most recent annual report (Form 5500 including all required Schedules thereto) and the most recent actuarial valuation report prepared in connection with any Employee Plan. Such list identifies each Employee Plan which is (i) a Multiemployer plan, (ii) a Title IV Plan or (iii) maintained in connection with any trust described in Section 501(c)(9) of the Code. The Company has

provided, or will provide prior to the Effective Time, Buyer with complete age, salary, service and related data as of the most recent practicable date for all employees and former employees covered under any Title IV Plan.

(c) The fair market value of the assets of each Title IV Plan (excluding for these purposes any accrued but unpaid contributions) exceeds the present value of all benefits accrued under such Title IV Plan determined on a termination basis using the assumptions established by the PBGC. There is no unfunded liability of the Company or any Subsidiary in respect of any Employee Plans or Benefit Arrangements described under Sections 4(b)(5) of ERISA or 401(a)(1) of the Code, as computed using reasonable actuarial assumptions and determined as if all benefits under such plans are vested and payable.

(d) No transaction prohibited by Section 406 of ERISA or Section 4975 of the Code has occurred with respect to any employee benefit plan or arrangement which is covered by Title I of ERISA, which transaction has or will cause the Company or any of its Subsidiaries to incur any liability under ERISA, the Code or otherwise, excluding transactions effected pursuant to and in compliance with a statutory or administrative exemption. No "accumulated funding deficiency", as defined in Section 412 of the Code, has been incurred with respect to any Employee Plan subject to such Section 412, whether or not waived. No "reportable event", within the meaning of Section 4043 of ERISA, other than a "reportable event" that will not have a Material Adverse Effect, and no event described in Section 4062 or 4063 of ERISA, has occurred in connection with any Employee Plan. Neither the Company nor any ERISA Affiliate of the Company has (i) engaged in, or is a successor or parent corporation to an entity that has engaged in, a transaction described in Sections 4069 or 4212(c) of ERISA or (ii) incurred, or reasonably expects to incur prior to the Effective Time, (A) any liability under Title IV of ERISA arising in connection with the termination of, or a complete or partial withdrawal from, any plan covered or previously covered by Title IV of ERISA or (B) any liability under Section 4971 of the Code that in either case could become a liability of the Company or any Subsidiary or Buyer or any of its ERISA Affiliates after the Effective Time. No condition exists that (i) could constitute grounds for termination by the PBGC of any employee benefit plan that is subject to Title IV of ERISA that is maintained by the Company, any Subsidiary or any of their ERISA Affiliates or (ii) presents a material risk of complete or partial withdrawal from any multiemployer plan, as defined in Section 3(37) of ERISA, which could result in the Company, any Subsidiary or Buyer or any ERISA Affiliate of any of them incurring a withdrawal liability within the meaning of Section 4201 of ERISA. The assets of the Company and all of its Subsidiaries are not now, nor will they after the passage of time be, subject to any lien imposed under Code Section 412(n) by reason of a failure of the Company or any Subsidiary to make timely installments or other payments required under Code Section 412. If a "complete withdrawal" by the Company and all of its ERISA Affiliates were to occur as of the Effective Time with respect to all Multiemployer Plans, none of the Company, any Subsidiary or any of their ERISA Affiliates would incur any material withdrawal liability under Title IV of ERISA.

(e) Each Employee Plan that is intended to be qualified under Section 401(a) of the Code is so qualified and has been so qualified during the period since its adoption; each trust created under any such Plan is exempt from tax under Section 501(a) of the Code and has been so exempt since its creation. The Company has provided, or will provide prior to the Effective Time, Buyer with the most recent determination letter of the Internal Revenue Service relating to each such Employee Plan. Each Employee Plan has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code.

(f) The Company has provided, or will provide prior to the Effective Time, Buyer with a list and copies or descriptions of each Benefit Arrangement (and, if applicable, related trust agreements) and all amendments thereto and written interpretations thereof. Each Benefit Arrangement has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all applicable statutes, orders, rules and regulations and has been maintained in good standing with applicable regulatory authorities.

(g) Neither the Company nor any Subsidiary has any current or projected liability in respect of post-employment or post-retirement health or medical or life insurance benefits for retired, former or current employees of the Company or any Subsidiary, except as required to avoid excise tax under Section 4980B of

the Code. No condition exists that would prevent the Company or any Subsidiary from amending or terminating any Employee Plan or Benefit Arrangement providing health or medical benefits in respect of any active employee of the Company or any Subsidiary other than limitations imposed under the terms of a collective bargaining agreement.

(h) All contributions and payments which have either become due and payable or should be accrued under each Employee Plan and Benefit Arrangement, determined in accordance with prior funding and accrual practices, will be discharged and paid or accrued, respectively, on or prior to the Effective Time in accordance with such practices. There has been no amendment to, written interpretation of or announcement (whether or not written) by the Company or any Subsidiary relating to, or change in employee participation or coverage under, any Employee Plan or Benefit Arrangement that would increase materially the expense of maintaining such Employee Plan or Benefit Arrangement above the level of the expense incurred in respect thereof for the most recent fiscal year ended prior to the date hereof.

(i) There is no contract, plan or arrangement (written or otherwise) covering any employee or former employee of the Company or any Subsidiary that, individually or collectively, could give rise to the payment of any amount that would not be deductible pursuant to the terms of Section 280G of the Code.

(j) There has been no failure of a group health plan (as defined in Section 5000(b)(1) of the Code) to meet the requirements of Code Section 4980B(f) with respect to a qualified beneficiary (as defined in Section 4980B(g)). Neither the Company nor any of its Subsidiaries has contributed to a nonconforming group health plan (as defined in Section 5000(c)) and no ERISA Affiliate of the Company or any of its Subsidiaries has incurred a tax under Section 5000(a) which is or could become a liability of the Company or any of its Subsidiaries.

(k) No employee or former employee of the Company or any Subsidiary will become entitled to any bonus, retirement, severance, job security or similar benefit or enhanced such benefit (including acceleration of vesting or exercise of an incentive award) solely as a result of the transactions contemplated hereby, except as contemplated by this Agreement.

SECTION 3.15. Compliance with Laws. The Company and each of its Subsidiaries is and has been in compliance with, and to the knowledge of the Company is not under investigation with respect to and has not been threatened to be charged with or given notice of any violation of, any applicable law, rule, regulation, judgment, injunction, order or decree, except for matters that have not had and could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.16. Finders' Fees. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf, of the Company or any Subsidiary who might be entitled to any fee or commission from Buyer or any of its affiliates upon consummation of the transactions contemplated by this Agreement.

SECTION 3.17. Other Information. None of the documents or information delivered to Buyer in connection with the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein not misleading. The financial projections relating to the Company and the Subsidiaries delivered to Buyer constitute the Company's best estimate of the information purported to be shown therein and the Company is not aware of any fact or information that would lead it to believe that such projections are incorrect or misleading in any material respect.

SECTION 3.18. Environmental Matters. (a) Definitions. For purposes hereof the following terms have the following meanings:

"ENVIRONMENTAL LAWS" means any federal, state, local or foreign law (including, without limitation, common law), treaty, judicial decision, regulation, rule, judgment, order, decree, injunction, permit or governmental restriction or requirement or any agreement with any governmental authority or other third party, relating to human health and safety, the environment or to pollutants, contaminants, wastes or

chemicals or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substances, wastes or materials.

"ENVIRONMENTAL PERMITS" means all permits, licenses, franchises, certificates, approvals and other similar authorizations of governmental authorities relating to or required by Environmental Laws and affecting, or relating in any way to, the business of the Company or any Subsidiary as currently conducted.

(b) Except as set forth in the Company 10-K:

(i) no notice, notification, demand, request for information, citation, summons or order has been received, no complaint has been filed, no penalty has been assessed, and no investigation, action, claim, suit, proceeding or review (or any basis therefor) is pending or, to the knowledge of the Company or any Subsidiary, is threatened by any governmental entity or other Person with respect to any matters relating to the Company or any Subsidiary and relating to or arising out of any Environmental Law which, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(ii) The Company is in compliance with all Environmental Laws and has been and is in compliance with all Environmental Permits, except where any noncompliance or failure to receive Environmental Permits could not reasonably be expected to result in a Material Adverse Effect; and

(iii) there are no liabilities of or relating to the Company or any Subsidiary of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise arising under or relating to any Environmental Law that have had or may reasonably be expected to have a Material Adverse Effect, and there are no facts, conditions, situations or set of circumstances which could reasonably be expected to result in or be the basis for any such liability.

(c) There has been no environmental investigation, study, audit, test, review or other analysis conducted of which the Company has knowledge in relation to the current or prior business of the Company or any Subsidiary or any property or facility now or previously owned or leased by the Company or any Subsidiary which has not been delivered to Buyer at least five days prior to the Effective Time.

(d) Neither the Company nor any Subsidiary owns, leases or operates or has owned, leased or operated any real property, or conducts or has conducted any operations, in New Jersey or Connecticut.

(e) For purposes of this Section, the terms "COMPANY" and "SUBSIDIARY" shall include any entity which is, in whole or in part, a predecessor of the Company or any Subsidiary.

SECTION 3.19. Vote Required. The only vote of the holders of any class or series of capital stock of the Company necessary to approve the Merger is the affirmative vote of the holders of a majority of the outstanding Shares.

SECTION 3.20. Anti-Takeover Plan; State Takeover Statutes. Neither the Company nor any Subsidiary has in effect any plan, scheme, device or arrangement, commonly or colloquially known as a "poison pill" or "anti-takeover" plan or any similar plan, scheme, device or arrangement. The Board of Directors of the Company has approved the Merger and this Agreement. Except for Section 203 of Delaware Law, no state takeover statute or similar statute or regulation applies or purports to apply to the Merger, this Agreement or any of the transactions contemplated by this Agreement.

SECTION 3.21. Intercompany Accounts. Section 3.21 of the Disclosure Letter contains a complete list of all intercompany balances as of the June 30, 1997 between Chemed and its Affiliates, on the one hand, and the Company and the Subsidiaries, on the other hand. Since June 30, 1997 there has not been any accrual of liability by the Company or any Subsidiary to Chemed or any of its Affiliates or other transaction between the Company or any Subsidiary and Chemed and any of its Affiliates, except (i) with respect to the period commencing June 30, 1997 and ending on the date of this Agreement, in the ordinary course of business of the Company and the Subsidiaries consistent with past practice, and (ii) thereafter, as provided in Section 3.21 of the Disclosure Letter.

SECTION 3.22. Material Contracts. (a) Neither the Company nor any Subsidiary is a party to or bound by:

(i) any lease (whether of real or personal property) providing for annual rentals of $25,000 or more;

(ii) any agreement with a term of at least one year for the purchase of materials, supplies, goods, services, equipment or other assets providing for either (A) annual payments by the Company and the Subsidiaries of $50,000 or more or (B) aggregate payments by the Company and the Subsidiaries of $50,000 or more;

(iii) any sales, distribution or other similar agreement with a term of at least six months, providing for the sale by the Company or any Subsidiary of materials, supplies, goods, services, equipment or other assets that provides for (A) annual payments to the Company and the Subsidiaries of $100,000 or more and (B) does not by its terms permit the Company or any Subsidiary to pass any increase in the costs of such materials, supplies, goods, services, equipment or other assets on to the counterparty thereto;

(iv) any partnership, joint venture or other similar agreement or arrangement;

(v) any agreement relating to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise);

(vi) any agreement relating to asset sale programs, indebtedness for borrowed money or the deferred purchase price of property (in either case, whether incurred, assumed, guaranteed or secured by any asset);

(vii) any option, license, franchise or similar agreement;

(viii) any agency, dealer, sales representative, marketing or other similar agreement;

(ix) any agreement that limits the freedom of the Company or any Subsidiary or any officer or key employee to compete in any line of business or with any Person or in any area or which would so limit the freedom of the Company or any Subsidiary after the Effective Time;

(x) any agreement with (A) Chemed or any of its Affiliates (other than the Subsidiaries), (B) any Person directly or indirectly owning, controlling or holding with power to vote, 5% or more of the outstanding voting securities of Chemed or any of its Affiliates (including without limitation the Company and the Subsidiaries), (C) any Person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by Chemed or any of its Affiliates (including without limitation the Company and the Subsidiaries) or (D) any director or officer of Chemed or any of its Affiliates (including without limitation the Company and the Subsidiaries) or any "associates" or members of the "immediate family" (as such terms are respectively defined in Rule 12b-2 and Rule 16a-1 of the Exchange Act) of any such director or officer;

(xi) any other agreement, commitment, arrangement or plan not made in the ordinary course of business that is material to the Company and the Subsidiaries, taken as a whole.

As used herein, the term "AFFILIATE" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person.

(b) Each agreement, contract, plan, lease, arrangement or commitment disclosed in any Section of the Disclosure Letter or required to be disclosed pursuant to this Section is a valid and binding agreement of the Company or a Subsidiary, as the case may be, and is in full force and effect, and none of the Company, any Subsidiary or, to the knowledge of the Company, any other party thereto is in default or breach in any material respect under the terms of any such agreement, contract, plan, lease, arrangement or commitment, and, to the knowledge of the Company, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute any event of default thereunder. True and complete copies of each such agreement, contract, plan, lease, arrangement or commitment have been delivered to Buyer.

SECTION 3.23. Properties. (a) The Company and the Subsidiaries have good and marketable, indefeasible, fee simple title to, or in the case of leased property and assets have valid leasehold interests in, all property and assets (whether real, personal, tangible or intangible) reflected on the Balance Sheet or acquired after the Balance Sheet Date, except for properties and assets sold since the Balance Sheet Date in the

ordinary course of business consistent with past practices. None of such property or assets is subject to any Lien, except:

(i) Liens disclosed on the Balance Sheet;

(ii) Liens for taxes not yet due or being contested in good faith (and for which adequate accruals or reserves have been established on the Balance Sheet); or

(iii) Liens which do not materially detract from the value or materially interfere with any present or intended use of such property or assets.

(b) There are no developments affecting any such property or assets pending or, to the knowledge of the Company threatened, which might materially detract from the value, materially interfere with any present or intended use or materially adversely affect the marketability of any such property or assets.

(c) The plants, buildings, structures and equipment owned by the Company or any Subsidiary have no material defects, are in good operating condition and repair and have been reasonably maintained consistent with standards generally followed in the industry (giving due account to the age and length of use of same, ordinary wear and tear excepted), are adequate and suitable for their present and intended uses and, in the case of plants, buildings and other structures (including, without limitation, the roofs thereof), are structurally sound.

(d) The plants, buildings and structures owned by the Company or any Subsidiary currently have access to (i) public roads or valid easements over private streets or private property for such ingress to and egress from all such plants, buildings and structures and (ii) water supply, storm and sanitary sewer facilities, telephone, gas and electrical connections, fire protection, drainage and other public utilities, in each case as is necessary for the conduct of the businesses of the Company or any Subsidiary as heretofore conducted. None of the structures on any such owned or leased real property encroaches upon real property of another Person, and no structure of any other Person substantially encroaches upon any of such owned or leased real property.

(e) Such real property, and its continued use, occupancy and operation as currently used, occupied and operated, does not constitute a nonconforming use under all applicable building, zoning, subdivision and other land use and similar laws, regulations and ordinances.

(f) The property and assets owned or leased by the Company or any Subsidiary constitute all of the property and assets used or held for use in connection with the businesses of the Company or any Subsidiary and are adequate to conduct such businesses as currently conducted.

SECTION 3.24. Products. Each of the products produced or sold by the Company or any Subsidiary is, and at all times up to and including the sale thereof has been, (i) in compliance in all material respects with all applicable federal, state, local and foreign laws and regulations and (ii) fit for the ordinary purposes for which it is intended to be used and conforms in all material respects to any promises or affirmations of fact made on the container or label for such product or in connection with its sale. There is no design defect with respect to any of such products and each of such products contains adequate warnings, presented in a reasonably prominent manner, in accordance with applicable laws, rules and regulations and current industry practice with respect to its contents and use.

SECTION 3.25. Patents and Other Proprietary Rights. The Company and the Subsidiaries have rights to use, whether through ownership, licensing or otherwise, all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information. proprietary rights and processes of which the Company is aware that are necessary for its business as now conducted (collective the "INTELLECTUAL PROPERTY RIGHTS"), all of which have been disclosed in Section 3.25 of the Disclosure Letter. The Company and the Subsidiaries have not assigned, hypothecated or otherwise encumbered any of the Intellectual Property Rights and none of the licenses included in the Intellectual Property Rights purport to grant sole or exclusive licenses to another Person, including without limitation sole or exclusive licenses limited to specific fields of use. The patents owned by the Company and the Subsidiaries are valid and enforceable and any patent issuing from patent applications of the Company and the Subsidiaries will be valid and enforceable. The Company has no knowledge of any infringement by any other party of any of the Intellectual Property Rights, and the Company

and the Subsidiaries have not entered into any agreement to indemnify any other party against any charge of infringement of any of its Intellectual Property Rights. To the best of the Company's knowledge, the Company and the Subsidiaries have not and do not violate or infringe any intellectual property right of any other Person, and the Company and the Subsidiaries have not received any communication alleging that it violates or infringes the intellectual property right of any other Person. The Company and the Subsidiaries have not been sued for infringing any intellectual property right of another Person. None of the processes, techniques and formulae, research and development results and other know-how relating to the business of the Company and the Subsidiaries, the value of which to the Company is contingent upon maintenance of the confidentiality thereof, has been disclosed by the Company or any Affiliate thereof to any Person other than those Persons who are bound to hold such information in confidence pursuant to confidentiality agreements or by operation of law.

SECTION 3.26. Insurance Coverage. The Company has furnished or will furnish to Buyer a list of, and true and complete copies of, all insurance policies and fidelity bonds relating to the assets, business, operations, employees, officers or directors of the Company and the Subsidiaries. There is no claim by the Company or any Subsidiary pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds or in respect of which such underwriters have reserved their rights. All premiums payable under all such policies and bonds have been timely paid and the Company and the Subsidiaries have otherwise complied fully with the terms and conditions of all such policies and bonds. Such policies of insurance and bonds (or other policies and bonds providing substantially similar insurance coverage) have been in effect since January 1, 1992 and remain in full force and effect. Such policies and bonds are of the type and in amounts customarily carried by Persons conducting businesses similar to those of the Company or any Subsidiary. The Company does not know of any threatened termination of, premium increase with respect to, or material alteration of coverage under, any of such policies or bonds. Except as disclosed in Section 3.26 of the Disclosure Letter, the Company and the Subsidiaries shall after the Effective Time continue to have coverage under such policies and bonds with respect to events occurring prior to the Effective Time.

SECTION 3.27. Licenses and Permits. Section 3.27 of the Disclosure Letter correctly describes each material license, franchise, permit, certificate, approval or other similar authorization affecting, or relating in any way to, the assets or business of the Company and its Subsidiaries together with the name of the government agency or entity issuing such permit. All permits or other similar authorizations (whether material or not) are valid and in full force and effect and neither the Company nor any Subsidiary is in default under, and no condition exists that with notice or lapse of time or both would constitute a default under, the Permits. No permits or other similar authorizations (whether material or not) will be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated hereby.

SECTION 3.28. Inventories. The inventories set forth in the Balance Sheet were properly stated therein at the lesser of cost or fair market value determined in accordance with generally accepted accounting principles consistently maintained and applied by the Company and its Subsidiaries, less any reserves for obsolescence recorded on the Balance Sheet. Since the Balance Sheet Date, the inventories of the Company and its Subsidiaries have been maintained in the ordinary course of business. All such inventories are owned free and clear of all Liens. All of the inventories recorded on the Balance Sheet consists of, and all inventories of the Company and its Subsidiaries as of the Effective Time will consist of, items of a quality usable or saleable in the normal course of business consistent with past practices and are and will be in quantities sufficient for the normal operation of the business of the Company and its Subsidiaries in accordance with past practice.

SECTION 3.29. Receivables. All accounts, notes receivable and other receivables (other than receivables collected since the Balance Sheet Date) reflected on the Balance Sheet are, and all accounts and notes receivable arising from or otherwise relating to the business of the Company and its Subsidiaries as of the Effective Time will be, valid, genuine and fully collectible in the aggregate amount thereof, subject to normal and customary trade discounts, less any reserves for doubtful accounts recorded on the Balance Sheet. All accounts, notes receivable and other receivables arising out of or relating to such business of the Company and its Subsidiaries as of the Balance Sheet Date have been included in the Balance Sheet, and all accounts, notes

receivable and other receivables arising out of or relating to the Business as of the Effective Time will be included on the books of the Company in accordance with generally accepted accounting principles applied on a consistent basis.

SECTION 3.30. Employees. Section 3.30 of the Disclosure Letter sets forth a true and complete list of (a) the names, titles, annual salaries and other compensation of all officers of the Company and its Subsidiaries and all other employees of the Company and its Subsidiaries whose annual base salary exceeds $100,000 and (b) the wage rates and commission structures for non-salaried employees of the Company and its Subsidiaries (by location and job classification). None of such employees listed in clause (a) hereof and no other key employee of the Company and its Subsidiaries has indicated to the Company or its Subsidiaries that he intends to resign or retire as a result of the transactions contemplated by this Agreement or otherwise within one year after the Effective Time.

SECTION 3.31. Labor Matters. The Company and the Subsidiaries are in compliance with all currently applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and are not engaged in any unfair labor practice, failure to comply with which or engagement in which, as the case may be, would reasonably be expected to have a Material Adverse Effect. There is no unfair labor practice complaint pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary before the National Labor Relations Board.

SECTION 3.32. Required and Other Consents. (a) Section 3.32(a) of the Disclosure Letter sets forth each agreement, contract or other instrument binding upon the Company or its Affiliates requiring a consent as a result of the execution, delivery and performance of this Agreement, except such consents as would not, individually or in the aggregate, have, or reasonably be expected to have, a Material Adverse Effect if not received by the Effective Time (each such consent, a "REQUIRED CONSENT" and together the "REQUIRED CONSENTS").

(b) Section 3.32(b) of the Disclosure Letter sets forth every other consent (each such consent, an "OTHER CONSENT" and together the "OTHER CONSENTS") under such agreements, contracts or other instruments or such Permits that is necessary or desirable with respect to the execution, delivery and performance of this Agreement.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to the Company that:

SECTION 4.01. Corporate Existence and Power. Each of Buyer and Merger Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. Since the date of its incorporation, Merger Subsidiary has not engaged in any activities other than in connection with or as contemplated by this Agreement or in connection with arranging any financing required to consummate the transactions contemplated hereby.

SECTION 4.02. Corporate Authorization. The execution, delivery and performance by Buyer and Merger Subsidiary of this Agreement and the consummation by Buyer and Merger Subsidiary of the transactions contemplated hereby are within the corporate powers of Buyer and Merger Subsidiary and have been duly authorized by all necessary corporate action. This Agreement constitutes a valid and binding agreement of each of Buyer and Merger Subsidiary.

SECTION 4.03. Governmental Authorization. The execution, delivery and performance by Buyer and Merger Subsidiary of this Agreement and the consummation by Buyer and Merger Subsidiary of the transactions contemplated by this Agreement require no action by or in respect of, or filing with, any governmental body, agency, official or authority other than (a) the filing of a certificate of merger in accordance with Delaware Law, (b) compliance with any applicable requirements of the HSR Act and (c) compliance with any applicable requirements of the Exchange Act.

SECTION 4.04. Non-contravention. The execution, delivery and performance by Buyer and Merger Subsidiary of this Agreement and the consummation by Buyer and Merger Subsidiary of the transactions contemplated hereby do not and will not (a) contravene or conflict with the certificate of incorporation or bylaws of Buyer or Merger Subsidiary, (b) assuming compliance with the matters referred to in Section 4.03, contravene or conflict with any provision of law, regulation, judgment, order or decree binding upon Buyer or Merger Subsidiary, or (c) constitute a default under or give rise to any right of termination, cancellation or acceleration of any right or obligation of Buyer or Merger Subsidiary or to a loss of any benefit to which Buyer or Merger Subsidiary is entitled under any agreement, contract or other instrument binding upon Buyer or Merger Subsidiary, except, in the case of clause (b) and (c), for such matters as would not materially adversely affect the ability of Buyer and Merger Subsidiary to consummate the transactions contemplated by this Agreement.

SECTION 4.05. Disclosure Documents. The information with respect to Buyer and its subsidiaries that Buyer furnishes to the Company in writing specifically for use in any Company Disclosure Document will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (i) in the case of the Company Information Statement at the time the Company Information Statement or any amendment or supplement thereto is first mailed to stockholders of the Company and (ii) in the case of any Company Disclosure Document other than the Company Information Statement, at the time of the filing thereof and at the time of any distribution thereof.

SECTION 4.06. Finders' Fees. Except for Lehman Brothers Inc., whose fees will be paid by Buyer, there is no investment banker, broker, finder or other intermediary who might be entitled to any fee or commission from the Company or any of its affiliates upon consummation of the transactions contemplated by this Agreement.

ARTICLE 5

COVENANTS OF THE COMPANY

The Company agrees that:

SECTION 5.01. Conduct of the Company. From the date hereof until the Effective Time, the Company and the Subsidiaries shall conduct their business in the ordinary course consistent with past practice and shall use their best efforts to preserve intact their business organizations and relationships with third parties and to keep available the services of their present officers and employees. Without limiting the generality of the foregoing, from the date hereof until the Effective Time:

(a) the Company will not adopt or propose, or permit any Subsidiary to adopt or propose, any change in its certificate of incorporation, bylaws or other constituent documents;

(b) the Company will not, and will not permit any Subsidiary to, merge or consolidate with any other Person or acquire a material amount of assets of any other Person;

(c) the Company will not, and will not permit any Subsidiary to, sell, lease, license or otherwise dispose of any material assets or property except (i) pursuant to existing contracts or commitments and (ii) in the ordinary course consistent with past practice;

(d) the Company will not, and will not permit any Subsidiary to, agree or commit to do any of the foregoing; or

(e) the Company will not, and will not permit any Subsidiary to (i) take or agree or commit to take any action that would make any representation and warranty of the Company hereunder inaccurate in any respect at, or as of any time prior to, the Effective Time or (ii) omit or agree or commit to omit to take any action necessary to prevent any such representation or warranty from being inaccurate in any respect at any such time.

SECTION 5.02. Company Information Statement. As promptly as practicable, the Company (a) will prepare and file with the SEC, will use its best efforts to have cleared by the SEC and will thereafter mail to its stockholders as promptly as practicable the Company Information Statement and all other related materials, if any, (b) include in any Company Information Statement the determination of the Board of Directors to the effect that the Board of Directors, having determined that this Agreement and the transactions contemplated hereby are in the best interests of the Company and its stockholders, has approved this Agreement and such transactions and (c) will otherwise comply with all legal requirements applicable to such action. Buyer, Merger Subsidiary and the Company shall cooperate with each other in the preparation of the Company Information Statement, and the Company shall notify Buyer of the receipt of any comments of the SEC with respect to the Company Information Statement and of any request by the SEC for any amendment or supplement thereto or for additional information and shall provide to Buyer promptly copies of all correspondence between the Company or any representative of the Company and the SEC. The Company shall give Buyer and its counsel the opportunity to review the Company Information Statement prior to its being filed with the SEC and shall give Buyer and its counsel the opportunity to review all amendments and supplements to the Company Information Statement and all responses to requests for additional information and replies to comments prior to their being filed with, or sent to, the SEC.

If at any time prior to the Effective Time any event or circumstance relating to any party hereto, or their respective officers or directors, any party hereto, or their respective officers or directors, should be discovered by such party which should be set forth in an amendment or a supplement to the Company Information Statement, such party shall promptly inform the Company and Buyer thereof and take appropriate action in respect thereof.

SECTION 5.03. Access to Information. From the date hereof until the Effective Time, the Company will give Buyer, its counsel, financial advisors, auditors and other authorized representatives full access to the offices, properties, books and records of the Company and the Subsidiaries, will furnish to Buyer, its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information as such Persons may reasonably request and will instruct the Company's employees, counsel and financial advisors to cooperate with Buyer in its investigation of the business of the Company and the Subsidiaries; provided that no investigation pursuant to this Section shall affect any representation or warranty given by the Company to Buyer hereunder.

SECTION 5.04. Other Offers. From the date hereof until the termination hereof, the Company and the Subsidiaries and the officers, directors, employees or other agents of the Company and the Subsidiaries will not, directly or indirectly, (i) take any action to solicit, initiate, facilitate or encourage any Acquisition Proposal (as defined below), (ii) engage in negotiations with, or disclose any nonpublic information relating to the Company or any Subsidiary or afford access to the properties, books or records of the Company or any Subsidiary to, any Person that may be considering making, or has made, an Acquisition Proposal or (iii) enter into any agreement or understanding requiring the Company to abandon, terminate or fail to consummate the Merger or the other transactions contemplated hereby. The Company will promptly (and in no event later than 24 hours after receipt of the relevant Acquisition Proposal) notify (which notice shall be provided orally and in writing and shall identify the Person making the relevant Acquisition Proposal and set forth the material terms thereof) Buyer after receipt of any Acquisition Proposal or any indication that any Person is considering making an Acquisition Proposal or any request for nonpublic information relating to the Company or any Subsidiary or for access to the properties, books or records of the Company or any Subsidiary by any Person that may be considering making, or has made, an Acquisition Proposal and will keep Buyer fully informed of the status and details of any such Acquisition Proposal, indication or request. The Company shall, and shall cause the Subsidiaries and the Company's directors, officers, employees, financial advisors and other agents and representatives to, cease immediately and cause to be terminated all activities, discussions or negotiations, if any, with any Persons conducted heretofore with respect to any Acquisition Proposal. For purposes of this Agreement, "Acquisition Proposal" means any offer or proposal for, or any indication of interest in, a merger or other business combination involving the Company or any Subsidiary or the acquisition of any equity interest in, or a substantial portion of the assets of, the Company or any Subsidiary, other than the transactions contemplated by this Agreement.

SECTION 5.05. Notices of Certain Events. The Company shall promptly notify Buyer of:

(a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(b) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement; and

(c) any actions, suits, claims, investigations or proceedings commenced or, to the best of its knowledge threatened against, relating to or involving or otherwise affecting the Company or any Subsidiary which, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.12 or which relate to the consummation of the transactions contemplated by this Agreement.

SECTION 5.06. State Takeover Laws. The Company shall, upon the request of Buyer or Merger Subsidiary, take all reasonable steps to assist in any challenge by Buyer or Merger Subsidiary in respect of the validity or applicability to the transactions contemplated by this Agreement, including the Merger, of any state takeover law.

SECTION 5.07. Resignations. At or prior to the Effective Time, the Company will deliver to Buyer the resignations of all officers of the Company who will be officers, directors or employees of Chemed or any of its Affiliates after the Effective Time from their positions with the Company.

SECTION 5.08. Additional SEC Filings. The Company will promptly prepare and file with the SEC when due its quarterly reports on Form 10-Q for the fiscal quarters ended June 30, 1997 and, if applicable, September 30, 1997, and, as of their filing dates such reports will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein in the light of the circumstances under which they are made, not misleading.

ARTICLE 6

COVENANTS OF BUYER

Buyer agrees that:

SECTION 6.01. Confidentiality. Prior to the Effective Time and after any termination of this Agreement, Buyer will hold, and will use its best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law or the rules of The New York Stock Exchange, all confidential documents and information concerning the Company and the Subsidiaries furnished to Buyer in connection with the transactions contemplated by this Agreement, including, without limitation, any stockholder lists furnished by the Company, except to the extent that such information can be shown to have been (a) previously known on a nonconfidential basis by Buyer, (b) in the public domain through no fault of Buyer, (c) later lawfully acquired by Buyer from sources other than the Company or (d) developed independently by Buyer; provided that Buyer may disclose such information to its officers, directors, employees, accountants, counsel, consultants, advisors and agents in connection with the transactions contemplated by this Agreement and to its lenders in connection with obtaining the financing for the transactions contemplated by this Agreement so long as such Persons are informed by Buyer of the confidential nature of such information and are directed by Buyer to treat such information confidentially. Buyer's obligation to hold any such information in confidence shall be satisfied if it exercises the same care with respect to such information as it would take to preserve the confidentiality of its own similar information. If this Agreement is terminated (a) Buyer will, and will use its best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to, destroy or deliver to the Company, upon request, all documents and other materials, and all copies thereof, obtained by Buyer or on its behalf from the Company in connection with this Agreement that are subject to such confidence and (b) for a period of one year after the date hereof, Buyer will not solicit the employment of any management or sales employee of the Company.

SECTION 6.02. Obligations of Merger Subsidiary. Buyer will take all action necessary to cause Merger Subsidiary to perform its obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement.

ARTICLE 7

COVENANTS OF BUYER AND THE COMPANY

The parties hereto agree that:

SECTION 7.01. Best Efforts. Subject to the terms and conditions of this Agreement, each party will use its commercially reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement.

SECTION 7.02. Certain Filings. The Company and Buyer shall cooperate with one another (a) in connection with the preparation of the Company Disclosure Documents and (b) in determining whether any action by or in respect of, or filing with, any governmental body, agency or official, or authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the transactions contemplated by this Agreement and (c) in seeking any such actions, consents, approvals or waivers or making any such filings, furnishing information required in connection therewith or with the Company Disclosure Documents and seeking timely to obtain any such actions, consents, approvals or waivers.

SECTION 7.03. Public Announcements. Buyer and the Company will consult with each other before issuing any press release or making any public statement with respect to this Agreement and the transactions contemplated hereby and, except as may be required by applicable law or any listing agreement with any national securities exchange, will not issue any such press release or make any such public statement prior to such consultation.

SECTION 7.04. Further Assurances. At and after the Effective Time, the officers and directors of the Surviving Corporation will be authorized to execute and deliver, in the name and on behalf of the Company or Merger Subsidiary, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Company or Merger Subsidiary, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

SECTION 7.05. Confidentiality Agreement. Buyer and the Company hereby terminate the Confidentiality Agreement dated June 17, 1997 by and between Buyer and the Company, and hereby agree that such Confidentiality Agreement shall from the date hereof be of no further force or effect.

SECTION 7.06. Completion of Due Diligence and Amended Disclosure Letter. (a) The Company and Buyer agree that Buyer will have four weeks from the date of execution of this Agreement to conduct due diligence of the Company and its Subsidiaries (the "DUE DILIGENCE PERIOD") except for due diligence with respect to environmental matters, which due diligence may be conducted up until the Effective Time. If at the end of the Due Diligence Period, the results of such due diligence are not satisfactory to Buyer, Buyer may terminate the Agreement in accordance with Section 9.01.

(b) The Company shall, no later than three weeks from the date of execution of this Agreement, deliver an updated Disclosure Letter to Buyer (the "AMENDED DISCLOSURE LETTER"). Buyer may review such Amended Disclosure Letter until the end of the Due Diligence Period. If the Amended Disclosure Letter is unsatisfactory to Buyer, Buyer may terminate the Agreement in accordance with Section 9.01. If Buyer accepts the Amended Disclosure Letter, any reference in this Agreement to the "Disclosure Letter" shall thereafter be deemed to be a reference to the Amended Disclosure Letter.

ARTICLE 8

CONDITIONS TO THE MERGER

SECTION 8.01. Conditions to the Obligations of Each Party. The obligations of the Company, Buyer and Merger Subsidiary to consummate the Merger are subject to the satisfaction of the following conditions:

(a) this Agreement shall have been adopted by the stockholders of the Company in accordance with Delaware Law;

(b) any applicable waiting period under the HSR Act relating to the Merger shall have expired;

(c) no provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the Merger; and

(d) all actions by or in respect of or filings with any governmental body, agency, official, or authority required to permit the consummation of the Merger shall have been obtained.

SECTION 8.02. Conditions to the Obligations of Buyer and Merger Subsidiary. The obligations of Buyer and Merger Subsidiary to consummate the Merger are subject to the satisfaction of the following further conditions:

(a) (i) the Company shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Effective Time, (ii) the representations and warranties of the Company contained in this Agreement and in any certificate or other writing delivered by the Company pursuant hereto, disregarding all qualifications contained therein relating to materiality or Material Adverse Effect, shall be true in all material respects at and as of the Effective Time as if made at and as of such time and (iii) Buyer shall have received a certificate signed by the Vice Chairman of the Company to the foregoing effect;

(b) there shall not be instituted or pending any action or proceeding by any government or governmental authority or agency, domestic or foreign, or by any other Person, domestic or foreign, before any court or governmental authority or agency, domestic or foreign, (i) challenging or seeking to make illegal, to delay materially or otherwise directly or indirectly to restrain or prohibit the consummation of the Merger, seeking to obtain material damages or otherwise directly or indirectly relating to the transactions contemplated by the Merger, (ii) seeking to restrain or prohibit Buyer's ownership or operation (or that of its Affiliates) of all or any material portion of the business or assets of the Company and its Subsidiaries, taken as a whole, or of Buyer and its Affiliates, taken as a whole, or to compel Buyer or any of its Affiliates to dispose of or hold separate all or any material portion of the business or assets of the Company and its Subsidiaries, taken as a whole, or of Buyer and its Affiliates, taken as a whole or (iii) that otherwise is likely to materially adversely affect the Company and its Subsidiaries, taken as a whole, or Buyer and its Affiliates, taken as a whole;

(c) there shall not be any action taken, or any statute, rule, regulation, injunction, order or decree proposed, enacted, enforced, promulgated, issued or deemed applicable to the Merger, by any court, government or governmental authority or agency, domestic or foreign, other than the application of the waiting period provisions of the HSR Act to the Merger, that is likely, directly or indirectly, to result in any of the consequences referred to in clauses (i) through (iii) of paragraph (b) above;

(d) Chemed shall have executed and delivered to Buyer the Indemnity Agreement (the "INDEMNITY AGREEMENT") and the Tax Matters Agreement (the "TAX MATTERS AGREEMENT") copies of which are attached hereto as Exhibits A and B, respectively, and the Indemnity Agreement and Tax Matters Agreement shall be in full force and effect;

(e) The Company shall have received all Required Consents in form and substance reasonably satisfactory to Buyer;

(f) Chemed shall have executed and delivered to Buyer a non-competition agreement ("NON-COMPETE AGREEMENT"), in form and substance satisfactory to Buyer, and such Non-Compete Agreement shall be in full force and effect;

(g) Buyer shall have entered into employment agreements (the "KEY EMPLOYEE AGREEMENTS") with each of the senior management employees of the Company, in each case in form and substance satisfactory to Buyer;

(h) Buyer shall have received the resignation of the officers and directors of the Company as contemplated by Section 5.07;

(i) Buyer shall have completed environmental due diligence to its satisfaction;

(j) Buyer shall have received all documents it may reasonably request relating to the existence of the Company and the Subsidiaries and the authority of the Company for this Agreement, all in form and substance satisfactory to Buyer; and

(k) The Buyer and Chemed shall have entered into a Transitional Services Agreement, pursuant to which Chemed will provide certain employee benefits to employees of the Company for a period of time to be agreed upon between Buyer and Chemed, in form and substance satisfactory to Buyer.

SECTION 8.03. Conditions to the Obligations of the Company. The obligations of the Company to consummate the Merger are subject to the satisfaction of the following further conditions:

(a) (i) Buyer and Merger Subsidiary shall have performed in all material respects all of their respective obligations hereunder required to be performed by them at or prior to the Effective Time, (ii) the representations and warranties of Buyer and Merger Subsidiary contained in this Agreement and any certificate or other writing delivered by Buyer or Merger Subsidiary pursuant hereto, disregarding all qualifications contained therein relating to materiality or material adverse effect, shall be true in all material respects at and as of the Effective Time as if made at and as of such time and (iii) the Company shall have received a certificate signed by a Senior Vice President of Buyer and an equivalent officer of Merger Subsidiary to the foregoing effect;

(b) The Company shall have received all documents it may reasonably request relating to the existence of Buyer or Merger Subsidiary and the authority of Buyer or Merger Subsidiary for this Agreement, all in form and substance satisfactory to the Company.

ARTICLE 9

TERMINATION

SECTION 9.01. Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time (notwithstanding any approval of this Agreement by the stockholders of the Company):

(a) by mutual written consent of the Company and Buyer;

(b) by either the Company or Buyer, if the Merger has not been consummated by December 31, 1997; provided that the right to terminate this Agreement pursuant to this Section 9.01(b) shall not be available to any party whose breach of any provision of this Agreement results in the failure of the Merger to be consummated by such time; or

(c) by either the Company or Buyer, if there shall be any law or regulation that makes consummation of the Merger illegal or otherwise prohibited or if any judgment, injunction, order or decree enjoining Buyer or the Company from consummating the Merger is entered and such judgment, injunction, order or decree shall become final and nonappealable; or

(d) by Buyer if either the results of its due diligence of the Company and the Subsidiaries or the Amended Disclosure Letter are not to its satisfaction, in accordance with Section 7.06.

The party desiring to terminate this Agreement pursuant to clauses 9.01(b), 9.01(c) or 9.01(d), shall give written notice of such termination to the other party in accordance with Section 10.01.

SECTION 9.02. Effect of Termination. If this Agreement is terminated pursuant to Section 9.01, this Agreement shall become void and of no effect with no liability on the part of any party hereto, except that the agreements contained in Sections 6.01, 10.01, 10.02, 10.04, 10.05, 10.06, 10.07, 10.08, 10.10 and 10.11 shall survive the termination hereof; provided that nothing in this Section 9.02 shall be deemed to release any party from any liability for any wilful breach by such party of the terms and provisions of this Agreement.

ARTICLE 10

MISCELLANEOUS

SECTION 10.01. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including telecopy or similar writing) and shall be given,

if to Buyer or Merger Subsidiary, to:

Unisource Worldwide, Inc.
740 Springdale Drive
Exton, PA 19341
Attention: General Counsel
Telecopy: (610) 722-3555

with a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: William L. Rosoff
Telecopy: (212) 450-4800

if to the Company, to:

National Sanitary Supply Company
255 East Fifth Street
Suite 2900
Cincinnati, OH 45202-4790
Attention: Kevin McNamara
Telecopy: (513) 762-6919

with a copy to:

Clifford A. Roe, Jr.
Dinsmore & Shohl LLP
1900 Chemed Center
255 East Fifth Street
Cincinnati, OH 45202-4790
Telecopy: (513) 977-8501

or such other address or telecopy number as such party may hereafter specify for the purpose by notice to the other parties hereto. Each such notice, request or other communication shall be effective (a) if given by telecopy, when such telecopy is transmitted to the telecopy number specified in this Section and the appropriate telecopy confirmation is received or (b) if given by any other means, when delivered at the address specified in this Section.

SECTION 10.02. Survival of Representations and Warranties and Agreements. The representations and warranties of Buyer and Merger Subsidiary contained herein and in any certificate or other writing delivered pursuant hereto shall not survive the Effective Time. The representations and warranties of the Company contained herein and in any certificate or other writing delivered pursuant hereto shall survive and shall be

subject to the provisions of the Indemnity Agreement until the second anniversary of the Effective Time; provided that (i) the representations and warranties contained in Sections 3.13 and 3.14 shall survive and shall be subject to the provisions of the Indemnity Agreement until the expiration of the statute of limitations applicable to the matters covered thereby (giving affect to any waiver, mitigation or extension thereof), if later and (ii) the representations and warranties contained in Section 3.18 shall survive and shall be subject to the provisions of the Indemnity Agreement (A) insofar as such representations and warranties relate to any property or facility currently owned or leased by the Company or any Subsidiary, until the fourth anniversary of the Effective Time and (B) insofar as such representations and warranties relate to any property or facility previously owned or leased by the Company or any Subsidiary or to the off-site transportation, disposal or arrangement for disposal or migration of any hazardous substances, wastes or materials on or prior to the Effective Time, until the fifteenth anniversary of the Effective Time. The other covenants and agreements of the parties contained herein shall not survive the Effective Time, except for the covenants and agreements set forth in Sections 6.01, 10.04, 10.05, 10.06, 10.07, 10.08, 10.10 and 10.11, which shall survive for the period set forth therein (or if no such period is specified, indefinitely).

SECTION 10.03. Amendments; No Waivers. (a) Any provision of this Agreement may be amended or waived prior to the Effective Time if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Company, Buyer and Merger Subsidiary or in the case of a waiver, by the party against whom the waiver is to be effective; provided that no such amendment or waiver shall, without the further approval of the stockholders of the Company, alter or change (i) the amount or kind of consideration to be received in exchange for any Shares, (ii) any term of the certificate of incorporation of the Surviving Corporation or (iii) any of the terms or conditions of this Agreement, if such alteration or change would adversely affect the holders of any shares of capital stock of the Company.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 10.04. Expenses. All costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

SECTION 10.05. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other parties hereto.

SECTION 10.06. Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of Delaware without regard to the conflict of law provisions of such State.

SECTION 10.07. Jurisdiction. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby may be brought in any federal court located in the State of Delaware or any Delaware state court, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient form. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 10.01 shall be deemed effective service of process on such party.

SECTION 10.08. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 10.09. Counterparts; Effectiveness; Third Party Beneficiaries. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto. No provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

SECTION 10.10. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

SECTION 10.11. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement is not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof in addition to any other remedy to which they are entitled at law or in equity.

SECTION 10.12. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof and thereof.

ARTICLE 11

DEFINITIONS

SECTION 11.01. Definitions. Each of the following terms is defined in the Section set forth opposite such term:

TERM	SECTION
Affiliate	3.22
Balance Sheet	3.08
Balance Sheet Date	3.08
Benefit Arrangement	3.14(a)
Buyer	Preface
Company	Preface
Company Disclosure Documents	3.09(a)
Company Information Statement	3.09(a)
Code	3.13
Company Returns	3.13
Company Subsidiaries	3.05(c)
Company 10-K	3.06(a)
Delaware Law	Preface
Disclosure Letter	3.21
Effective Time	1.01(b)
Employee Plan	3.14(a)(iii)
Environmental Laws	3.18(a)
Environmental Permits	3.18(a)
ERISA	3.14(a)
ERISA Affiliate	3.14(a)(iii)
Exchange Act	3.03(c)
Exchange Agent	1.03(a)

TERM	SECTION
GAAP	3.13
HSR Act	3.03(b)
Indemnity Agreement	8.02
Intellectual Property Rights	3.25
Key Employee Agreements	8.02(g)
Lien	3.04(d)
Material Adverse Effect	3.01
Merger	Preface
Merger Consideration	1.02(c)
Merger Subsidiary	Preface
Multiemployer Plan	3.14(a)(iii)
Non-Compete Agreement	8.02(f)
Other Consents	3.32(a)
PBGC	3.14(a)
Permits	3.27
Required Consents	3.32(a)
SEC	3.07(a)
Share	Preface
Subsidiary	3.06(a)
Subsidiary Securities	3.06(b)(ii)
Surviving Corporation	1.01(a)
Tax Matters Agreement	8.02
Title IV Plan	3.14(a)(iii)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

NATIONAL SANITARY SUPPLY COMPANY

By: Kevin J. McNamara

Name: Kevin J. McNamara
Title: Vice Chairman

UNISOURCE WORLDWIDE, INC.

By: Kathleen N. Burns

Name: Kathleen N. Burns
Title: Vice President
and Treasurer

TFBD, INC.

By: Robert M. McLaughlin

Name: Robert M. McLaughlin
Title: President

Exhibit 2.2

Amended Disclosure Letter of National Sanitary Supply Company
delivered to Unisource Worldwide, Inc. in connection with
the Agreement and Plan of Merger of August 11, 1997

3.01	None	
3.02	None	
3.03	None	
3.04	a	None
	b	None
	c	None other than disclosed in response to Schedule 3.32(a) - required consents.
	d	None
3.05	None	
3.06	a	None
	b	None
3.07	a	None
	b	None
	c	None
3.08	None	
3.09	a	None
	b	None
3.10	a	None
	b	Quarterly dividends declared and paid in 1997, option and restricted stock award grants in 1997.
	c	None
	d	See inter-company balances listed on Schedule 3.10(d)
	e	None
	f	See inter-company balances listed on Schedule 3.10(f)
	g	None
	h	None other than disclosed in response to Schedule 3.22 - material contracts.

	i	None	
	j	None	
	k	(i)	None other than in the ordinary course of business consistent with past practice.
		(ii)	See employment agreements, as amended, of W.D. Jackson, K.F. Vuylsteke, G.H. Sander and P.C. Voet. See employment agreements of Brian Serdiuk and James E. Behrendt.
		(iii)	None
		(iv)	None
	l	None	
3.11	a	See OCR Holding Company Truck Leases and listing produced in response to Schedule 3.22(x)(A).	
	b	None	
	c	None	
3.12	(i)	See updated Disclosure of Litigation List, adding McHenry lawsuit and Designating Balance Sheet Accrual.	
	(ii)	None	
3.13	(i)	None	
	(ii)	None	
	(iii)	None	
	(iv)	None	
	(v)	None	
	(vi)	See waiver of statute of limitations through 12/31/97 for Illinois sales and use tax audit.	
	(vii)	None	
	(viii)	None	
3.14	a	------------	
	b	See list, Schedule 3.14(b) and Title VI Plan participants list produced	
	c	See disclosure regarding unfunded liability of Retirement Plan for Non-Union Employees of Century Papers, Inc.	
	d	A	None
		B	None

		(i)	None
		(ii)	None
	e	None	
	f	See list of Benefit Arrangements, Schedule 3.14(f)	
	g	None	
	h	None	
	i	None	
	j	None	
	k	See vesting of options and restricted stock awards pursuant to Stock Incentive Plans	
3.15	None		
3.16	None		
3.17	None		
3.18	a	------------	
	b	(i)	None
		(ii)	None
		(iii)	None
	c	None	
	d	None	
	e	------------	
3.19	None		
3.20	None		
3.21	See Schedule 3.21		
3.22	(i)	See listing of real estate leases and of OCR Holding Company truck leases, Schedule 3.22(i)	
	(ii)	See Systems Directions Data Processing Agreement of 9/20/85 with Century Papers, Inc.	
	(iii)	See ITT Automotive, Inc. Supply Agreement, SRI Speciality Retailers, Inc. Purchase Order of August 7, 1997, H.E. Butt Grocery Company corporate account designation of	

August 4, 1997, City of San Antonio bid dated October 7, 1996.

(iv) See Data Center Agreement of July 6, 1987 between Bobrick Washroom Equipment, Inc. and NSS, as amended by letter of August 23, 1993.

(v) No such executory contracts are extant, see Metro - Omicron letter of Intent

(vi) See Schedule 3.22(vi) - description of NSS debt

(vii) None

(viii) See Form of Sales Representative and Manager Employment Agreements, Network Services Company Agreement of March 10, 1987 with CPI

(ix) None

(x) (A) See Chemed Sublease governing 255 E. 5th Street, Cincinnati, Ohio 45202; OCR Holding Co. truck leases; Tax Procedures and Services Agreement; pension record keeping fees memo of 3/20/97.

(B) None

(C) None

(D) See Indemnity Agreements with Chemed Officers and Directors produced

(xi) None

(b) None

3.23 (a) None

(b) None

(c) None

(d) None

(e) None

(f) None

3.24 None

3.25 None

3.26 Effective April 1, 1997, total umbrella limits were increased to $125 million from $100 million, by replacing excess umbrella

limits of $75 million (X.L. Insurance Company, policy #XLUMB-00132) with excess limits of $100 million (TIG, Zurich, Federal and Fireman's Fund; policy #'s 3095804, XLX9271251, EUO365102500, 79698865 and XXKOOO7429877, respectively).

3.27 See Schedule 3.27 - Sanichem permits, Industrial Wastewater Discharge permit.

3.28 None

3.29 None

3.30 (a) See Schedule 3.30(a), which excludes Chemed employees who are Officers of NSS, other than P.C. Voet, G.H. Sander, J.E. Friedman, D.J. Pagel, T.J. Reilly and D.V. Keller.
(b) See Schedule 3.30(b).

3.31 None

3.32 (a) Required consents - see Schedule 3.32(a)
(b) Other consents - see Schedule 3.32(b)

NATIONAL SANITARY SUPPLY COMPANY

By: Naomi C. Dallob

Its: Secretary

Exhibit 2.3

STOCK PURCHASE AGREEMENT

BY AND AMONG

BANTA CORPORATION,

CHEMED CORPORATION

AND

OCR HOLDING COMPANY

DATED SEPTEMBER 24, 1997

STOCK PURCHASE AGREEMENT

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STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT (this "Agreement"), dated September 24, 1997, by and among Banta Corporation, a Wisconsin corporation ("Buyer"), Chemed Corporation, a Delaware corporation ("Chemed"), and OCR Holding Company, a Nevada corporation ("OCR").

RECITALS

WHEREAS, OCR is a wholly-owned subsidiary of Chemed; and

WHEREAS, OCR owns beneficially and of record all of the issued and outstanding shares of capital stock of Omnia I, Inc., a Delaware corporation ("Omnia I"), The Omnia Corporation, a Delaware corporation ("Omnia Corporation"), Tidi Products, Inc., a Delaware corporation ("Tidi Products"), Unidisco, Inc., a Delaware corporation ("Unidisco), and Unidisco Acquisition, Inc., a Delaware corporation ("Unidisco Acquisition"); and

WHEREAS, Omnia I, Omnia Corporation, Tidi Products, Unidisco and Unidisco Acquisition are collectively referred to herein as the "Acquired Companies" and are sometimes individually referred to herein as an "Acquired Company"; and

WHEREAS, Buyer desires to purchase all of the issued and outstanding shares of capital stock of the Acquired Companies, and Chemed and OCR desire to sell such shares to Buyer upon the terms and conditions herein set forth; and

WHEREAS, the shares of capital stock of the Acquired Companies to be acquired by Buyer hereunder (constituting all of the issued and outstanding shares of capital stock of the Acquired Companies) are hereinafter referred to as the "Shares" and Chemed and OCR are collectively hereinafter referred to as the "Shareholders".

NOW THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions hereinafter set forth, and intending to be legally bound hereby, the parties hereto agree as follows.

1. PURCHASE AND SALE OF SHARES

Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined) the Shareholders shall sell to Buyer and Buyer shall purchase from the Shareholders all the Shares.

2. PURCHASE PRICE - PAYMENT

2.1. PURCHASE PRICE.

2.1.(a) PURCHASE PRICE. Subject to post-closing adjustments and payments provided for hereunder, the purchase price (the "Purchase Price") payable for the Shares shall be Fifty Million Dollars ($50,000,000), plus $666,237, reflecting the amount of the reserves as of August 31, 1997 established for workers' compensation claims on the books of the Acquired Companies net of applicable taxes.

2.1.(b) CONTINGENT PURCHASE PRICE. Provided Buyer continues to receive federal and state income Tax (as hereinafter defined) deductions for the goodwill and other intangibles identified in Section 3.5.(g) for each of the following years, Buyer shall pay an additional amount (the "Contingent Purchase Price") to Shareholders as follows:

Calendar Year	Contingent Purchase Price	Payment Date
2000	$350,000	September 30, 2000
2001	350,000	September 30, 2001
2002	350,000	September 30, 2002
2003	350,000	September 30, 2003
2004	350,000	September 30, 2004
2005	350,000	September 30, 2005

The Contingent Purchase Price payment for each year shall be made on September 30 of such year provided Buyer is eligible to take deductions for the goodwill and other intangibles on its federal and state Tax (as hereinafter defined) returns for the then current year and notwithstanding whether Buyer is actually able to take such deductions on its Tax returns for the then current year due solely to losses reported on such returns. The Contingent Purchase Price payments required under this Section 2.1.(b) shall cease (or, to the extent deductions for the goodwill and other intangibles are not eliminated in whole, the Contingent Purchase Price payments shall be reduced by an amount equivalent to the deductions lost in each period), and the Shareholders shall immediately reimburse Buyer for Contingent Purchase Price payments previously received by Shareholders (but only to the extent that deductions for prior periods are denied or lost), if (i) changes in federal or state Tax law eliminate or limit the deductibility of the amortization for goodwill or other intangibles or (ii) prior deductions relating to such goodwill and other intangibles are eliminated in whole or in part upon an audit of Buyer's and/or the Acquired Companies' Tax returns. Notwithstanding the foregoing, in the event that the Acquired Companies, including any successors thereto, are no longer members of Buyer's affiliated group of corporations that file a consolidated return and if Buyer was eligible immediately prior to the time the Acquired Companies were no longer members of its affiliated group to take deductions for the goodwill and other intangibles on its federal and state Tax returns for Buyer's then current year, Buyer shall remain obligated to make the Contingent Purchase

Price payments required under this Section 2.1.(b); PROVIDED, HOWEVER, the obligation to continue to make such Contingent Purchase Price payments shall cease (or, to the extent that deductions for the goodwill and other intangibles are not eliminated in whole, the Contingent Purchase Price payments shall be reduced by an amount equivalent to the deductions lost) and Shareholders shall immediately reimburse Buyer for payments previously received by Shareholders (but only to the extent that deductions for prior periods are denied or lost) if prior deductions relating to such goodwill or other intangibles are eliminated in whole or in part upon subsequent audit. The Shareholders' obligation to reimburse Buyer for Contingent Purchase Price payments previously received by Shareholders is not subject to the limitations set forth in Article 8 hereof.

2.1. (c) INVENTORY ADJUSTMENT AND REIMBURSEMENT; CASH TRANSACTION RECONCILIATION. Shareholders acknowledge that the Acquired Companies hold certain inventories identified below that may be in excess of quantities useable and saleable in the ordinary course of business or obsoleted by actions of the customers of the Acquired Companies. Such inventory items are generally identified as the Criterion Isolation Gown Line, Foster Domestic and Import Non-Woven Products and Surge Dispenser Products and the equipment and receivables related thereto (the "Excess Inventory"). The Excess Inventory assets as of August 31, 1997 and the reserve related thereto was as follows:

(1)	Criterion Isolation Gown Line	$795,816
(2)	Foster Domestic and Import Non-Woven Products	68,796
(3)	Surge Dispenser Inventory	12,804
(4)	Surge Dispenser Receivable Equipment Receivable	159,982
(5)	Reserve	(400,000)
(6)	Total Net of Reserve	$637,398

In connection with the Final Closing Balance Sheet (as hereinafter defined), the value of the Excess Inventory at cost net of reserve will be calculated. The Shareholders covenant and agree to pay to Buyer an amount equal to fifty percent (50%) of such value net of reserve. The Shareholders shall make the payment to Buyer required under this Section 2.1.(c) within five (5) business days of determination of the Final Closing Balance Sheet pursuant to Section 2.3.(b). Thereafter, Buyer covenants that it will use commercially reasonable efforts to sell the Excess Inventory on hand as of the Closing Date (as hereinafter defined) during the period from the Closing Date to April 30, 1998. Buyer shall pay the Shareholders an amount equal to fifty percent (50%) of the difference between (i) the consideration received by Buyer upon disposition of such Excess Inventory prior to April 30, 1998 and (ii) the reserve related to such Excess Inventory disposed of during the period. Buyer will provide Shareholders with a reconciliation of the consideration received by Buyer upon sale of the Excess Inventory and the reserve related

thereto within thirty (30) days following April 30, 1998 and the Shareholders shall have thirty (30) days to review and verify such reconciliation. The Buyer shall make the payment to the Shareholders required, if any, under this Section 2.1.(c) within five (5) business days of the end of the Shareholders' review period.

In addition to the foregoing, and in connection with the preparation of the Final Closing Balance Sheet, a determination shall be made of the net cash receipts or net cash disbursements of the Acquired Companies which were received or funded by the Shareholders, as the case may be, between the Effective Time and the close of business on the Closing Date. In the event of net cash receipts, the Shareholders shall be obligated to pay such net amount to Buyer and in the event of net cash disbursements, Buyer shall be obligated to pay such net amount to the Shareholders. Any payment required by this cash transaction reconciliation shall be made within five (5) business days of determination of the Final Closing Balance Sheet pursuant to Section 2.3.(b).

2.2. PAYMENT OF PURCHASE PRICE.

2.2.(a) PURCHASE PRICE. The Purchase Price specified in Section 2.1 shall be paid by Buyer to OCR on the Closing Date. The Contingent Purchase Price specified in Section 2.1.(b) shall be paid to the extent set forth in Section 2.1.(b). The payments specified in Section 2.1.(c) shall be made as set forth in Section 2.1.(c).

2.2.(b) ADJUSTMENT OF FINAL CASH PURCHASE PRICE. On or before the fifth business day following the final determination of the Final Closing Balance Sheet, the Shareholders shall pay to Buyer the amount, if any, by which the Net Asset Value of the Acquired Companies as of the Effective Time (as hereinafter defined), as reflected on the Final Closing Balance Sheet, is less than the sum of (i) Sixty-Seven Million Dollars ($67,000,000) and (ii) $666,237, reflecting the amount of the reserves as of August 31, 1997 established for workers' compensation claims on the books of the Acquired Companies net of applicable taxes.

2.2.(c) METHOD OF PAYMENT. All payments under this Section 2.2 shall be made in the form of a certified or bank cashier's check payable to the order of the recipient or, at the recipient's option, by wire transfer of immediately available funds to an account designated by the recipient not less than 48 hours prior to the time for payment specified herein.

2.3. DETERMINATION OF NET ASSET VALUE.

2.3.(a) DEFINITION OF NET ASSET VALUE. The term "Net Asset Value" shall mean the dollar amount by which the net book value of the assets of the Acquired Companies exceeds the net book value of all the liabilities of the Acquired Companies, as reflected on the Final Closing Balance Sheet.

2.3.(b) FINAL CLOSING BALANCE SHEET. The final balance sheet of the Acquired Companies prepared as of the close of business on September 20, 1997 (hereinafter the "Effective Time") shall be prepared as follows:

(i) Within 60 days after the Closing Date, Buyer shall deliver to the Shareholders a balance sheet of the Acquired Companies as of the Effective Time, prepared in accordance with generally accepted accounting principles from the books and records of the Acquired Companies, on a basis consistent with the generally accepted accounting principles theretofore followed by the Acquired Companies in the preparation of the Recent Balance Sheet (as hereinafter defined) and in accordance with this Section 2.3, and fairly presenting the financial position on a basis consistent with generally accepted accounting principles as theretofore followed by the Acquired Companies as of the Effective Time. The balance sheet shall be accompanied by detailed schedules of the assets and liabilities of the Acquired Companies at the Effective Time and by a report (1) setting forth the amount of Net Asset Value (as defined above) reflected in the balance sheet, (2) stating that the balance sheet has been prepared in accordance with generally accepted accounting principles, on a basis consistent with the accounting principles and presentation theretofore followed by the Acquired Companies, except as otherwise provided in this Section 2.3, and (3) setting forth the amount of any adjustment to the Purchase Price to be paid to Buyer by the Shareholders pursuant to Section 2.2.(b) hereof.

(ii) Within 30 days following the delivery of the balance sheet referred to in (i) above, the Shareholders or a firm of independent accountants engaged by the Shareholders ("Shareholders' Accountants") may object to any of the information contained in said balance sheet or accompanying schedules which could affect the necessity or amount of any payment by the Shareholders pursuant to Section 2.2.(b) hereof. Any such objection shall be made in writing and shall state the Shareholders' determination of the amount of the Net Asset Value.

(iii) In the event of a dispute or disagreement relating to the balance sheet or schedules which Buyer and the Shareholders are unable to resolve, either party may elect to have all such disputes or disagreements resolved by an accounting firm (other than the Shareholders' Accountants or the independent accountants for Buyer) of nationally recognized standing (the "Third Accounting Firm") to be mutually selected by the Shareholders and Buyer. The Third Accounting Firm shall make a resolution of the balance sheet of the Acquired Companies as of the Effective Time and the calculation of Net Asset Value, which shall be final and binding for purposes of this Article 2. The Third Accounting Firm shall be instructed to use every reasonable effort to perform its services within 15 days of submission of the balance sheet to it and, in any case, as soon as practicable after such submission. The fees and

expenses for the services of the Third Accounting Firm shall be paid one-half by Buyer and one-half by the Shareholders.

As used in this Agreement, the term "Final Closing Balance Sheet" shall mean the balance sheet of the Acquired Companies as of the Effective Time as finally determined for purposes of this Article 2, whether by acquiescence of the Shareholders in the figures supplied by Buyer in accordance with Section 2.3.(b)(i), by negotiation and agreement of the parties or by the Third Accounting Firm in accordance with Section 2.3.(b)(iii).

(iv) Buyer agrees to permit the Shareholders, the Shareholders' Accountants, and their respective representatives, during normal business hours, to have reasonable access to, and to examine and make copies of, all books and records of the Acquired Companies, including but not limited to the books, records, schedules and work papers of Buyer, which documents and access are necessary to review the balance sheet delivered by Buyer in accordance with Section 2.3.(b)(i). In addition, the parties hereto and their representatives shall have the opportunity to observe the taking of the inventory in connection with the preparation of such balance sheet.

(v) Notwithstanding any provision contained herein requiring that the Final Closing Balance Sheet be prepared in accordance with generally accepted accounting principles consistent with the past practices of the Acquired Companies, the Final Closing Balance Sheet shall be prepared as follows:

(A) Prepaid expenses valued for purposes of the Final Closing Balance Sheet must be of a nature and valued in a manner consistent with past practices of the Acquired Companies.

(B) Inventory shall be valued in accordance with generally accepted accounting principles on the basis of the lower of cost or market (net of appropriate reserves) and consistent with past practices of the Acquired Companies, provided, however, that inventory identified in Section 2.1.(c) shall be valued at cost net of applicable reserves. Only inventory of a commercially useable quality and good and usable in the ordinary course of business shall be valued.

(C) All accrued liabilities shall be sufficient for the payment in full of the liabilities to which they relate and accrued expenses shall reflect all accruals of a character that would be reflected in a manner consistent with a year-end balance sheet, including, without limitation, wages, bonuses, vacation, holiday

and sick pay (and employee payroll taxes applicable thereto) attributable to all periods or partial periods prior to the Effective Time.

(D) Accounts receivable and notes receivable shall be stated net of an appropriate reserve for doubtful accounts and anticipated collection expenses.

(E) There shall be established a reasonable and sufficient reserve for all anticipated costs and expenses (whether or not covered under product warranties of the Acquired Companies) for the repair, replacement or recall of products manufactured on or prior to the Closing Date which are defective in design, materials or workmanship.

(F) No insurance claim relating to damage to or full or partial loss of any property occurring after the date of the Recent Balance Sheet shall be valued in excess of the book value (net of accumulated depreciation) of such property as reflected in the Recent Balance Sheet.

(G) No reserve or liability for workers' compensation claims shall be reflected on the Final Closing Balance Sheet.

(H) The capitalized assets relating to the proposed Somerset, Kentucky facility set forth on the Recent Balance Sheet shall be reflected as capitalized assets on the Final Closing Balance Sheet.

3. JOINT AND SEVERAL REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS

In order to induce Buyer to enter into this Agreement, and acknowledging that Buyer has relied upon the representations and warranties contained herein, the Shareholders, jointly and severally, make the following representations and warranties to Buyer, each of which is true and correct on the date hereof, shall be unaffected by any investigation heretofore or hereafter made by Buyer, or any knowledge of Buyer other than as specifically disclosed in the Disclosure Schedule delivered to Buyer at the time of the execution of this Agreement, and shall survive the Closing of the transactions provided for herein.

3.1. CORPORATE.

3.1.(a) ORGANIZATION. Each of the Acquired Companies is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

3.1.(b) CORPORATE POWER. Each of the Acquired Companies has all requisite corporate power and authority to own, operate and lease its properties and to carry on its business as and where such is now being conducted.

3.1.(c) QUALIFICATION. Each of the Acquired Companies is duly licensed or qualified to do business as a foreign corporation, and is in good standing, in each jurisdiction wherein the character of the properties owned or leased by it, or the nature of its business, makes such licensing or qualification necessary. The states in which the Acquired Companies are licensed or qualified to do business are listed in Schedule 3.1.(c).

3.1.(d) SUBSIDIARIES. The Acquired Companies do not own any interest in any corporation, partnership or other entity.

3.1.(e) CORPORATE DOCUMENTS, ETC. The copies of the charter and by-laws of each of the Acquired Companies, including any amendments thereto, which have been delivered by the Shareholders to Buyer are true, correct and complete copies of such instruments as presently in effect. The corporate minute book and stock records of each of the Acquired Companies which have been furnished to Buyer for inspection are true, correct and complete and accurately reflect all material corporate action taken by each of the Acquired Companies. The directors and officers of each of the Acquired Companies are listed in Schedule 3.1.(e).

3.1.(f) CAPITALIZATION OF THE ACQUIRED COMPANIES. The authorized capital stock of each of the Acquired Companies is set forth in Schedule 3.1(f). No shares of such capital stock are issued or outstanding except for the shares which are owned of record and beneficially by the Shareholders (directly in the case of OCR and indirectly by Chemed) in the respective numbers set forth in Schedule 3.1.(f). All such shares of capital stock of each of the Acquired Companies are validly issued, fully paid and nonassessable. There are no (a) securities convertible into or exchangeable for any capital stock or other securities of the Acquired Companies, (b) options, warrants or other rights to purchase or subscribe to capital stock or other securities of any of the Acquired Companies or securities which are convertible into or exchangeable for capital stock or other securities of any of the Acquired Companies, or (c) contracts, commitments, agreements, understandings or arrangements of any kind relating to the issuance, sale or transfer of any capital stock or other equity securities of any of the Acquired Companies, any such convertible or exchangeable securities or any such options, warrants or other rights.

3.2. SHAREHOLDERS.

3.2.(a) ORGANIZATION AND OWNERSHIP. Each of the Shareholders is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation. OCR is a wholly-owned subsidiary of Chemed.

3.2.(b) POWER. Each Shareholder has full corporate power, legal right and authority to enter into, execute and deliver this Agreement and the other agreements, instruments and documents contemplated hereby (such other documents sometimes referred to herein as "Ancillary Instruments"), and to carry out the transactions contemplated hereby.

3.2.(c) AUTHORIZATION. The execution and delivery of this Agreement and the Ancillary Instruments, and full performance thereunder, have been duly authorized by the respective boards of directors and, if required, the shareholders of each Shareholder, and no other or further corporate act on the part of any such Shareholder is necessary therefor.

3.2.(d) VALIDITY. This Agreement has been duly and validly executed and delivered by each Shareholder and is, and when executed and delivered each Ancillary Instrument will be, the legal, valid and binding obligation of such Shareholder, enforceable in accordance with its terms, except as such may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally, and by general equitable principles.

3.2.(e) TITLE. Each Shareholder (directly in the case of OCR and indirectly in the case of Chemed) has, and at Closing Buyer will receive, good and marketable title to the Shares to be sold by such Shareholders hereunder, free and clear of all Liens (as defined in Section 3.12) including, without limitation, voting trusts or agreements and proxies.

3.3. NO VIOLATION. Except as set forth on Schedule 3.3, neither the execution and delivery of this Agreement or the Ancillary Instruments nor the consummation by the Shareholders of the transactions contemplated hereby and thereby (a) will violate any statute, law, ordinance, rule or regulation (collectively, "Laws") or any order, writ, injunction, judgment, plan or decree (collectively, "Orders") of any court, arbitrator, department, commission, board, bureau, agency, authority, instrumentality or other body, whether federal, state, municipal, foreign or other (collectively, "Government Entities"), (b) except for applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), will require any authorization, consent, approval, exemption or other action by or notice to any Government Entity (including, without limitation, under any "plant-closing" or similar law), or (c) subject to obtaining the consents referred to in Schedule 3.3, will violate or conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or will result in the termination of, or accelerate the performance required by, or result in the creation of any Lien upon any of the assets of any of the Acquired Companies (or the Shares)

under, any term or provision of the charter or by-laws of the Acquired Companies or the Shareholders or of any contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to which any of the Acquired Companies or any Shareholder is a party or by which any of the Acquired Companies or any Shareholder or any of its or their assets or properties may be bound or affected.

3.4. FINANCIAL STATEMENTS. Included as Schedule 3.4 are true and complete copies of the financial statements of each of the Acquired Companies consisting of (i) balance sheets of each such Acquired Company as of December 31, 1994, 1995 and 1996, and the related statements of income for the years then ended, and (ii) a combined balance sheet of the Acquired Companies as of June 30, 1997 (the "Recent Balance Sheet"), and the related combined statement of income for the six months then ended and for the corresponding period of the prior year. All of such financial statements are true, complete and accurate, have been prepared in accordance with generally accepted accounting principles (except for the absence of footnote disclosure) applied on a consistent basis, have been prepared in accordance with the books and records of the Acquired Companies, and fairly present, in accordance with generally accepted accounting principles, the assets, the liabilities and financial position, and the results of operations of the Acquired Companies as of the dates and for the years and periods indicated. The net intercompany receivable of the Acquired Companies from Chemed (aggregating $10,512,000 at April 30, 1997) was distributed to Chemed prior to the Effective Time. In addition, prior to the Effective Time, any advances to the officers of the Acquired Companies have either been collected or written off. The Final Closing Balance Sheet shall be in accordance with the specifications set forth in Article 2; the Final Closing Balance Sheet shall be true, complete and accurate.

3.5. TAX MATTERS.

3.5.(a) PROVISION FOR TAXES. The provision or reserve made for taxes on the face of the Recent Balance Sheet (excluding any such provision or reserve set forth in the notes thereto) is sufficient for the payment of all federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the Internal Revenue Code of 1986, as amended (the "Code")), customs, duties, capital stock, franchise, profits, withholding, social security (or similar tax), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax or assessment of any kind whatsoever, including any interest, penalty, or addition thereto, whether or not disputed ("Tax" or "Taxes") at the date of the Recent Balance Sheet and for all years and periods prior thereto. Since the date of the Recent Balance Sheet, the Acquired Companies have not incurred any Taxes other than Taxes incurred in the ordinary course of business consistent in type and amount with past practices of the Acquired Companies.

3.5.(b) TAX RETURNS FILED. Except as set forth on Schedule 3.5.(b), all Tax returns required to be filed (including without limitation all returns for periods ending on or before December 31, 1996) by or on behalf of each of the Acquired Companies have been timely filed and when filed were true and correct in all respects, and all Taxes have

been paid or adequately accrued. True and complete copies of all Tax returns or reports (and any examination reports and/or statements of deficiency related thereto) filed by each of the Acquired Companies for each of the five most recent fiscal years have been delivered to Buyer. Each of the Acquired Companies has duly withheld and paid all Taxes which it is required to withhold and pay relating to amounts paid to the employees, independent contractors, creditors, stockholders, or other third parties of such Acquired Company.

3.5.(c) TAX AUDITS. The Tax returns of the Acquired Companies have been audited by the Internal Revenue Service or the appropriate Tax authorities for the periods and to the extent set forth in Schedule 3.5.(c), and the Acquired Companies have not received from the Internal Revenue Service or from such Tax authorities any notice of underpayment of Taxes or other deficiency which has not been paid nor any objection to any return or report filed by the Acquired Companies. There are no outstanding agreements or waivers extending the statutory period of limitations applicable to any Tax return or report.

3.5.(d) CONSOLIDATED GROUP. Schedule 3.5.(d) lists for each of the Acquired Companies every year such Acquired Company was a member of an affiliated group of corporations that filed a consolidated Tax return on which the statute of limitations does not bar a federal or state Tax assessment, and each corporation that has been part of such group. No affiliated group of corporations of which any of the Acquired Companies has been a member has discontinued filing consolidated returns during the past five years. None of the Acquired Companies have any liability for the Taxes of any person other than the Acquired Companies (i) under Reg. ss. 1.1502-6 as promulgated pursuant to the Code (or any similar provision of state, local, or foreign law), (ii) as a transferee or successor, (iii) by contract, or (iv) otherwise.

3.5.(e) OTHER. Except as set forth in Schedule 3.5.(e), each of the Acquired Companies has not (i) filed any consent or agreement under Section 341(f) of Code, (ii) applied for any tax ruling, (iii) entered into a closing agreement with any taxing authority, (iv) filed an election under Section 338(g) or Section 338(h)(10) of the Code (nor has a deemed election under Section 338(e) of the Code occurred), (v) made any payments, or been a party to an agreement (including this Agreement) that under any circumstances could obligate it to make payments that will not be deductible because of Section 280G or 162(m) of the Code, or (vi) been a party to any Tax allocation or Tax sharing agreement. Each of the Acquired Companies is not a "United States real property holding company" within the meaning of Section 897 of the Code.

3.5.(f) TAX BASIS. Schedule 3.5(f) sets forth the following information with respect to each of the Acquired Companies as of the most recent practicable date: (A) the original and adjusted tax basis of its assets; (B) the amount of any net operating loss, net capital loss, unused investment or other credit, unused foreign tax, or excess charitable contribution allocable to the Acquired Companies; and (C) the amount of any

deferred gain or loss allocable to the Acquired Companies arising out of any deferred intercompany transaction.

3.5.(g) DEDUCTIBILITY OF CERTAIN ASSETS. The goodwill and other intangible assets reflected on the Recent Balance Sheet have been and currently are tax deductible over a 15-year period (which commenced as of the date such goodwill or intangible assets were acquired) by the Acquired Companies for federal income tax purposes pursuant to Section 197 of the Code (and for state, local, and foreign income or franchise tax purposes under any corresponding state, local or foreign tax law) and neither the Shareholders nor the Acquired Companies have taken action or omitted to take action that could cause or result in such deductibility being modified or denied or have knowledge of any attempt or proposed action by the Internal Revenue Service or other Tax authority to deny or modify such deductibility. At June 30, 1997, such goodwill and other intangibles aggregated $22,543,000 and $4,741,000, respectively.

3.6. ACCOUNTS RECEIVABLE. All accounts receivable of the Acquired Companies reflected on the Recent Balance Sheet, and as incurred in the normal course of business since the date thereof, represent arm's length sales actually made in the ordinary course of business; are collectible (net of the reserve shown on the Recent Balance Sheet for doubtful accounts) within 210 days of the date of such receivables without the necessity of commencing legal proceedings; are subject to no counterclaim or setoff; and are not in dispute. Schedule 3.6 contains an aged schedule of accounts receivable as of June 28, 1997. All accounts receivable of the Acquired Companies reflected on the Final Closing Balance Sheet will represent arm's length sales actually made in the ordinary course of business and will be collected (net of the reserve shown on the Final Closing Balance Sheet for doubtful accounts) within 210 days of the date of such receivables without the necessity of commencing legal proceedings and will be subject to no counterclaim or set-off. If the Shareholders are required to reimburse or indemnify Buyer for any uncollectible accounts receivable, the Shareholders shall obtain the right to pursue collection of such accounts receivable for their own benefit to the extent of such indemnification.

3.7. INVENTORY. Except as set forth in Schedule 3.7 and except for the inventory specifically identified in Section 2.1.(c), all inventory of the Acquired Companies reflected on the Recent Balance Sheet had a commercial value at least equal to the value shown on such balance sheet and is valued in accordance with generally accepted accounting principles at the lower of cost (on a FIFO basis) or market. All inventory purchased since the date of such balance sheet consists of a quality and quantity useable and saleable in the ordinary course of business. Except as set forth in Schedule 3.7, all inventory of the Acquired Companies is located on premises owned or leased by the Acquired Companies as reflected in this Agreement.

3.8. ABSENCE OF CERTAIN CHANGES. Except as and to the extent set forth in Schedule 3.8, since December 31, 1996 there has not been:

3.8.(a) NO ADVERSE CHANGE. Any adverse change in the financial condition, assets, liabilities, business, prospects or operations of the Acquired Companies;

3.8.(b) NO DAMAGE. Any loss, damage or destruction, whether covered by insurance or not, affecting the business or properties of the Acquired Companies;

3.8.(c) NO INCREASE IN COMPENSATION. Any increase in the compensation, salaries or wages payable or to become payable to any employee or agent of any Acquired Company (including, without limitation, any increase or change pursuant to any bonus, pension, profit sharing, retirement or other plan or commitment), or any bonus or other employee benefit granted, made or accrued, except, in the case of employees only, for increases in base compensation made in the ordinary course of business and not representing increases in excess of 7% per annum in each case, and except for up to thirty (30) employees with annual base salaries of less than $50,000 who may have received increases in excess of 7%;

3.8.(d) NO LABOR DISPUTES. Any labor dispute or disturbance, other than routine individual grievances which are not material to the business, financial condition or results of operations of any Acquired Company;

3.8.(e) NO COMMITMENTS. Any commitment or transaction by any Acquired Company (including, without limitation, any borrowing or capital expenditure) other than in the ordinary course of business consistent with past practice;

3.8.(f) NO DIVIDENDS. Any declaration, setting aside, or payment of any dividend or any other distribution in respect of the capital stock of any Acquired Company; any redemption, purchase or other acquisition by any Acquired Company of any of its respective capital stock, or any security relating thereto; or any other payment to any shareholder of any Acquired Company as such a shareholder;

3.8.(g) NO DISPOSITION OF PROPERTY. Any sale, lease or other transfer or disposition of any properties or assets of any Acquired Company exceeding $150,000 in the aggregate, except for the sale of inventory items in the ordinary course of business and except for the disposition of the Detroit Facility and the Pomona Facility (as such terms are hereinafter defined);

3.8.(h) NO INDEBTEDNESS. Any indebtedness for borrowed money incurred, assumed or guaranteed by any Acquired Company;

3.8.(i) NO LIENS. Any mortgage, pledge, lien or encumbrance made on any of the properties or assets of any Acquired Company;

3.8.(j) NO AMENDMENT OF CONTRACTS. Any entering into, amendment or termination by any Acquired Company of any contract, or any waiver of material rights thereunder, other than in the ordinary course of business;

3.8.(k) LOANS AND ADVANCES. Any loan or advance (other than advances to employees in the ordinary course of business for travel and entertainment in accordance

with past practice) to any person including, but not limited to, any Affiliate (for purposes of this Agreement, the term "Affiliate" shall mean and include the Shareholders and the directors and officers of either Shareholder or any Acquired Company; the spouse of any such natural person; any natural person who would be the heir or descendant of any such person if he or she were not living; and any entity in which any of the foregoing has a direct or indirect interest, except through ownership of less than 5% of the outstanding shares of any entity whose securities are listed on an internationally recognized securities exchange);

3.8.(l) CREDIT. Any grant of credit to any customer or distributor on terms or in amounts more favorable than those which have been extended to such customer or distributor in the past, any other change in the terms of any credit heretofore extended, or any other change of the policies or practices of any Acquired Company with respect to the granting of credit; or

3.8.(m) NO UNUSUAL EVENTS. Any other event or condition not in the ordinary course of business of the Acquired Companies.

3.9. ABSENCE OF UNDISCLOSED LIABILITIES. Except as and to the extent specifically disclosed in the Recent Balance Sheet, or in Schedule 3.9, the Acquired Companies do not have any liabilities, commitments or obligations (secured or unsecured, and whether accrued, absolute, contingent, direct, indirect or otherwise), other than commercial liabilities and obligations incurred since the date of the Recent Balance Sheet in the ordinary course of business and consistent with past practice and none of which has or will have a material adverse effect on the business, financial condition or results of operations of the Acquired Companies taken as a whole. Except as and to the extent described in the Recent Balance Sheet or in Schedule 3.9, neither the Acquired Companies nor any Shareholder has knowledge of any basis for the assertion against the Acquired Companies of any liability and there are no circumstances, conditions, happenings, events or arrangements, contractual or otherwise, which may give rise to liabilities, except commercial liabilities and obligations incurred in the ordinary course of the business of the Acquired Companies and consistent with past practice.

3.10. NO LITIGATION. Except as set forth in Schedule 3.10, there is no action, suit, arbitration, proceeding, investigation or inquiry, whether civil, criminal or administrative ("Litigation"), pending or threatened against the Acquired Companies, their directors or officers (in such capacity), their business or any of their assets, nor do the Acquired Companies or any Shareholder know, or have grounds to know, of any basis for any Litigation. Except for routine collection matters brought by one or more of the Acquired Companies which have been resolved and closed and except for such collection matters which are currently pending but in each case involve claims for less than $20,000, Schedule 3.10 also identifies all Litigation to which the Acquired Companies or any of their directors or officers (in such capacity) have been parties since January 1, 1993. Except as set forth in Schedule 3.10, neither the Acquired Companies nor their respective businesses or assets are subject to any Order of any Government Entity.

3.11. COMPLIANCE WITH LAWS AND ORDERS.

3.11.(a) COMPLIANCE. Except as set forth in Schedule 3.11.(a), each Acquired Company (including each and all of its operations, practices, properties and assets) is in compliance with all applicable Laws and Orders, including, without limitation, those applicable to discrimination in employment, occupational safety and health, trade practices, competition and pricing, product warranties, zoning, building and sanitation, employment, retirement and labor relations, product advertising and the Environmental Laws (as hereinafter defined). Except as set forth in Schedule 3.11.(a), the Acquired Companies have not received notice of any violation or alleged violation of, and are subject to no liability or other obligation for past or continuing violation of, any Laws or Orders. All reports and returns required to be filed by each Acquired Company with any Government Entity have been filed, and were accurate and complete when filed. Without limiting the generality of the foregoing:

(i) The operation of the business of the Acquired Companies as it is now conducted does not, nor does any condition existing at any of its facilities, in any manner constitute a nuisance or other tortious interference with the rights of any person or persons in such a manner as to give rise to or constitute the grounds for a suit, action, claim or demand by any such person or persons seeking compensation or damages or seeking to restrain, enjoin or otherwise prohibit any aspect of the conduct of such business or the manner in which it is now conducted.

(ii) Each Acquired Company has made all required payments to its unemployment compensation reserve accounts with the appropriate governmental departments of the states where it is required to maintain such accounts, and each of such accounts has a positive balance.

(iii) Each Acquired Company has delivered to Buyer copies of all reports of such Acquired Company for the past five (5) years required under the federal Occupational Safety and Health Act of 1970, as amended, and under all other applicable health and safety laws and regulations. The deficiencies, if any, noted on such reports have been corrected.

(iv) Each Acquired Company is in compliance or has fully complied with any and all reporting, notification, recall and remedial action requirements of Laws applicable to such company or the current or past sale of their Products (as defined in Section 3.20).

3.11.(b) LICENSES, PERMITS AND APPROVALS. Each Acquired Company has (and for discontinued Products had) all licenses, permits, approvals, authorizations and consents of all Government Entities and all certification organizations required for the conduct of its business (as presently conducted and as proposed to be conducted) and operation of its facilities. All such licenses, permits, approvals, authorizations and

consents are described in Schedule 3.11.(b), are in full force and effect and will not be affected or made subject to loss, limitation or any obligation to reapply as a result of the transactions contemplated hereby. Except as set forth in Schedule 3.11.(b), each Acquired Company (including its operations, properties and assets) is and has been in compliance with all such permits and licenses, approvals, authorizations and consents.

3.11.(c) ENVIRONMENTAL MATTERS. The applicable Laws relating to pollution or protection of the environment, including Laws relating to emissions, discharges, generation, storage, releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic, hazardous or petroleum or petroleum-based substances or wastes ("Waste") into the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Waste including, without limitation, the Clean Water Act, the Clean Air Act, the Resource Conservation and Recovery Act, the Toxic Substances Control Act and the Comprehensive Environmental Response Compensation Liability Act ("CERCLA"), as amended, and their state and local counterparts are herein collectively referred to as the "Environmental Laws". Without limiting the generality of the foregoing provisions of this Section 3.11, each of the Acquired Companies is in full compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in the Environmental Laws or contained in any regulations, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder. Except as set forth in Schedule 3.11.(c), there is no Litigation nor any demand, claim, hearing or notice of violation pending or threatened against any Acquired Company relating in any way to the Environmental Laws or any Order issued, entered, promulgated or approved thereunder. Except as set forth in Schedule 3.11.(c), there are no past or present or, to the best knowledge of the Acquired Companies and the Shareholders, future events, conditions, circumstances, activities, practices, incidents, actions, omissions or plans which may interfere with or prevent compliance or continued compliance with the Environmental Laws or with any Order issued, entered, promulgated or approved thereunder, or which may give rise to any liability, including, without limitation, liability under CERCLA or similar state or local Laws, or otherwise form the basis in whole or in part of any Litigation, hearing, notice of violation, study or investigation, based on or related in any way to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, migration, release or threatened release of or into the environment, or exposure to, any Waste.

3.12. TITLE TO PROPERTIES.

3.12.(a) MARKETABLE TITLE. Except for the real estate relating to the facility located at 19000 Fitzpatrick, Detroit, Michigan (the "Detroit Facility") and the facility located at 1280 East 9th Street, Pomona, California (the "Pomona Facility"), and except for inventory disposed of in the ordinary course of business since the date of the Recent Balance Sheet, each of the Acquired Companies has good and marketable title to all of its

assets, business and properties, including, without limitation, all such properties (tangible and intangible) reflected in the Recent Balance Sheet, free and clear of all mortgages, liens, (statutory or otherwise) security interests, claims, pledges, licenses, equities, options, conditional sales contracts, assessments, levies, easements, covenants, reservations, restrictions, rights-of-way, exceptions, limitations, charges or encumbrances of any nature whatsoever (collectively, "Liens") except those reflected on the Recent Balance Sheet and, in the case of real property, Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings (and which have been sufficiently accrued or reserved against in the Recent Balance Sheet), municipal and zoning ordinances and easements for public utilities, none of which interfere with the use of the property as currently utilized. None of the assets, business or properties of the Acquired Companies are subject to any restrictions with respect to the transferability thereof; and the title thereto will not be affected in any way by the transactions contemplated hereby. All buildings, plants and other structures owned or otherwise utilized by each of the Acquired Companies are in good condition and repair and have no structural defects or defects affecting the plumbing, electrical, sewerage, or heating, ventilating or air conditioning systems. Since the date of the Recent Balance Sheet and prior to the Effective Time, OCR has acquired for no consideration each of the Detroit Facility and the Pomona Facility and has assumed all liabilities relating thereto, and (except for the lease for the Detroit Facility referenced in Section 5.4 hereof) the Acquired Companies have and in the future will have no liabilities or other obligations (including, without limitation, liabilities under the Environmental Laws) with respect to such facilities. All transfer fees, all Taxes or other liabilities incurred by any Acquired Company in connection with the transfer of the Detroit Facility and the Pomona Facility have been paid by OCR. The Pomona Facility has not been used to conduct the business of the Acquired Companies since June 1991.

3.12.(b) REAL PROPERTY. Schedule 3.12.(b) sets forth all real property owned, used or occupied by each of the Acquired Companies (the "Real Property"), including with respect to all owned Real Property a description of all land, and all encumbrances, easements or rights of way of record (or, if not of record, of which each such company has notice or knowledge) granted on or appurtenant to or otherwise affecting such Real Property, the zoning classification thereof, and all plants, buildings or other structures located thereon. There are no encumbrances, easements or rights of way, zoning classifications or other restrictions or limitations that would materially and adversely affect the use of any leased Real Property by the Acquired Company which is the tenant with respect to such leased Real Property. Schedule 3.12.(b) also sets forth, with respect to each parcel of Real Property which is leased, the material terms of such lease. There are now in full force and effect required duly issued certificates of occupancy permitting the Real Property and improvements located thereon to be legally used and occupied as the same are now constituted. All of the owned Real Property has permanent rights of access to dedicated public highways. No fact or condition exists which would prohibit or adversely affect the ordinary rights of access to and from the owned Real Property from and to the existing highways and roads and there is no pending or threatened restriction or denial, governmental or otherwise, upon such ingress and egress. There is not (i) any claim of adverse possession or prescriptive rights involving any of the

owned Real Property, (ii) any structure located on any owned Real Property which encroaches on or over the boundaries of neighboring or adjacent properties, (iii) any structure of any other party which encroaches on or over the boundaries of any of such owned Real Property, or (iv) any material adverse other matter affecting the owned Real Property that would be disclosed by an accurate ALTA survey of such owned Real Property. Except as set forth in Schedule 3.12.(b), none of the Real Property is located in a flood plain, flood hazard area, wetland or lakeshore erosion area within the meaning of any Law, regulation or ordinance. No public improvements have been commenced and to the best knowledge of the Acquired Companies and the Shareholders none are planned which in either case may result in special assessments against or otherwise materially adversely affect any Real Property. No portion of any of the Real Property has been used as a landfill or for storage or landfill of hazardous or toxic materials. Neither any Acquired Company nor any Shareholder has notice or knowledge of any (i) planned or proposed increase in assessed valuations of any Real Property, (ii) Order requiring repair, alteration, or correction of any existing condition affecting any Real Property or the systems or improvements thereat, (iii) condition or defect which could give rise to an order of the sort referred to in "(ii)" above, (iv) underground storage tanks, or any structural, mechanical, or other defects of material significance affecting any Real Property or the systems or improvements thereat (including, but not limited to, inadequacy for normal use of mechanical systems or disposal or water systems at or serving the Real Property), or (v) work that has been done or labor or materials that has or have been furnished to any Real Property during the period of six (6) months immediately preceding the date of this Agreement for which Liens could be filed against any of the Real Property.

3.12.(c) NO CONDEMNATION OR EXPROPRIATION. Neither the whole nor any portion of the property or any other assets of any Acquired Company is subject to any Order to be sold or is being condemned, expropriated or otherwise taken by any Government Entity with or without payment of compensation therefor, nor to the best knowledge of the Acquired Companies or the Shareholders has any such condemnation, expropriation or taking been proposed.

3.13. INSURANCE. Set forth in Schedule 3.13 is a complete and accurate list and description of all policies of fire, liability, product liability, workers compensation, health and other forms of insurance presently in effect with respect to the business and properties of each of the Acquired Companies, true and correct copies of which have heretofore been delivered to Buyer. Schedule 3.13 includes, without limitation, the carrier, the description of coverage, the limits of coverage, retention or deductible amounts, amount of annual premiums, date of expiration and the date through which premiums have been paid with respect to each such policy, and any pending claims in excess of $50,000. All such policies are valid, outstanding and enforceable policies and provide insurance coverage for the properties, assets and operations of each of the Acquired Companies, of the kinds, in the amounts and against the risks customarily maintained by organizations similarly situated; and no such policy (nor any previous policy) provides for or is subject to any currently enforceable retroactive rate or premium adjustment, loss sharing arrangement or other actual or contingent liability arising wholly or partially out of events arising prior to the date hereof. Schedule 3.13 indicates each policy as to which (a) the coverage

limit has been reached or (b) the total incurred losses to date equal 75% or more of the coverage limit. No notice of cancellation or termination has been received with respect to any such policy, and neither any Acquired Company nor any Shareholder has knowledge of any act or omission which could result in cancellation of any such policy prior to its scheduled expiration date. No Acquired Company has been refused any insurance with respect to any aspect of the operations of its business nor has its coverage been limited by any insurance carrier to which it has applied for insurance or with which it has carried insurance during the last three years. Each of the Acquired Companies has duly and timely made all claims it has been entitled to make under each policy of insurance. Since January 1, 1993, all general liability policies maintained by or for the benefit of any Acquired Company have been "occurrence" policies and not "claims made" policies. There is no claim by any Acquired Company pending under any such policies as to which coverage has been questioned, denied or disputed by the underwriters of such policies, and neither the Acquired Companies nor any Shareholder knows of any basis for denial of any claim under any such policy. No Acquired Company has received any written notice from or on behalf of any insurance carrier issuing any such policy that insurance rates therefor will hereafter be substantially increased (except to the extent that insurance rates may be increased for all similarly situated risks) or that there will hereafter be a cancellation or an increase in a deductible (or an increase in premiums in order to maintain an existing deductible) or nonrenewal of any such policy. Such policies are sufficient in all material respects for compliance by each of the Acquired Companies with all requirements of law and with the requirements of all material contracts to which any of them is a party. Schedule 3.13 describes any self-insurance arrangements affecting any of the Acquired Companies. Except for reserves established for and relating to workers' compensation claims, the reserves established by the Acquired Companies are adequate to dispose of any liability under such self-insurance arrangements.

3.14. CONTRACTS AND COMMITMENTS.

3.14.(a) REAL PROPERTY LEASES. Except as set forth in Schedule 3.12.(b), the Acquired Companies have no leases of real property. The leases set forth in Schedule 3.12.(b) are valid and in full force and effect and the amounts required to be paid thereunder by the Acquired Companies have been paid.

3.14.(b) PERSONAL PROPERTY LEASES. Except as set forth in Schedule 3.14.(b), the Acquired Companies have no leases of personal property involving consideration or other expenditure in excess of $50,000.

3.14.(c) PURCHASE COMMITMENTS. The Acquired Companies have no purchase commitments for inventory items or supplies that, together with amounts on hand, constitute in excess of four months normal usage, or which are at an excessive price.

3.14.(d) SALES COMMITMENTS. Except as set forth in Schedule 3.14.(d), the Acquired Companies have no sales contracts or commitments to customers or distributors which aggregate in excess of $100,000 to any one customer or distributor (or group of affiliated customers or distributors). The Acquired Companies have no sales contracts or commitments except those made in the ordinary course of business, at arm's

length, and no such contracts or commitments are for a sales price which would result in a loss to any Acquired Company.

3.14.(e) CONTRACTS WITH AFFILIATES AND CERTAIN OTHERS. Except as set forth in Schedule 3.14.(e), the Acquired Companies have no agreement, understanding, contract or commitment (written or oral) with any Affiliate or any employee, agent, consultant, distributor, dealer or franchisee that is not cancelable by the Acquired Company which is a party thereto on notice of not longer than 30 days without liability, penalty or premium of any nature or kind whatsoever.

3.14.(f) POWERS OF ATTORNEY. No Acquired Company has given a power of attorney, which is currently in effect, to any person, firm or corporation for any purpose whatsoever.

3.14.(g) COLLECTIVE BARGAINING AGREEMENTS. Except as set forth in Schedule 3.14.(g), no Acquired Company is a party to any collective bargaining agreements with any unions, guilds, shop committees or other collective bargaining groups. Copies of all such agreements have heretofore been delivered to Buyer.

3.14.(h) LOAN AGREEMENTS. Except as set forth in Schedule 3.14.(h), no Acquired Company is obligated under any loan agreement, promissory note, letter of credit, or other evidence of indebtedness as a signatory, guarantor or otherwise.

3.14.(i) GUARANTEES. Except as disclosed on Schedule 3.14.(i), no Acquired Company has guaranteed the payment or performance of any person, firm or corporation, agreed to indemnify any person or act as a surety, or otherwise agreed to be contingently or secondarily liable for the obligations of any person.

3.14.(j) CONTRACTS SUBJECT TO RENEGOTIATION. No Acquired Company is a party to any contract with any governmental body which is subject to renegotiation.

3.14.(k) BURDENSOME OR RESTRICTIVE AGREEMENTS. No Acquired Company is a party to or is it bound by any agreement, deed, lease or other instrument which is so burdensome as to materially affect or impair the operation of such Acquired Company, except as provided in Schedule 3.14.(k). Without limiting the generality of the foregoing, except as set forth on Schedule 3.14.(k), no Acquired Company is a party to or is it bound by any agreement requiring it to assign any interest in any trade secret or proprietary information, or prohibiting or restricting it from competing in any business or geographical area or soliciting customers or otherwise restricting it from carrying on its business anywhere in the world.

3.14.(l) OTHER MATERIAL CONTRACTS. No Acquired Company is party to any contract or commitment of any nature involving consideration or other expenditure in excess of $50,000, or involving performance (other than with respect to leases) over a period of more than 12 months, or which is otherwise individually material to the

operations of the Acquired Companies taken as a whole, except as explicitly described in Schedule 3.14.(l) or in any other Schedule.

3.14.(m) NO DEFAULT. No Acquired Company is in default under any lease, contract or commitment, nor has any event or omission occurred which through the passage of time or the giving of notice, or both, would constitute a default thereunder or cause the acceleration of any of its obligations or result in the creation of any Lien on any of the assets owned, used or occupied by such Acquired Company. No third party is in default under any lease, contract or commitment to which any Acquired Company is a party, nor has any event or omission occurred which, through the passage of time or the giving of notice, or both, would constitute a default thereunder or give rise to an automatic termination, or the right of discretionary termination, thereof.

3.15. LABOR MATTERS. Except as set forth in Schedule 3.15, within the last five years no Acquired Company has experienced any labor disputes, union organization attempts or any work stoppage due to labor disagreements in connection with its business. Except to the extent set forth in Schedule 3.15, (a) each of the Acquired Companies is in compliance with all applicable Laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practice; (b) there is no unfair labor practice charge or complaint against any Acquired Company pending or threatened; (c) there is no labor strike, dispute, request for representation, slowdown or stoppage actually pending or threatened against or affecting any Acquired Company nor any secondary boycott with respect to products of any Acquired Company; (d) no question concerning representation has been raised or is threatened respecting the employees of any Acquired Company; (e) no grievance which might have a material adverse effect on any Acquired Company, nor any arbitration proceeding arising out of or under collective bargaining agreements, is pending and no such claim therefor exists; and (f) there are no administrative charges or court complaints against any Acquired Company concerning alleged employment discrimination or other employment related matters pending or threatened before any Government Entity.

3.16. EMPLOYEE BENEFIT PLANS.

3.16.(a) DISCLOSURE. Schedule 3.16.(a) sets forth all pension, thrift, savings, profit sharing, retirement, incentive bonus or other bonus, medical, dental, life, accident insurance, benefit, employee welfare, disability, group insurance, stock purchase, stock option, stock appreciation, stock bonus, executive or deferred compensation, hospitalization and other similar fringe or employee benefit plans, programs and arrangements, and any employment or consulting contracts, "golden parachutes," collective bargaining agreements, severance agreements or plans, vacation and sick leave plans, programs, arrangements and policies, including, without limitation, all "employee benefit plans" (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), all employee manuals, and all written or binding oral statements of policies, practices or understandings relating to employment, which are provided to, for the benefit of, or relate to, any persons employed by the Acquired Companies. The items described in the foregoing sentence are hereinafter sometimes

referred to collectively as "Employee Plans/Agreements," and each individually as an "Employee Plan/Agreement." True and correct copies of all the Employee Plans/Agreements, including all amendments thereto, have heretofore been provided to Buyer. Each of the Employee Plans/Agreements is identified on Schedule 3.16.(a), to the extent applicable, as one or more of the following: an "employee pension benefit plan" (as defined in Section 3(2) of ERISA), a "defined benefit plan" (as defined in Section 414 of the Code), an "employee welfare benefit plan" (as defined in Section 3(1) of ERISA), and/or as a plan intended to be qualified under Section 401 of the Code. Except as set forth in Schedule 3.16.(a), no Employee Plan/Agreement is a "multiemployer plan" (as defined in Section 4001 of ERISA), and none of the Acquired Companies has ever contributed nor been obligated to contribute to any such multiemployer plan.

3.16.(b) TERMINATIONS, PROCEEDINGS, PENALTIES, ETC. With respect to each employee benefit plan (including, without limitation, the Employee Plans/Agreements) that is subject to the provisions of Title IV of ERISA and with respect to which the Acquired Companies or any of their assets may, directly or indirectly, be subject to any liability, contingent or otherwise, or the imposition of any Lien (whether by reason of the complete or partial termination of any such plan, the funded status of any such plan, any "complete withdrawal" (as defined in Section 4203 of ERISA) or "partial withdrawal" (as defined in Section 4205 of ERISA) by any person from any such plan, or otherwise):

(i) no such plan has been terminated so as to subject, directly or indirectly, any assets of any Acquired Company to any liability, contingent or otherwise, or the imposition of any lien under Title IV of ERISA;

(ii) no proceeding has been initiated or threatened by any person (including the Pension Benefit Guaranty Corporation ("PBGC")) to terminate any such plan;

(iii) no condition or event currently exists or currently is expected to occur that could subject, directly or indirectly, any assets of any Acquired Company to any liability, contingent or otherwise, or the imposition of any lien under Title IV of ERISA, whether to the PBGC or to any other person or otherwise on account of the termination of any such plan;

(iv) if any such plan were to be terminated as of the Closing Date, no assets of any Acquired Company would be subject, directly or indirectly, to any liability, contingent or otherwise, or the imposition of any lien under Title IV of ERISA;

(v) no "reportable event" (as defined in Section 4043 of ERISA) has occurred with respect to any such plan;

(vi) no such plan which is subject to Section 302 of ERISA or Section 412 of the Code has incurred any "accumulated funding deficiency"

(as defined in Section 302 of ERISA and Section 412 of the Code, respectively), whether or not waived; and

(vii) no such plan is a multiemployer plan or a plan described in Section 4064 of ERISA.

3.16.(c) PROHIBITED TRANSACTIONS, ETC. There have been no "prohibited transactions" within the meaning of Section 406 or 407 of ERISA or Section 4975 of the Code for which a statutory or administrative exemption does not exist with respect to any Employee Plan/Agreement, and no event or omission has occurred in connection with which any Acquired Company or any of their assets or any Employee Plan/Agreement, directly or indirectly, could be subject to any liability under ERISA, the Code or any other Law or Order applicable to any Employee Plan/Agreement, or under any agreement, instrument, Law or Order pursuant to or under which any Acquired Company has agreed to indemnify or is required to indemnify any person against liability incurred under any such Law or Order.

3.16.(d) FULL FUNDING. The funds available under each Employee Plan/Agreement which is intended to be a funded plan exceed the amounts required to be paid, or which would be required to be paid if such Employee Plan/Agreement were terminated, on account of rights vested or accrued as of the Closing Date (using the actuarial methods and assumptions then used by actuaries of the Acquired Companies in connection with the funding of such Employee Plan/Agreement).

3.16.(e) CONTROLLED GROUP; AFFILIATED SERVICE GROUP; LEASED EMPLOYEES. Except as set forth in Schedule 3.16.(e), each of the Acquired Companies is not and never has been a member of a controlled group of corporations as defined in Section 414(b) of the Code or in common control with any unincorporated trade or business as determined under Section 414(c) of the Code. Except as set forth in Schedule 3.16.(e), each of the Acquired Companies is not and never has been a member of an "affiliated service group" within the meaning of Section 414(m) of the Code. Except as set forth in Schedule 3.16.(e), there are not and never have been any leased employees within the meaning of Section 414(n) of the Code who perform services for the Acquired Companies, and no individuals are expected to become leased employees with the passage of time. With respect to any entity identified on Schedule 3.16.(e), the representations and warranties in the last sentence of Section 3.16.(a) hereof and all of Section 3.16.(b) hereof would be accurate if all of such entities were included as "Acquired Companies" for purposes of Sections 3.16.(a) and 3.16.(b) hereof.

3.16.(f) PAYMENTS AND COMPLIANCE. With respect to each Employee Plan/Agreement, (i) all payments due from any Acquired Company to date have been made and all amounts properly accrued to date as liabilities of any Acquired Company which have not been paid have been properly recorded on the books of such Acquired Company and are reflected in the Recent Balance Sheet; (ii) each of the Acquired Companies has complied with, and each such Employee Plan/Agreement conforms in form and operation

to, all applicable Laws and regulations, including but not limited to ERISA and the Code, in all respects and all reports and information relating to such Employee Plan/Agreement required to be filed with any Governmental Entity have been timely filed; (iii) all reports and information relating to each such Employee Plan/ Agreement required to be disclosed or provided to participants or their beneficiaries have been timely disclosed or provided; (iv) each such Employee Plan/Agreement which is intended to qualify under Section 401 of the Code has received a favorable determination letter from the Internal Revenue Service with respect to such qualification, its related trust has been determined to be exempt from taxation under Section 501(a) of the Code, and nothing has occurred since the date of such letter that has or is likely to adversely affect such qualification or exemption; (iv) there are no actions, suits or claims pending (other than routine claims for benefits) or threatened with respect to such Employee Plan/ Agreement or against the assets of such Employee Plan/Agreement; and (v) no Employee Plan/Agreement is a plan which is established and maintained outside the United States primarily for the benefit of individuals substantially all of whom are nonresident aliens.

3.16.(g) POST-RETIREMENT BENEFITS. Except as set forth on Schedule 3.16.(g), no Employee Plan/Agreement provides benefits, including, without limitation, death or medical benefits (whether or not insured) with respect to current or former employees of the Acquired Companies beyond their retirement or other termination of service other than (i) coverage mandated by applicable law, (ii) death or retirement benefits under any Employee Plan/Agreement that is an employee pension benefit plan, (iii) deferred compensation benefits accrued as liabilities on the books of the Acquired Companies (including the Recent Balance Sheet), (iv) disability benefits under any Employee Plan/Agreement that is an employee welfare benefit plan and which have been fully provided for by insurance or otherwise, (v) benefits in the nature of severance pay or (vi) as set forth in Schedule 3.16.(g).

3.16.(h) NO TRIGGERING OF OBLIGATIONS. The consummation of the transactions contemplated by this Agreement will not (i) entitle any current or former employee of any Acquired Company to severance pay, unemployment compensation or any other payment, (ii) accelerate the time of payment or vesting, or increase the amount of compensation due to any such employee or former employee or (iii) result in any prohibited transaction described in Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available. Buyer covenants that any liability for severance payments to employees of the Acquired Companies (other than for Messrs. Devlin, Naglick and Williams) arising after the Closing Date and resulting from actions taken by Buyer after the Closing Date (other than any rights to severance benefits that arise as a result of the transactions contemplated by this Agreement) shall be the sole responsibility of Buyer.

3.16.(i) DELIVERY OF DOCUMENTS. There has been delivered to Buyer, with respect to each Employee Plan/Agreement:

(i) a copy of the annual report, if required under ERISA, with respect to each such Employee Plan/Agreement for the last two years;

(ii) a copy of the summary plan description, together with each summary of material modifications, required under ERISA with respect to such Employee Plan/Agreement, all material employee communications relating to such Employee Plan/Agreement, and, unless the Employee Plan/ Agreement is embodied entirely in an insurance policy to which any Acquired Company is a party, a true and complete copy of such Employee Plan/Agreement;

(iii) if the Employee Plan/Agreement is funded through a trust or any third party funding vehicle (other than an insurance policy), a copy of the trust or other funding agreement and the latest financial statements thereof; and

(iv) the most recent determination letter received from the Internal Revenue Service with respect to each Employee Plan/Agreement that is intended to be a "qualified plan" under Section 401 of the Code.

With respect to each Employee Plan/Agreement for which an annual report has been filed and delivered to Buyer pursuant to clause (i) of this Section 3.16.(i), no material adverse change has occurred with respect to the matters covered by the latest such annual report since the date thereof.

3.16.(j) FUTURE COMMITMENTS. No Acquired Company has an announced plan or legally binding commitment to create any additional Employee Plans/Agreements or to amend or modify any existing Employee Plan/Agreement.

3.17. EMPLOYMENT COMPENSATION. Schedule 3.17 contains a true and correct list of all employees to whom any Acquired Company is paying compensation, including bonuses and incentives, at an annual rate in excess of $50,000 for services rendered or otherwise; and in the case of salaried employees such list identifies the current annual rate of compensation for each employee and in the case of hourly or commission employees identifies certain reasonable ranges of rates and the number of employees falling within each such range.

3.18. TRADE RIGHTS. Schedule 3.18 lists all Trade Rights (as defined below) in which each of the Acquired Companies now has any interest, specifying whether such Trade Rights are owned, controlled, used or held (under license or otherwise) by such company, and also indicating which of such Trade Rights are registered. All Trade Rights shown as registered in Schedule 3.18 have been properly registered, all pending registrations and applications have been properly made and filed and all annuity, maintenance, renewal and other fees relating to registrations or applications are current. In order to conduct the business of each of the Acquired Companies, as

such is currently being conducted or proposed to be conducted, such company does not require any Trade Rights that it does not already have. The Acquired Companies are not infringing and have not infringed any Trade Rights of another in the operation of their businesses, nor is any other person infringing the Trade Rights of the Acquired Companies. No Acquired Company has granted any license or made any assignment of any Trade Right listed on Schedule 3.18, nor does any Acquired Company pay any royalties or other consideration for the right to use any Trade Rights of others. There is no Litigation pending or threatened to challenge any Acquired Company's right, title and interest with respect to its continued use and right to preclude others from using any of its Trade Rights. All Trade Rights of the Acquired Companies are valid, enforceable and in good standing, and there are no equitable defenses to enforcement based on any act or omission of any Acquired Company. The consummation of the transactions contemplated hereby will not alter or impair any Trade Rights owned or used by any Acquired Company. As used herein, the term "Trade Rights" shall mean and include: (i) all trademark rights, business identifiers, trade dress, service marks, trade names and brand names, all registrations thereof and applications therefor and all goodwill associated with the foregoing; (ii) all copyrights, copyright registrations and copyright applications, and all other rights associated with the foregoing and the underlying works of authorship; (iii) all patents and patent applications, and all international proprietary rights associated therewith; (iv) all contracts or agreements granting any right, title, license or privilege under the intellectual property rights of any third party; (v) all inventions, mask works and mask work registrations, know-how, discoveries, improvements, designs, trade secrets, shop and royalty rights, employee covenants and agreements respecting intellectual property and non-competition and all other types of intellectual property; and (vi) all claims for infringement or breach of any of the foregoing.

3.19. MAJOR CUSTOMERS AND SUPPLIERS.

3.19.(a) MAJOR CUSTOMERS. Schedule 3.19.(a) contains a list of the ten largest customers, including distributors, of the Acquired Companies for each of the two (2) most recent fiscal years (determined on the basis of the total amount of net sales) showing the total amount of net sales to each such customer during each such year. Neither the Acquired Companies nor any Shareholder has any knowledge or information of any facts indicating, nor any other reason to believe, that any of the customers listed on Schedule 3.19.(a) will not continue to be customers of the business of the Acquired Companies after the Closing at substantially the same level of purchases as heretofore.

3.19.(b) MAJOR SUPPLIERS. Schedule 3.19.(b) contains a list of the ten largest suppliers to the Acquired Companies for each of the two (2) most recent fiscal years (determined on the basis of the total amount of purchases) showing the total amount of purchases from each such supplier during each such year. Neither the Acquired Companies nor any Shareholder has any knowledge or information of any facts indicating, nor any other reason to believe, that any of the suppliers listed on Schedule 3.19.(b) will not continue to be suppliers to the business of the Acquired Companies after the Closing and will not continue to supply the business with substantially the same quantity and quality of goods at competitive prices.

3.19.(c) DEALERS AND DISTRIBUTORS. Section 3.19.(c) contains a list by product line of all sales representatives, dealers, distributors and franchisees of the Acquired Companies, together with representative copies of all sales representative, dealer, distributor and franchise contracts and policy statements, and a description of all substantial modifications or exceptions.

3.20. PRODUCT WARRANTY AND PRODUCT LIABILITY. Schedule 3.20 contains a true, correct and complete copy of the standard warranty or warranties of the Acquired Companies for sales of Products (as defined below) and, except as stated therein, there are no warranties, commitments or obligations with respect to the return, repair or replacement of Products. Schedule 3.20 sets forth the estimated aggregate annual cost to the Acquired Companies of performing warranty obligations for customers for each of the two preceding fiscal years and the current fiscal year to the date of the Recent Balance Sheet. Schedule 3.20 contains a description of all product liability claims and similar Litigation relating to products manufactured or sold, or services rendered, which are presently pending or which to the best knowledge of any Acquired Company or Shareholder are threatened, or which have been asserted or commenced against any Acquired Company within the last five years, in which a party thereto either requests injunctive relief or alleges damages in excess of $5,000 (whether or not covered by insurance). There are no defects in design, construction or manufacture of the Products which would adversely affect performance, create an unusual risk of injury to persons or property or require notification to end-users, recall or remedial action under applicable Laws. None of the Products has been the subject of (i) any Medication and Device Experience Report ("MDR"); or (ii) any remedial action replacement, field fix, retrofit, modification or recall campaign by any Acquired Company and, to the best knowledge of any Acquired Company or Shareholder, no facts or conditions exist which could reasonably be expected to result in such a MDR or recall campaign. The Products have been designed and manufactured so as to meet and comply with all governmental standards, specifications and Laws currently in effect. Such products have received all approvals from Governmental Entities or certificates necessary to allow their sale and use, including applicable stock certificates. As used in this Section 3.20, the term "Products" means any and all products currently or at any time previously manufactured, distributed or sold by any Acquired Company, or by any predecessor of any Acquired Company under any brand name or mark under which products are or have been manufactured, distributed or sold by any Acquired Company.

3.21. BANK ACCOUNTS. Schedule 3.21 sets forth the names and locations of all banks, trust companies, savings and loan associations and other financial institutions at which any Acquired Company maintains a safe deposit box, lock box or checking, savings, custodial or other account of any nature, the type and number of each such account and the signatories therefore, a description of any compensating balance arrangements, and the names of all persons authorized to draw thereon, make withdrawals therefrom or have access thereto.

3.22. AFFILIATES' RELATIONSHIPS.

3.22.(a) CONTRACTS WITH AFFILIATES. All leases, contracts, agreements or other arrangements between any Acquired Company and any Affiliate (including any Shareholder) are described on Schedule 3.22.(a).

3.22.(b) NO ADVERSE INTERESTS. No Affiliate has any direct or indirect interest in (i) any entity which does business with any Acquired Company or is competitive with the business of the Acquired Companies, or (ii) any property, asset or right which is used by the Acquired Companies in the conduct of their business.

3.22.(c) OBLIGATIONS. All obligations of any Affiliate to any Acquired Company, and all obligations of any Acquired Company to any Affiliate, are listed on Schedule 3.22.(c).

3.23. ASSETS NECESSARY TO BUSINESS. The Acquired Companies presently have and at the Closing (provided that the lease relating to the Detroit Facility as contemplated by Section 5.4 has been entered into) will have good, valid and marketable title to all property and assets, tangible and intangible, and all leases, licenses and other agreements, necessary to permit Buyer to carry on the business of the Acquired Companies as presently conducted and as conducted as reflected in the financial statements described in Section 3.4 hereof.

3.24. NO BROKERS OR FINDERS. Neither the Acquired Companies nor the Shareholders nor any of their directors, officers, employees, shareholders or agents have retained, employed or used any broker or finder in connection with the transactions provided for herein or in connection with the negotiation thereof.

3.25. DISCLOSURE. No representation or warranty by the Shareholders in this Agreement, nor any statement, certificate, schedule, document or exhibit hereto furnished or to be furnished by or on behalf of the Acquired Companies and/or the Shareholders pursuant to this Agreement or in connection with transactions contemplated hereby, contains or shall contain any untrue statement of material fact or omits or shall omit a material fact necessary to make the statements contained therein not misleading. All statements and information contained in any certificate, instrument, Disclosure Schedule or document delivered by or on behalf of the Acquired Companies and/or the Shareholders shall be deemed representations and warranties by the Shareholders.

4. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer makes the following representations and warranties to the Shareholders, each of which is true and correct on the date hereof, shall be unaffected by any investigation heretofore or hereafter made by the Shareholders or any notice to the Shareholders, and shall survive the Closing of the transactions provided for herein.

4.1. CORPORATE.

4.1.(a) ORGANIZATION. Buyer is a corporation duly organized and validly existing under the laws of the State of Wisconsin.

4.1.(b) CORPORATE POWER. Buyer has all requisite corporate power to enter into this Agreement and the other documents and instruments to be executed and delivered by Buyer and to carry out the transactions contemplated hereby and thereby.

4.2. AUTHORITY. The execution and delivery of this Agreement and the other documents and instruments to be executed and delivered by Buyer pursuant hereto and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the Board of Directors of Buyer. No other corporate act or proceeding on the part of Buyer or its shareholders is necessary to authorize this Agreement or the other documents and instruments to be executed and delivered by Buyer pursuant hereto or the consummation of the transactions contemplated hereby and thereby. This Agreement constitutes, and when executed and delivered, the other documents and instruments to be executed and delivered by Buyer pursuant hereto will constitute, valid and binding agreements of Buyer, enforceable in accordance with their respective terms, except as such may be limited by bankruptcy, insolvency, reorganization or other Laws affecting creditors' rights generally, and by general equitable principles.

4.3. NO BROKERS OR FINDERS. Neither Buyer nor any of its directors, officers, employees or agents have retained, employed or used any broker or finder in connection with the transaction provided for herein or in connection with the negotiation thereof.

4.4. DISCLOSURE. No representation or warranty by Buyer in this Agreement, nor any statement, certificate, schedule, document or exhibit hereto furnished or to be furnished by or on behalf of Buyer pursuant to this Agreement or in connection with transactions contemplated hereby, contains or shall contain any untrue statement of material fact or omits or shall omit a material fact necessary to make the statements contained therein not misleading.

4.5. INVESTMENT INTENT. The Shares are being acquired by Buyer for investment only and not with the view to resale or other distribution.

5. COVENANTS

5.1. TITLE INSURANCE. The Shareholders, at their expense, shall provide to Buyer prior to Closing title insurance commitments, issued by a title insurance company or companies reasonably satisfactory to Buyer, agreeing to issue to the Acquired Companies standard form owner's policies of title insurance with respect to all owned Real Property, together with a copy of each document to which reference is made in such commitments. Such policies shall be standard ALTA Form 1990 owner's policies in the full fair market value thereof, insuring good and marketable title thereto (expressly including all easements and other appurtenances). All policies shall insure title in full accordance with the representations and warranties set forth herein and shall be subject only to such conditions and exceptions as shall be reasonably acceptable to Buyer, and shall contain such endorsements as Buyer shall reasonably request (including, but not limited to, an endorsement over rights of creditors, if requested by Buyer).

5.2. SURVEYS. The Shareholders, at their expense, shall provide to Buyer as soon as is reasonably practicable after Closing surveys of all owned Real Property, prepared in accordance

with ALTA/ASCM standards, each dated no more than ninety (90) days prior to the date of delivery to Buyer and each detailing the legal description, the perimeter boundaries, all improvements located thereon, all easements and encroachments affecting each such parcel of Real Property and such other matters as may be reasonably requested by Buyer or the title insurance companies, each containing a surveyor certificate reasonably acceptable to Buyer and the title insurance companies, and each prepared by a registered land surveyor satisfactory to Buyer.

5.3. ENVIRONMENTAL AND OSHA AUDITS. Buyer (at its option) will prior to Closing have retained a firm engaged in the regular business of environmental engineering and such firm will have conducted such environmental audits of the operations of the Acquired Companies and the real estate occupied or previously owned or occupied by the Acquired Companies as Buyer in its discretion shall consider necessary or appropriate. In addition, Buyer (at its option) will prior to Closing have retained a firm engaged in the business of performing compliance audits relating to Laws governing occupational health and safety matters and such firm shall have conducted such reviews of the operations of the Acquired Companies as Buyer in its discretion shall consider necessary or appropriate.

5.4. LEASE FOR DETROIT FACILITY; GUARANTY FOR TROY FACILITY. At the Closing, OCR and Omnia Corporation shall execute and deliver a lease for the Detroit Facility in the form of Exhibit A hereto. At the Closing, Buyer will enter into a guaranty of the Acquired Companies' obligations with respect to the lease for the space located at 50 Big Beaver, Suite 350, Troy, Michigan (the "Troy Guaranty").

5.5. EMPLOYMENT AGREEMENTS; TRANSITIONAL SERVICES. Chemed acknowledges that it currently has employment agreements, as amended, with each of James H. Devlin, John Naglick, Jr. and David P. Williams and that, at Closing, Chemed will continue to employ and assume all liability for (and indemnify, defend and hold the Acquired Companies and Buyer harmless with respect to) such employment contracts. Chemed further acknowledges that Buyer may, but is not obligated to, offer one or both of Messrs. Devlin and Naglick full-time employment with one or more of the Acquired Companies and Chemed waives any claims, actions or the like it may have against Buyer or the Acquired Companies resulting from any such offer or offers of employment or the transactions contemplated by this Section 5.5. Chemed further consents to and acknowledges that, as contemplated by Section 9.1.(c), Buyer will enter into Noncompetition and Consulting Agreements with Messrs. Devlin and Naglick in connection with the Closing. In addition, Chemed acknowledges that it has an employment agreement, dated May 16, 1994, with Christopher J. Heaney, which agreement has been amended by amendment no. 1 thereto, dated May 15, 1995, by amendment no. 2 thereto, dated May 20, 1996, and by amendment no. 3 thereto, dated May 19, 1997 (such employment agreement as so amended is hereinafter referred to as the "Heaney Employment Agreement"). Chemed agrees to continue to employ Mr. Heaney pursuant to the terms of the Heaney Employment Agreement and represents and warrants that it has not taken and will not take any action (including, without limitation, consummation of the transactions contemplated by this Agreement), and has not omitted and will not omit to take any action that would constitute a termination of Mr. Heaney "Without Cause" as such term is defined in the Heaney Employment Agreement. Chemed further agrees that, for the one year period following the Closing Date, it will use its reasonable best efforts to cause Mr.

Heaney to provide such consulting services to the Acquired Companies (consistent in scope to the services provided by Mr. Heaney prior to the Closing Date) as the Buyer or the Acquired Companies may from time to time request. Buyer agrees to reimburse Chemed for seventy percent (70%) of the costs incurred by Chemed with respect to the employment of Mr. Heaney under the Heaney Employment Agreement during the one year period following the Closing Date in accordance with the terms of the Heaney Employment Agreement as in effect on the date hereof, with any additional costs thereunder being Chemed's responsibility. In addition, Buyer will pay Mr. Heaney a bonus amount equal to thirty percent (30%) of his current annual salary under the Heaney Employment Agreement, payable in monthly installments commencing September 30, 1997. Notwithstanding the foregoing, Chemed following the Closing will use its reasonable best efforts to encourage Mr. Heaney to accept full-time employment with Buyer or one or more of its subsidiaries (including for this purpose the Acquired Companies) on terms to be negotiated by the parties and Chemed waives any claims, actions or the like it may have against Buyer or its subsidiaries (including the Acquired Companies) resulting from any such offer of employment or the transactions contemplated by this Section 5.5. Buyer agrees to provide their existing office space to Messrs. Williams and Heaney at no cost to such individuals or the Shareholders for the one year period following the Closing Date; provided however, that if Buyer relocates that facility, it will provide equivalent space elsewhere.

5.6. NONCOMPETITION; CONFIDENTIALITY. Subject to the Closing, and as an inducement to Buyer to execute this Agreement and complete the transactions contemplated hereby, and in order to preserve the goodwill associated with the business of the Acquired Companies being acquired pursuant to this Agreement, each Shareholder hereby covenants and agrees as follows:

5.6.(a) COVENANT NOT TO COMPETE. For a period of ten years from the Closing Date, no Shareholder will directly or indirectly:

(i) engage in, continue in or carry on any business which competes with the business of the Acquired Companies or is substantially similar thereto, including owning or controlling any financial interest in any corporation, partnership, firm or other form of business organization which is so engaged;

(ii) consult with, advise or assist in any way, whether or not for consideration, any corporation, partnership, firm or other business organization which is now or becomes a competitor of the Acquired Companies or Buyer in any aspect with respect to the business of the Acquired Companies, including, but not limited to, advertising or otherwise endorsing the products of any such competitor; soliciting customers or otherwise serving as an intermediary for any such competitor; loaning money or rendering any other form of financial assistance to or engaging in any form of business transaction on other than an arm's length basis with any such competitor;

(iii) offer employment to an employee (other than James H. Devlin, John Naglick, Jr., David P. Williams and Christopher J. Heaney as

contemplated by Section 5.5 hereof) of any Acquired Company, without the prior written consent of Buyer; or

(iv) engage in any practice the purpose of which is to evade the provisions of this covenant not to compete or to commit any act which adversely affects the business of the Acquired Companies;

provided, however, that the foregoing shall not prohibit the ownership of securities of corporations which are listed on a national securities exchange or traded in the national over-the-counter market in an amount which shall not exceed 5% of the outstanding shares of any such corporation. The parties agree that the geographic scope of this covenant not to compete shall extend to the United States and its territories and Canada. The parties agree that Buyer may sell, assign or otherwise transfer this covenant not to compete, in whole or in part, to any person, corporation, firm or entity that purchases all or part of the business of the Acquired Companies. In the event a court of competent jurisdiction determines that the provisions of this covenant not to compete are excessively broad as to duration, geographical scope or activity, it is expressly agreed that this covenant not to compete shall be construed so that the remaining provisions shall not be affected, but shall remain in full force and effect, and any such over broad provisions shall be deemed, without further action on the part of any person, to be modified, amended and/or limited, but only to the extent necessary to render the same valid and enforceable in such jurisdiction.

5.6.(b) COVENANT OF CONFIDENTIALITY. No Shareholder shall, and the Shareholders will cause their respective Affiliates, employees, advisors and agents not to, at any time subsequent to the Closing, except as explicitly requested by Buyer, (i) use for any purpose, (ii) disclose to any person, or (iii) keep or make copies of documents, tapes, discs or programs containing, any confidential information concerning the Acquired Companies. For purposes hereof, "confidential information" shall mean and include, without limitation, all Trade Rights in which the Acquired Companies have an interest, all customer lists and customer information, and all other information concerning any processes, apparatus, equipment, packaging, products, marketing and distribution methods of the Acquired Companies, not previously disclosed to the public directly by the Acquired Companies.

5.6.(c) EQUITABLE RELIEF FOR VIOLATIONS. Each Shareholder agrees that the provisions and restrictions contained in this Section 5.6 are necessary to protect the legitimate continuing interests of Buyer in acquiring the Shares, and that any violation or breach of these provisions will result in irreparable injury to Buyer for which a remedy at law would be inadequate and that, in addition to any relief at law which may be available to Buyer for such violation or breach and regardless of any other provision contained in this Agreement, Buyer shall be entitled to injunctive and other equitable relief as a court may grant after considering the intent of this Section 5.6.

5.7. GENERAL RELEASES AND INDEMNIFICATION. At the Closing, each Shareholder shall deliver general releases to Buyer, in form and substance satisfactory to Buyer and its counsel, releasing each Acquired Company and the directors, officers, agents and employees of each such Acquired Company from all claims to the Closing Date, except as otherwise contemplated by this Agreement and any agreement, document or instrument delivered hereunder or in connection herewith. In addition to any other indemnification otherwise provided for in this Agreement, and notwithstanding any disclosure with respect thereto in the Disclosure Schedule or otherwise, or any knowledge or information of or obtained by Buyer or the Acquired Companies, the Shareholders, jointly and severally, shall indemnify and hold Buyer, its directors, officers, employees and controlled and controlling persons and the Acquired Companies harmless from and against any and all loss, cost, expense or other damage (including, without limitation, reasonable attorneys' fees and expenses and any fines or penalties) resulting from, arising out of or incurred with respect to, or alleged to result from, arise out of or have been incurred with respect to any claim, demand, right, liability, obligation, action, cause of action or suit, known or unknown, which any of James H. Devlin, John G. Naglick, Jr., David P. Williams or Christopher J. Heaney or any person claiming through or under any of them ever had or now has or hereafter can, shall or may have against the Acquired Companies and their respective directors, officers, agents and employees, or any of them, for, upon, or by reason of any matter, cause or thing from the beginning of the world to the date hereof, including but not limited to matters related to the employment of any of Messrs. Devlin, Naglick, Williams or Heaney by the Acquired Companies or any oral or written agreement of any nature whatsoever between any of them and the Acquired Companies, except there is expressly excluded from this
indemnification obligation of the Shareholders any right or claim that any of Messrs. Devlin, Naglick, Williams or Heaney may have arising under this Agreement and any agreement, document or instrument delivered hereunder or in connection herewith.

5.8. HSR ACT FILINGS. To the extent such filings have not been completed prior to the execution of this Agreement, each party shall, in cooperation with the other parties, file or cause to be filed any reports or notifications that may be required to be filed by it under the HSR Act, with the Federal Trade Commission and the Antitrust Division of the Department of Justice, and shall furnish to the others all such information in its possession as may be necessary for the completion of the reports or notifications to be filed by the other. Prior to making any communication, written or oral, with the Federal Trade Commission, the Antitrust Division of the federal Department of Justice or any other Governmental Entity or members of their respective staffs with respect to this Agreement or the transactions contemplated hereby, the Shareholders shall, and shall cause the Acquired Companies to, consult with Buyer.

5.9. INDEMNITY RELATING TO DETROIT FACILITY AND POMONA FACILITY. In addition to any other indemnification otherwise provided for in this Agreement, and notwithstanding any disclosure with respect thereto in the Disclosure Schedule or otherwise, or any knowledge or information of or obtained by Buyer or the Acquired Companies, the Shareholders, jointly and severally, shall indemnify and hold Buyer, its directors, officers, employees and controlled and controlling persons and the Acquired Companies harmless from and against any and all loss, cost, expense or other damage (including, without limitation, reasonable attorneys' fees and expenses and any fines or penalties) resulting from, arising out of or incurred with respect to, or alleged

to result from, arise out of or have been incurred with respect to: (i) any liability or obligation relating to the Detroit Facility (other than obligations of Omnia Corporation under the lease contemplated by Section 5.4 hereof) and the Pomona Facility, whether accrued, absolute, contingent, known or unknown, or otherwise; (ii) any violation or alleged violation of any Law or Order with respect to the Detroit Facility or the Pomona Facility, including, but not limited to, the Environmental Laws; (iii) any suit, proceeding, investigation or remedial procedure relating to any of the foregoing.

5.10. TAX MATTERS. The following provisions shall govern the allocation of responsibility as between Buyer and the Shareholders for certain Tax matters following the Closing Date:

5.10.(a) TAX PERIODS ENDING ON OR BEFORE THE CLOSING DATE. The Shareholders shall prepare or cause to be prepared and timely file or cause to be timely filed all Tax returns and shall pay all Taxes due thereon for the Acquired Companies for all periods beginning before but ending on or prior to the Closing Date which are filed after the Closing Date. The Shareholders shall submit draft copies of such Tax returns and related schedules to Buyer at least fifteen (15) days prior to the required filing date for each such return. The Shareholders will allow Buyer an opportunity to review and comment upon such Tax returns (including any amended returns) to the extent that they relate to the Acquired Companies. The Shareholders will take no position on such returns that relate to the Acquired Companies that would adversely affect the Acquired Companies after the Closing Date. Buyer shall reimburse the Shareholders for Taxes of the Acquired Companies with respect to such periods within three (3) days after payment by the Shareholders of such Taxes up to the amount of the reserve for such Tax liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) shown on the face of the Final Closing Balance Sheet.

5.10.(b) TAX PERIODS BEGINNING BEFORE AND ENDING AFTER THE CLOSING DATE. Except for 1997 calendar year state income or franchise Tax returns set forth in Section 5.10.(c), the Shareholders shall prepare or cause to be prepared and timely file or cause to be timely filed any Tax returns and shall pay all Taxes due thereon of the Acquired Companies for Tax periods which begin before the Closing Date and end after the Closing Date. The Shareholders shall submit draft copies of such Tax returns and related schedules to Buyer at least fifteen (15) days prior to the required filing date for each such return. The Shareholders will allow Buyer an opportunity to review and comment upon such Tax returns (including any amended returns) to the extent that they relate to the Acquired Companies. The Shareholders will take no position on such returns that relate to the Acquired Companies that would adversely affect the Acquired Companies after the Closing Date. The Buyer shall pay to the Shareholders within three (3) days after the date on which Taxes are paid with respect to such periods an amount equal to the portion of such Taxes which relates to the portion of such Taxable period ending on the Closing Date to the extent such Taxes are reflected in the reserve for Tax liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) shown on the face of the Final Closing Balance Sheet. Buyer shall pay

to the Shareholders an amount equal to all Taxes paid by the Shareholders with respect to periods after the Closing Date.

5.10.(c) STATE TAX RETURNS FOR PERIODS BEGINNING BEFORE AND ENDING AFTER THE CLOSING DATE. Buyer shall prepare or cause to be prepared and timely file or caused to be timely filed all 1997 calendar year state income and franchise Tax returns for the Acquired Companies for all periods ending on or after the Closing Date (other than income (or franchise) Tax returns with respect to periods for which a consolidated, unitary or combined income (or franchise) Tax return of the Shareholders will include the operations of the Acquired Companies). Buyer shall submit draft copies of such Tax returns and related schedules to the Shareholders at least fifteen (15) days prior to the required filing date for each such 1997 calendar year return. The Shareholders shall reimburse Buyer for Taxes of the Acquired Companies with respect to such periods within three (3) days after payment by Buyer or the Acquired Companies of such Taxes in an amount equal to the portion of such Taxes which relates to the portion of the Taxable period ending on the Closing Date to the extent such Taxes are not reflected in the reserve for such Tax liability (rather than the reserve for deferred Taxes established to reflect timing differences between book and Tax income) shown on the face of the Final Closing Balance Sheet.

5.10.(d) ALLOCATION OF TAXES. For purposes of this Section 5.10, in the case of any Taxes that are imposed on a periodic basis and are payable for a Tax period that includes (but does not end on) the Closing Date, the portion of such Tax which relates to the portion of such Tax period ending on the Closing Date shall (x) in the case of any Taxes other than Taxes based upon or related to income or receipts, be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction the numerator of which is the number of days in the Tax period ending on and including the Closing Date and the denominator of which is the number of days in the entire Tax period, and (y) in the case of any Tax based upon or related to income or receipts be deemed equal to the amount which would be payable if the relevant Tax period ended on the Closing Date. Any credits relating to a Tax period that begins before and ends after the Closing Date shall be taken into account as though the relevant Tax period ended on the Closing Date.

5.10.(e) CONSOLIDATED RETURNS FOR PERIODS THROUGH THE CLOSING DATE. Chemed will include the income of the Acquired Companies (including any deferred income triggered into income by Reg. ss.1.1502-13 and Reg. ss.1.1502-14 and any excESS loss accounts taken into income under Reg. ss.1.1502-19) on Chemed's consolidated federal (and state) income (or franchises) Tax returns for all periods through and including the Closing Date and pay any Taxes attributable to such income. The Acquired Companies will furnish Tax information to Chemed for inclusion in Chemed's federal (and state) consolidated (or combined) income Tax return for the period which includes the Closing Date in accordance with the Acquired Companies' past custom and practice. Chemed will allow Buyer an opportunity to review and comment upon such Tax returns (including any amended returns) to the extent that they relate to the Acquired Companies. Chemed will take no position on such returns that relate to the Acquired Companies that would adversely affect the Acquired Companies after the Closing Date. The income of the

Acquired Companies will be apportioned to the period up to and including the Closing Date and the period after the Closing Date by closing the books of the Acquired Companies as of the end of the Closing Date. Buyer shall reimburse Shareholders for Taxes of the Acquired Companies with respect to such periods within three (3) days after payment by Shareholders to the extent such Taxes are reflected in the liability accrual for Tax liabilities shown on the Final Closing Balance Sheet.

5.10.(f) COOPERATION ON TAX MATTERS.

(i) Buyer and the Shareholders shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax returns pursuant to this Section 5.10 and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Buyer and the Shareholders agree (A) to retain all books and records with respect to Tax matters pertinent to the Acquired Companies relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Buyer or the Shareholders, any extensions thereof) of the respective Taxable periods, and to abide by all record retention agreements entered into with any Taxing authority, and (B) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, Buyer (on behalf of the Acquired Companies) or the Shareholders, as the case may be, shall allow the other party to take possession of such books and records.

(ii) Chemed will allow the Acquired Companies and their counsel to participate in any audits of Chemed's consolidated income (and franchise) Tax returns to the extent that such returns relate to the Acquired Companies. Chemed will not settle any such audit in a manner which would adversely affect the Acquired Companies after the Closing Date without the prior written consent of Buyer.

(iii) Buyer and the Shareholders further agree, upon request, to use their best efforts to obtain any certificate or other document from any Government Entity or any other person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

(iv) Buyer and the Shareholders further agree, upon request, to provide the other party with all information that either party may be required to report pursuant to Section 6043 of the Code and all regulations of the Treasury Department promulgated thereunder (if any).

5.10.(g) TAX SHARING AGREEMENT. All Tax sharing agreements or similar agreements with respect to or involving the Acquired Companies shall be terminated as of the Closing Date and, after the Closing Date, the Acquired Companies shall not be bound thereby or have any liability thereunder, and such agreements shall have no further effect for any Tax year (whether the current year, a future year, or a past year).

5.10.(h) TAXES OF OTHER PERSONS. The Shareholders, jointly and severally, agree to indemnify the Buyer from and against the entirety of any Adverse Consequences the Buyer may suffer resulting from, arising out of, relating to, in the nature of, or caused by any liability of any of the Acquired Companies for Taxes of any person other than any of the Acquired Companies (i) under Reg. ss.1.1502-6 (or any similar provision of state, local or foreign law), (ii) as a transferee or successor, (iii) by contract, or (iv) otherwise. "Adverse Consequences" for purposes of this Section 5.10.(h) means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, Taxes, liens, losses, expenses and fees, including court costs and reasonable attorneys' fees and expenses.

5.10.(i) CARRYBACKS. Chemed will immediately pay to the Buyer any Tax refund (or reduction in Tax liability) resulting from a carryback of a postacquisition Tax attribute of any of the Acquired Companies into Chemed's consolidated (or combined) Tax return, when such refund or reduction is realized by the Chemed group. Chemed will cooperate with Buyer and the Acquired Companies in obtaining such refunds (or reduction in Tax liability), including through the filing of amended Tax returns or refund claims. Buyer agrees to indemnify Chemed for any Taxes resulting from the disallowance of such postacquisition Tax attribute on audit or otherwise.

5.11. ASSUMPTION OF AND INDEMNITY RELATING TO WORKERS' COMPENSATION CLAIMS. The Shareholders hereby assume responsibility for all claims, liabilities or other obligations of the Acquired Companies as of the Closing Date with respect to workers' compensation claims (the "Assumed Liabilities") and further agree, notwithstanding any disclosure with respect thereto in the Disclosure Schedule or otherwise, or any knowledge or information of or obtained by Buyer or the Acquired Companies, to, jointly and severally, indemnify and hold Buyer, its directors, officers, employees and controlled and controlling persons and the Acquired Companies harmless from and against any and all loss, cost, expense or other damage (including, without limitation, reasonable attorneys' fees and expenses and any fines or penalties) resulting from, arising out of or incurred with respect to, or alleged to result from, arise out of or have been incurred with respect to the Assumed Liabilities. Shareholders represent and warrant that, as of August 31, 1997, the amount of the reserves established for workers' compensation claims as reflected on the books and records of the Acquired Companies was $1,024,980.

5.12. EMPLOYEE BENEFITS AND SEVERANCE. Chemed agrees to continue the participation of the current and future employees of the Acquired Companies in its medical plan and "125" plan through December 31, 1997. The Acquired Companies shall promptly (i) transmit employee contributions to the plans and (ii) reimburse Chemed for their share of the third-party

administrative costs for both plans for the period after the Closing Date through December 31, 1997 and for the costs of medical benefits paid from the medical plan for expenses incurred during the period after the Closing Date through December 31, 1997. In addition, Buyer covenants that following the Closing Date the severance policy for nonunion employees of the Acquired Companies shall provide for one week of pay for each year of service up to a maximum of twenty weeks of severance pay. In addition, during the six-month period following the Closing Date, Buyer will provide an additional week of severance pay for each year of service up to the maximum of twenty weeks of severance pay. The Shareholders covenant and agree to reimburse Buyer for the costs associated with this additional severance pay. After six months following the Closing Date, Buyer and the Acquired Companies shall be free to establish whatever severance policy such parties may deem appropriate for the employees of the Acquired Companies.

6. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

Each and every obligation of Buyer to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of each of the following conditions:

6.1. REPRESENTATIONS AND WARRANTIES TRUE OF THE CLOSING DATE. Each of the representations and warranties made by the Shareholders in this Agreement, and the statements contained in the Disclosure Schedule or in any instrument, list, certificate or writing delivered by the Shareholders or the Acquired Companies pursuant to this Agreement, shall be true and correct when made and shall be true and correct at and as of the Closing Date as though such representations and warranties were made or given on and as of the Closing Date.

6.2. COMPLIANCE WITH AGREEMENT. The Shareholders shall have in all material respects performed and complied with all of their agreements and obligations under this Agreement which are to be performed or complied with by them prior to or on the Closing Date, including the delivery of the closing documents specified in Section 9.1.

6.3. ABSENCE OF LITIGATION. No Litigation shall have been commenced or threatened, and no investigation by any Government Entity shall have been commenced, against Buyer, the Acquired Companies, the Shareholders or any of the Affiliates of any of them, with respect to the transactions contemplated hereby.

6.4. CONSENTS AND APPROVALS. All approvals, consents and waivers that are required to effect the transactions contemplated hereby shall have been received, and executed counterparts thereof shall have been delivered to Buyer.

6.5. TITLE INSURANCE. Buyer shall have obtained good and valid title insurance policies or, in final form, irrevocable title insurance binders conforming to the specifications set forth in Section 5.1 hereof.

6.6. ESTOPPEL CERTIFICATES. The Shareholders shall have caused the Acquired Companies to deliver to Buyer an estoppel certificate or status letter from the landlord under each lease of Real Property which estoppel certificate or status letter will certify (i) the lease is valid

and in full force and effect; (ii) the amounts payable by the Acquired Companies under the lease and the date to which the same have been paid; (iii) whether there are, to the knowledge of said landlord, any defaults thereunder, and, if so, specifying the nature thereof; and (iv) a statement that the transactions contemplated by this Agreement will not constitute a default under the lease; PROVIDED, HOWEVER, to the extent Buyer consents to the delivery of one or more of such estoppel certificates after the Closing Date, the Shareholders shall use their reasonable best efforts to obtain such certificate or certificates at the earliest practicable date.

6.7. HART-SCOTT-RODINO WAITING PERIOD. All applicable waiting periods related to the HSR Act shall have expired.

6.8. SECTION 1445 AFFIDAVIT. Each of the Acquired Companies shall have delivered to Buyer an affidavit, in form satisfactory to Buyer, to the effect that such company is not a "foreign person," "foreign corporation," "foreign partnership," "foreign trust," or "foreign estate" under Section 1445 of the Code, and containing all such other information as is required to comply with the requirements of such Section.

6.9. ENVIRONMENTAL AND OSHA AUDITS. The results of the audits conducted pursuant to Section 5.3 shall be acceptable to Buyer in its sole discretion.

6.10. NONCOMPETITION AND CONSULTING AGREEMENTS. At the Closing, the Shareholders shall deliver to Buyer Noncompetition Agreements in substantially the form attached hereto as Exhibits B and C, duly executed by John H. Devlin and John Naglick, Jr., respectively.

7. CONDITIONS PRECEDENT TO THE SHAREHOLDERS' OBLIGATIONS

Each and every obligation of the Shareholders to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following conditions:

7.1. REPRESENTATIONS AND WARRANTIES TRUE ON THE CLOSING DATE. Each of the representations and warranties made by Buyer in this Agreement shall be true and correct when made and shall be true and correct at and as of the Closing Date as though such representations and warranties were made or given on and as of the Closing Date.

7.2. COMPLIANCE WITH AGREEMENT. Buyer shall have in all material respects performed and complied with all of Buyer's agreements and obligations under this Agreement which are to be performed or complied with by Buyer prior to or on the Closing Date, including the delivery of the closing documents specified in Section 9.2.

7.3. ABSENCE OF LITIGATION. No Litigation shall have been commenced or threatened, and no investigation by any Government Entity shall have been commenced, against Buyer, the Acquired Companies, the Shareholders or any of the Affiliates of any of them, with respect to the transactions contemplated hereby.

7.4. HART-SCOTT-RODINO WAITING PERIOD. All applicable waiting periods related to the HSR Act shall have expired.

8. INDEMNIFICATION

8.1. BY SHAREHOLDERS. Subject to the terms and conditions of this Article 8, each Shareholder, jointly and severally, hereby agrees to indemnify, defend and hold harmless Buyer, its directors, officers, employees and controlled and controlling persons (hereinafter "Buyer's Affiliates") and the Acquired Companies from and against all Claims asserted against, resulting to, imposed upon, or incurred by Buyer, Buyer's Affiliates or the Acquired Companies, directly or indirectly, by reason of, arising out of or resulting from (a) the inaccuracy or breach of any representation or warranty of the Shareholders contained in or made pursuant to this Agreement, or (b) the breach of any covenant of the Shareholders contained in this Agreement. As used in this Article 8, the term "Claim" shall include (i) all debts, liabilities and obligations; (ii) all losses, damages, judgments, awards, settlements, costs and expenses (including, without limitation, interest (including prejudgment interest in any litigated matter), penalties, court costs and attorneys fees and expenses); and (iii) all demands, claims, suits, actions, costs of investigation, causes of action, proceedings and assessments, whether or not ultimately determined to be valid.

8.2. BY BUYER. Subject to the terms and conditions of this Article 8, Buyer hereby agrees to indemnify, defend and hold harmless each Shareholder from and against all Claims asserted against, resulting to, imposed upon or incurred by any such person, directly or indirectly, by reason of or resulting from (a) the inaccuracy or breach of any representation or warranty of Buyer contained in or made pursuant to this Agreement, or (b) the breach of any covenant of Buyer contained in this Agreement.

8.3. INDEMNIFICATION OF THIRD-PARTY CLAIMS. The obligations and liabilities of any party to indemnify any other under this Article 8 with respect to Claims relating to third parties shall be subject to the following terms and conditions:

8.3.(a) NOTICE AND DEFENSE. The party or parties to be indemnified (whether one or more, the "Indemnified Party") will give the party from whom indemnification is sought (the "Indemnifying Party") written notice of any such Claim, and the Indemnifying Party will undertake the defense thereof by representatives chosen by it. In all matters concerning the Shareholders by virtue of joint and several liability, Chemed shall give and receive notice and otherwise act in all respects on its own behalf and on behalf of OCR. Failure to give such notice shall not affect the Indemnifying Party's duty or obligations under this Article 8, except to the extent the Indemnifying Party is materially prejudiced thereby. So long as the Indemnifying Party is defending any such Claim actively and in good faith, the Indemnified Party shall not settle such Claim. The Indemnified Party shall make available to the Indemnifying Party or its representatives all records and other materials required by them and in the possession or under the control of the Indemnified Party, for the use of the Indemnifying Party and its representatives in defending any such Claim, and shall in other respects give reasonable cooperation in such defense.

8.3.(b) FAILURE TO DEFEND. If the Indemnifying Party, within a reasonable time after notice of any such Claim, fails to defend such Claim actively and in good faith, the Indemnified Party will (upon further notice) have the right to undertake the defense, compromise or settlement of such Claim or consent to the entry of a judgment with respect to such Claim, on behalf of and for the account and risk of the Indemnifying Party, and the Indemnifying Party shall thereafter have no right to challenge the Indemnified Party's defense, compromise, settlement or consent to judgment therein.

8.3.(c) INDEMNIFIED PARTY'S RIGHTS. Anything in this Section 8.3 to the contrary notwithstanding, (i) if there is a reasonable likelihood that a Claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments, the Indemnified Party shall have the right to defend, compromise or settle such Claim, and (ii) the Indemnifying Party shall not, without the written consent of the Indemnified Party, settle or compromise any Claim or consent to the entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all liability in respect of such Claim.

8.4. PAYMENT. The Indemnifying Party shall promptly pay the Indemnified Party any amount due under this Article 8. Upon judgment, determination, settlement or compromise of any third party Claim, the Indemnifying Party shall pay promptly on behalf of the Indemnified Party, and/or to the Indemnified Party in reimbursement of any amount theretofore required to be paid by it, the amount so determined by judgment, determination, settlement or compromise and all other Claims of the Indemnified Party with respect thereto, unless in the case of a judgment an appeal is made from the judgment. If the Indemnifying Party desires to appeal from an adverse judgment, then the Indemnifying Party shall post and pay the cost of the security or bond to stay execution of the judgment pending appeal. Upon the payment in full by the Indemnifying Party of such amounts, the Indemnifying Party shall succeed to the rights of such Indemnified Party, to the extent not waived in settlement, against the third party who made such third party Claim.

8.5. LIMITATIONS ON INDEMNIFICATION. Except for any willful or knowing breach or misrepresentation, as to which Claims may be brought without limitation as to time or amount:

8.5.(a) TIME LIMITATION. No claim or action shall be brought under this Article 8 for breach of a representation or warranty after December 31, 1999. Regardless of the foregoing, however, or any other provision of this Agreement:

(i) There shall be no time limitation on Claims or actions brought for breach of any representation or warranty made by the Shareholders in or pursuant to Sections 3.1.(f), 3.2.(e) and 3.12.(a) and the Shareholders hereby waive all applicable statutory limitation periods with respect thereto.

(ii) Any Claim or action brought for breach of any representation or warranty made by the Shareholders in or pursuant to Section

3.5 may be brought at any time until the underlying Tax obligation is barred by the applicable period of limitation under federal and state laws relating thereto (as such period may be extended by waiver).

(iii) Any Claim or action brought for breach of any representation or warranty made by the Shareholders in or pursuant to Sections 3.2.(a), (b), (c) or (d), or 3.11 may be brought at any time on or prior to five (5) years after the Closing and any Claim or action brought for breach of any representation or warranty made by the Shareholders in or pursuant to Section 3.9 may be brought at any time on or prior to three (3) years after the Closing; PROVIDED, HOWEVER, that there shall be no time limit with respect to such Claims relating to offsite disposal or release of Waste, or for Claims involving the migration of Waste or contaminants associated with or related to Waste (including but not limited to breakdown products that have migrated from the disposal or release location) whether such disposal or release occurred on property owned or utilized by the Acquired Companies or on other property.

(iv) Any Claim made by a party hereunder by providing notice thereof to the Indemnifying Party under this Article 8 or by filing a suit or action in a court of competent jurisdiction or a court reasonably believed to be of competent jurisdiction for breach of a representation or warranty prior to the termination of the survival period for such Claim shall be preserved despite the subsequent termination of such survival period.

(v) If any act, omission, disclosure or failure to disclosure shall form the basis for a Claim for breach of more than one representation or warranty, and such Claims have different periods of survival hereunder, the termination of the survival period of one Claim shall not affect a party's right to make a Claim based on the breach of representation or warranty still surviving.

Nothing contained in this Section 8.5.(a) shall be construed to limit in any way the rights of the parties under Article 2 or Sections 5.5, 5.6, 5.7, 5.9, 5.10, 5.11, 5.12 and 10.8 of this Agreement.

8.5.(b) AMOUNT LIMITATION. Except with respect to claims for breaches of representations or warranties contained in Sections 3.1.(f), 3.2.(e) and 3.12.(a) and adjustments or reimbursements contained in Article 2 to which the following limitation shall not apply, an Indemnified Party shall not be entitled to indemnification under this Article 8 for breach of a representation or warranty unless the aggregate of the Indemnifying Party's indemnification obligations to the Indemnified Party pursuant to this Article 8 (but for this Section 8.5.(b)) exceeds $250,000; but in such event, the Indemnified Party shall be entitled to indemnification for all claims for breaches of representations and/or warranties in excess of $100,000; PROVIDED, HOWEVER, that in the event the aggregate of the Indemnifying Party's indemnification obligations to the

Indemnified Party pursuant to this Article 8 (but for this Section 8.5.(b)) exceeds $500,000, the Indemnified Party shall be entitled to indemnification in full for all breaches of representations and/or warranties.

Nothing contained in this Section 8.5.(b) shall be construed to limit in any way the rights of the parties under Article 2 or Sections 5.5, 5.6, 5.7, 5.9, 5.10, 5.11, 5.12 and 10.8 of this Agreement.

8.6. NO WAIVER. The closing of the transactions contemplated by this Agreement shall not constitute a waiver by any party of its rights to indemnification hereunder, regardless of whether the party seeking indemnification has knowledge of the breach, violation or failure of condition constituting the basis of the Claim at or before the Closing.

9. CLOSING

The closing of this transaction ("the Closing") shall take place at the offices of Chemed Corporation, 2600 Chemed Center, 255 East Fifth Street, Cincinnati, Ohio, at 11:00 A.M. on September 24, 1997, or at such other time and place as the parties hereto shall agree upon. Such date is referred to in this Agreement as the "Closing Date".

9.1. DOCUMENTS TO BE DELIVERED BY THE SHAREHOLDERS. At the Closing, the Shareholders shall deliver to Buyer the following documents, in each case duly executed or otherwise in proper form:

9.1.(a) STOCK CERTIFICATE(S). Stock Certificates representing the Shares, duly endorsed for transfer or with duly executed stock powers attached.

9.1.(b) COMPLIANCE CERTIFICATE. A certificate signed by the chief executive or chief financial officer of each Shareholder that each of the representations and warranties made by the Shareholders in this Agreement is true and correct on and as of the Closing Date and that the Shareholders have performed and complied in all material respects with all of their obligations under this Agreement which are to be performed or complied with on or prior to the Closing Date.

9.1.(c) NONCOMPETITION AND CONSULTING AGREEMENTS. The Noncompetition Agreements duly executed by John H. Devlin and John Naglick, Jr., respectively, as contemplated by Section 6.10 hereof.

9.1.(d) LEASE FOR DETROIT FACILITY. The Lease for the Detroit Facility duly executed by OCR in the form of Exhibit A hereto.

9.1.(e) CERTIFIED RESOLUTIONS. Certified copies of the resolutions of the Board of Directors of the Shareholders authorizing and approving this Agreement and the consummation of the transactions contemplated by this Agreement.

9.1.(f) CHARTER; BY-LAWS. A copy of the By-Laws of each Acquired Company certified by the secretary of such company, and a copy of the charter of such company certified by the Secretary of State (or other applicable Governmental Entity) of the state of incorporation of the company.

9.1.(g) INCUMBENCY CERTIFICATE. Incumbency certificates relating to each person executing any document executed and delivered to Buyer pursuant to the terms hereof.

9.1.(h) GENERAL RELEASES. The General Releases referred to in Section 5.7, duly executed by the Shareholders.

9.1.(i) RESIGNATIONS. The resignations of all of the directors of the Acquired Companies and the resignations of Kevin J. McNamara and Mark W. Stephens as officers of the Acquired Companies, effective as of the Closing Date and in form satisfactory to Buyer's counsel.

9.1.(j) AFFIDAVIT. An affidavit from each of the Acquired Companies in form and substance satisfactory to Buyer complying with Section 1445(b)(3) of the Code.

9.1.(k) OTHER DOCUMENTS. All other documents, instruments or writings required to be delivered to Buyer at or prior to the Closing pursuant to this Agreement and such other certificates of authority and documents as Buyer may reasonably request.

9.2. DOCUMENTS TO BE DELIVERED BY BUYER. At the Closing, Buyer shall deliver to the Shareholders the following documents, in each case duly executed or otherwise in proper form:

9.2.(a) CASH PURCHASE PRICE. To the Shareholders, certified or bank cashier's checks (or wire transfer) as required by Section 2.2 hereof.

9.2.(b) COMPLIANCE CERTIFICATE. A certificate signed by the chief executive or chief financial officer of Buyer that the representations and warranties made by Buyer in this Agreement are true and correct on and as of the Closing Date, and that Buyer has performed and complied in all material respects with all of Buyer's obligations under this Agreement which are to be performed or complied with on or prior to the Closing Date.

9.2.(c) CERTIFIED RESOLUTIONS. A certified copy of the resolutions of the Board of Directors of Buyer authorizing and approving this Agreement and the consummation of the transactions contemplated by this Agreement.

9.2.(d) NONCOMPETITION AND CONSULTING AGREEMENTS. The Noncompetition and Consulting Agreements duly executed by Buyer in the form of Exhibits B and C hereto.

9.2.(e) LEASE FOR DETROIT FACILITY. The Lease for the Detroit Facility duly executed by Omnia Corporation in the form of Exhibit A hereto.

9.2.(f) INCUMBENCY CERTIFICATE. Incumbency certificates relating to each person executing any document executed and delivered to the Shareholders by Buyer pursuant to the terms hereof.

9.2.(g) TROY GUARANTY. The Troy Guaranty duly executed by Buyer.

9.2.(h) OTHER DOCUMENTS. All other documents, instruments or writings required to be delivered to the Shareholders at or prior to the Closing pursuant to this Agreement and such other certificates of authority and documents as the Shareholders may reasonably request.

10. MISCELLANEOUS

10.1. DISCLOSURE SCHEDULE. The Schedules have been compiled in a bound volume (the "Disclosure Schedule"), executed by the Shareholders and dated and delivered to Buyer on the date of this Agreement. Information set forth in the Disclosure Schedule specifically refers to the article and section of this Agreement to which such information is responsive and such information shall not be deemed to have been disclosed with respect to any other article or section of this Agreement or for any other purpose. The Disclosure Schedule includes a table of contents and/or index to all of the information and documents contained therein. The Disclosure Schedule shall not vary, change or alter the language of the representations and warranties contained in this Agreement and, to the extent the language in the Disclosure Schedule does not conform in every respect to the language of such representations and warranties, such language in the Disclosure Schedule shall be disregarded and be of no force or effect.

10.2. FURTHER ASSURANCE. From time to time, at Buyer's request and without further consideration, the Shareholders will execute and deliver to Buyer such documents and take such other action as Buyer may reasonably request in order to consummate more effectively the transactions contemplated hereby.

10.3. DISCLOSURES AND ANNOUNCEMENTS. Announcements concerning the transactions provided for in this Agreement by Buyer or the Shareholders shall be subject to the approval of the other parties in all essential respects, except that approval of the other parties shall not be required as to any statements and other information which any party is required to make or disclose pursuant to any rule or regulation of the Securities and Exchange Commission or any applicable securities exchange or market, or pursuant to other applicable Law.

10.4. ASSIGNMENT; PARTIES IN INTEREST.

10.4.(a) ASSIGNMENT. Except as expressly provided herein, the rights and obligations of a party hereunder may not be assigned, transferred or encumbered without the prior written consent of the other parties. Notwithstanding the foregoing, Buyer may,

without consent of any other party, cause one or more subsidiaries of Buyer to carry out all or part of the transactions contemplated hereby; provided, however, that Buyer shall, nevertheless, remain liable for all of its obligations, and those of any such subsidiary, to the Shareholders hereunder.

10.4.(b) PARTIES IN INTEREST. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the respective successors and permitted assigns of the parties hereto. Nothing contained herein shall be deemed to confer upon any other person any right or remedy under or by reason of this Agreement.

10.5. LAW GOVERNING AGREEMENT. This Agreement may not be modified or terminated orally, and shall be construed and interpreted according to the internal laws of the State of Wisconsin, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

10.6. AMENDMENT AND MODIFICATION. Buyer and the Shareholders may amend, modify and supplement this Agreement in such manner as may be agreed upon in writing between Buyer and the Shareholders.

10.7. NOTICE. All notices, requests, demands and other communications hereunder shall be given in writing and shall be: (a) personally delivered; (b) sent by telecopier, facsimile transmission or other electronic means of transmitting written documents; or (c) sent to the parties at their respective addresses indicated herein by registered or certified U.S. mail, return receipt requested and postage prepaid, or by private overnight mail courier service. The respective addresses to be used for all such notices, demands or requests are as follows:

(a) If to Buyer, to:

Banta Corporation
River Place
225 Main Street
Menasha, Wisconsin 54952
Attention: Gerald A. Henseler, Executive Vice President and Chief Financial Officer
Facsimile: (414) 751-7790

(with a copy to)

Jay O. Rothman
Foley & Lardner
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
Facsimile: (414) 297-4900

or to such other person or address as Buyer shall furnish to the Shareholders in writing.

(b) If to the Shareholders, to:

Chemed Corporation
2600 Chemed Center
255 East Fifth Street
Cincinnati, Ohio 45202-4726
Attention: Timothy S. O'Toole
Executive Vice President and Treasurer
Facsimile: (513) 762-6919

(with a copy to)

Clifford A. Roe, Jr.
Dinsmore & Shohl LLP
1900 Chemed Center
255 East Fifth Street
Cincinnati, Ohio 45202
Facsimile: (513) 977-8501

If personally delivered, such communication shall be deemed delivered upon actual receipt; if electronically transmitted pursuant to this paragraph, such communication shall be deemed delivered the next business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this paragraph, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail pursuant to this paragraph, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal. Any party to this Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this Section.

10.8. EXPENSES. Regardless of whether or not the transactions contemplated hereby are consummated:

10.8.(a) BROKERAGE. The Shareholders and Buyer each represent and warrant to each other that there is no broker involved or in any way connected with the transfer provided for herein on their behalf respectively (and the Shareholders represent and warrant that there is no broker involved on behalf of the Acquired Companies) and each agrees to hold the other harmless from and against all other claims for brokerage commissions or finder's fees in connection with the execution of this Agreement or the transactions provided for herein.

10.8.(b) EXPENSES TO BE PAID BY THE SHAREHOLDERS. The Shareholders shall pay, and shall indemnify, defend and hold Buyer and the Acquired Companies harmless from and against, each of the following:

(i) TRANSFER TAXES. Any sales, use, excise, transfer or other similar tax imposed with respect to the transactions provided for in this Agreement, and any interest or penalties related thereto.

(ii) TITLE INSURANCE PREMIUMS. All premiums for the issuance of the title insurance policies issued pursuant to Section 6.5 hereof, and the cost of surveys performed pursuant to Section 5.2.

(iii) PROFESSIONAL FEES. All fees and expenses of their own and the Acquired Companies' legal, accounting, investment banking and other professional counsel in connection with the transactions contemplated hereby.

10.8.(c) OTHER. Except as otherwise provided herein, each of the parties shall bear its own expenses and the expenses of its counsel and other agents in connection with the transactions contemplated hereby.

10.8.(d) COSTS OF LITIGATION OR ARBITRATION. The parties agree that the prevailing party in any action brought with respect to or to enforce any right or remedy under this Agreement shall be entitled to recover from the other party or parties all reasonable costs and expenses of any nature whatsoever incurred by the prevailing party in connection with such action, including without limitation attorneys' fees and prejudgment interest.

10.9. ENTIRE AGREEMENT. This instrument embodies the entire agreement between the parties hereto with respect to the transactions contemplated herein, and there have been and are no agreements, representations or warranties between the parties other than those set forth or provided for herein.

10.10. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.11. HEADINGS. The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

BANTA CORPORATION
("Buyer")

By: Donald D. Belcher

Donald D. Belcher
Chairman, President and Chief Executive Officer

Attest: Gerald A. Henseler

Gerald A. Henseler
Executive Vice President and Chief Financial Officer

CHEMED CORPORATION
("Chemed")

By: Kevin J. McNamara

Kevin J. McNamara
President

Attest: Naomi C. Dallob

Naomi C. Dallob
Secretary

OCR HOLDING COMPANY
("OCR")

By: Mark W. Stephens

Mark W. Stephens
Assistant Treasurer

Attest: Naomi C. Dallob

Naomi C. Dallob
Secretary

Exhibit 99.1

CONTACT: Timothy S. O'Toole
(513) 762-6702

FOR IMMEDIATE RELEASE

CHEMED SELLS THE OMNIA GROUP

CINCINNATI, September 25, 1997 Chemed Corporation (NYSE:CHE) today announced that its wholly owned businesses comprising The Omnia Group have been sold to Banta Corp. (NASDAQ:BNTA) for $50.0 million in cash and $2.3 million in deferred payments.

Commenting on the sale, Chemed Chairman and Chief Executive Officer Edward L. Hutton said, "For Chemed's shareholders, the sale of Omnia means we can focus more fully on the operations of our Roto-Rooter Group, in which we invested $100 million last year to acquire the 42 percent minority interest, as well as on Patient Care Inc., our home healthcare subsidiary. Acquisition opportunities for these operations are plentiful, and we expect to accelerate our pace in this area.

"The proceeds from the sale of Omnia, as well as those anticipated from our previously announced sale of National Sanitary Supply Co., which is pending, will provide a capital infusion to fund acquisitions, as well as to pay down debt."

The Omnia Group manufactures disposable medical and dental products for the primary, acute, and long-term care markets. Banta is a leading competitor in the single-use healthcare products market.

Mr. Hutton continued, "Banta was seeking to grow its healthcare products business, and the business of The Omnia Group was an excellent fit. This transaction should prove beneficial to both companies, and the resulting combined company should be a stronger competitor in the healthcare products marketplace."

Chemed Corporation, headquartered in Cincinnati, is a diversified public corporation with strategic positions in plumbing and drain cleaning; home healthcare services; residential appliance and air-conditioning repair; and sanitary- maintenance-product distribution.

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Exhibit 99.2

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FOR IMMEDIATE RELEASE

CHEMED COMPLETES SALE OF NATIONAL SANITARY SUPPLY CO.

CINCINNATI, September 30, 1997 Chemed Corporation (NYSE:CHE) today announced the completion of the previously announced merger between its 82-percent-owned subsidiary, National Sanitary Supply Co., and a wholly owned subsidiary of Unisource Worldwide Inc. (NYSE:UWW). Chemed's net cash proceeds from this transaction are expected to total approximately $100 million.

Chemed will use the proceeds from the sale of National Sanitary, as well as those from the sale of The Omnia Group, announced Sept. 25, to pay down debt incurred in its purchase of the 42 percent minority interest in Roto-Rooter last year, as well as to fund acquisitions for the Roto-Rooter Group and Patient Care Inc., Chemed's home healthcare subsidiary.

The sale of National Sanitary and Omnia will result in a net capital gain for Chemed of approximately $10 million in the 1997 third quarter. Additionally, the divestiture of National Sanitary marks Chemed's exit from the sanitary-maintenance-distribution business, as well as from the manufacture of cleaning and maintenance chemicals.

Chemed Corporation, headquartered in Cincinnati, is a diversified public corporation with strategic positions in plumbing and drain cleaning; home healthcare services; and residential appliance and air-conditioning repair.

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