

PARENT COMPANY GUARANTEE

29-00139-02  
030-0522

Guarantee made this 25<sup>th</sup> day of March, 1994, by Bristol-Myers Squibb Company, a corporation organized under the laws of the State of Delaware, herein referred to as "guarantor," to the U.S. Nuclear Regulatory Commission (NRC), herein referred to as "beneficiary," on behalf of our wholly-owned subsidiary, E. R. Squibb & Sons, Inc., the licensee under License No. 29-00139-02, whose address is One Squibb Drive, P.O. Box 191, New Brunswick, New Jersey 08903-0191.

Recitals

1. The guarantor has full authority and capacity to enter into this guarantee under its bylaws, articles of incorporation, and the laws of the State of Delaware, its State of incorporation. Guarantor has approval from its Board of Directors to enter into this guarantee.
2. This guarantee is being issued to comply with regulations issued by the NRC, an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. NRC has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 30, which require that a holder of, or an applicant for, a materials license issued pursuant to 10 CFR Part 30 provide assurance that funds will be available when needed for required decommissioning activities.
3. The guarantee is issued to provide financial assurance for decommissioning activities for:

Name of Facility  
New Brunswick

Location of Facility  
Route 1  
North Brunswick  
New Jersey

Lawrenceville

Route 206 & Provinceline Rd.  
Lawrenceville  
New Jersey

Forrestal Greens

675 College Road East  
Princeton Forrestal Center  
Plainsboro  
New Jersey

Convatec

200 Headquarters Dr.  
Skillman  
New Jersey

Princeton House

905 Herrontown Rd.  
Princeton  
New Jersey

**NONNEGOTIABLE**

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NMSS/RGN MATERIALS-001

as required by 10 CFR Part 30. The decommissioning costs guaranteed for each of the identified facilities is as follows:

| <u>Name of Facility</u> | <u>Current Cost Estimates</u> |
|-------------------------|-------------------------------|
| New Brunswick           | \$21,249,000                  |
| Lawrenceville           | 10,310,000                    |
| Forrestal Greens        | -0-*                          |
| Convatec                | 74,000                        |
| Princeton House         | 123,000                       |
| Total                   | \$31,756,000                  |

4. The guarantor meets or exceeds the following financial test criteria of Alternative I, and agrees to comply with all notification requirements as specified in 10 CFR Part 30:

Alternative I

- (a) (i) Net working capital and tangible net worth each at least six times the current decommissioning cost estimates (or prescribed amount if certification is used); and
- (ii) Assets located in the United States amounting to at least 90 percent of its total assets or at least six times the amount of the current decommissioning cost estimates; and
- (iii) Meets two of the following three ratios: a ratio of total liabilities to net worth less than 2.0; a ratio of the sum of net income plus depreciation, depletion, and amortization to total liabilities that is greater than 0.1; and a ratio of current assets to current liabilities that is greater than 1.5; and
- (iv) Tangible net worth of at least \$10 million.

or

Alternative II

- (b) (i) A current rating of its most recent bond issuance of AAA, AA, A or BBB as issued by Standard and Poor's, or Aaa, Aa or Baa as rated by Moody's; and
- (ii) Tangible net worth is at least \$10 million and at least six times the current decommissioning cost estimate (or prescribed amount if a certification is used); and

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\* Note: No radioactive materials in use at this site at the present time.

(iii) Assets located in the United States amounting to at least 90 percent of its total assets or at least six times the current decommissioning cost (or prescribed amount if certification is used).

5. The guarantor has majority control of the voting stock for the following licensee covered by this guarantee:

| <u>Name of Facility</u> | <u>Address of Facility</u>  | <u>Licensee of Facility</u> |
|-------------------------|---|-----------------------------|
| New Brunswick           | Route 1<br>North Brunswick<br>New Jersey  | E. R. Squibb & Sons, Inc.   |
| Lawrenceville           | Route 206 & Provinceline<br>Road<br>Lawrenceville<br>New Jersey                 | E. R. Squibb & Sons, Inc.   |
| Forrestal Greens        | 675 College Road East<br>Princeton Forrestal Center<br>Plainsboro<br>New Jersey | E. R. Squibb & Sons, Inc.   |
| Convatec                | 200 Headquarters Dr.<br>Skillman<br>New Jersey                                  | E. R. Squibb & Sons, Inc.   |
| Princeton House         | 905 Herrontown Rd.<br>Princeton<br>New Jersey                                   | E. R. Squibb & Sons, Inc.   |

6. Decommissioning activities as used below refers to the activities required by 10 CFR Part 30 for decommissioning of the facilities identified above.

7. For value received from licensee, and pursuant to the authority conferred upon the guarantor by the unanimous resolution of its Board of Directors, a certified copy of which is attached, the guarantor guarantees to the NRC that if the licensee fails to perform the required decommissioning activities, as required by License No. 29-00139-02, the guarantor shall

- (a) carry out the required activities, or
- (b) set up a trust fund in favor of the above identified beneficiary in the amount of these current cost estimates for these activities.

8. The guarantor agrees to submit revised financial statements, financial test data, and a special auditor's report and reconciling schedule annually within 90 days of the close of the parent guarantor's fiscal year.

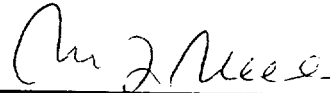
9. The guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, it fails to meet the financial test criteria, the licensee shall send within 90 days of the end of the fiscal year, by certified mail, notice to the NRC that the licensee intends to provide alternative financial assurance as specified in 10 CFR Part 30. Within 120 days after the end of the fiscal year, the guarantor shall establish such financial assurance if the licensee has not done so.
10. The guarantor also agrees to notify the beneficiary promptly if the ownership of the licensee or the parent firm is transferred and to maintain this guarantee until the new parent firm or the licensee provides alternative financial assurance acceptable to the beneficiary.
11. The guarantor agrees that within 30 days after it determines that it no longer meets the financial test criteria or it is disallowed from continuing as a guarantor for the facility under License No. 29-00139-02, it shall establish an alternative financial assurance as specified in 10 CFR Part 30, in the name of E. R. Squibb & Sons, Inc., unless E. R. Squibb has done so.
12. The guarantor as well as its successors and assigns agree to remain bound jointly and severally under this guarantee, notwithstanding any or all of the following: amendment or modification of the license or any other modification or alteration of an obligation of the licensee pursuant to 10 CFR Part 30.
13. The guarantor agrees that all bound parties shall be jointly and severally liable for all litigation costs incurred by the beneficiary in any successful effort to enforce the agreement against the guarantor.
14. The guarantor agrees to remain bound under this guarantee for as long as E. R. Squibb & Sons, Inc. must comply with the applicable financial assurance requirements of 10 CFR Part 30 for the previously listed facilities, except that the guarantor may cancel this guarantee by sending notice by certified mail to the NRC and to E. R. Squibb & Sons, Inc., such cancellation to become effective no earlier than 120 days after receipt of such notice by both the NRC and E. R. Squibb & Sons, Inc., as evidenced by the return receipts.
15. The guarantor agrees that if E. R. Squibb & Sons, Inc. fails to provide alternative financial assurance as specified in 10 CFR Part 30, as applicable, and obtain written approval of such assurance from the NRC within 90 days after a notice of cancellation by the guarantor is received by both the NRC and E. R. Squibb & Sons, Inc. from the guarantor, the guarantor shall provide such alternative financial assurance in the name of E. R. Squibb & Sons, Inc. or make full payment under the guarantee.
16. The guarantor expressly waives notice of acceptance of this guarantee by the NRC or by E. R. Squibb & Sons, Inc. The guarantor also expressly waives notice of amendments or modifications of the license.

17. If the guarantor files financial reports with the U.S. Securities and Exchange Commission, then it shall promptly submit such reports to the NRC during each year in which this guarantee is in effect.

I hereby certify that this guarantee is true and correct to the best of my knowledge.

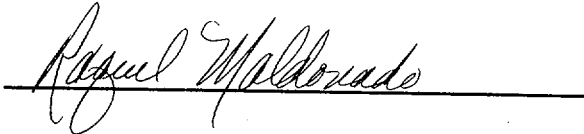
Effective date: March 25, 1994

For the Guarantor, Bristol-Myers  
Squibb Company



Michael F. Mee  
Senior Vice President  
and Chief Financial Officer

Notary



My commission expires: \_\_\_\_\_

**RAQUEL MALDONADO**  
Notary Public, State Of New York  
No. 01MA7678376  
Qualified In Rockland County  
Certificate Filed In New York County  
Commission Expires August 31, 1994



**E. R. Squibb & Sons**

P.O. Box 4500 Princeton, NJ 08543-4500 609 897-2000

March 25, 1994

Mr. John D. Kinneman, Chief  
Research Development and Decommissioning Section  
Division of Radiation Safety and Safeguards  
Region I  
475 Allendale Road  
King of Prussia, PA 19406-1415

Re: NRC License No. 29-00139-02

Dear Mr. Kinneman:

I am the Vice President and Chief Financial Officer of E. R. Squibb & Sons, Inc., P.O. Box 4000, Princeton, N.J. 08543-4000, a Delaware corporation, which is a wholly-owned subsidiary of Bristol-Myers Squibb Company. This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in 10 CFR Part 30.

I hereby certify that E. R. Squibb & Sons, Inc. is currently a going concern, and that it possesses positive tangible net worth in the amount of \$2,103,769,000.

This firm is not required to file a Form 10K with the U.S. Securities and Exchange Commission for the latest fiscal year. The fiscal year of this firm ends on December 31.

I hereby certify that the content of this letter is true and correct to the best of my knowledge.

Dennis R. Raney  
Vice President and  
Chief Financial Officer  
E. R. Squibb & Sons, Inc.



A Bristol-Myers Squibb Company

**OFFICIAL RECORD COPY ML 10**

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**CERTIFICATE OF RESOLUTION**

I, Pamela D. Kasa, do hereby certify that I am the Secretary of Bristol-Myers Squibb Company (whose wholly-owned subsidiary is E.R. Squibb & Sons, Inc.) and that Bristol-Myers Squibb Co. is a Delaware corporation, and that the resolution, attached hereto as Exhibit A, was duly adopted at a meeting of this Corporation's Board of Directors on March 2, 1993.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Corporation this 25<sup>th</sup> day of March, 1994.



Pamela D. Kasa  
Vice President, Secretary  
and Associate General Counsel  
Bristol-Myers Squibb Company

## CERTIFICATION

I, Raquel I. Maldonado, Assistant Secretary of Bristol-Myers Squibb Company (the "Company"), a corporation organized under the laws of the State of Delaware, hereby certify that the following is a true and exact copy of a resolution taken from the minutes of a regular meeting of the Board of Directors of said corporation, held at the offices of the Company, 345 Park Avenue, New York, New York, on the 2nd day of March, 1993.

RESOLVED, that effective March 2, 1993, and until further action by this Board of Directors, the Chief Financial Officer (CFO) of the Company or his successor be, and hereby is, authorized and empowered to provide necessary documents which show that the Company can and does meet the financial test for self-bonding and to otherwise provide for financial assurance to the New Jersey Department of Environmental Protection and Energy (NJDEPE) for the environmental cleanup of any contamination that may exist on, at, or emanate from the Company's plants in New Jersey. The financial assurance referenced here shall be in the form of self-bonding as provided for in New Jersey Administrative Code Section 7:26B-6.5, and as such, the CFO or his successor shall have continuing authority to make payments from the Company to NJDEPE (the Department) if the Department determines that the Company, as owner or operator, has failed to perform its obligations under the referenced code chapter.

BE IT FURTHER RESOLVED, that effective March 2, 1993, and until further action by this Board of Directors, the Chief Financial Officer (CFO) of the Company or his successor be, and hereby is, authorized and empowered to provide necessary documents to the United States Environmental Protection Agency

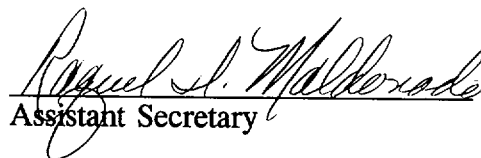
EXHIBIT A



(EPA), or the successor Federal department to the EPA, which show that the Company can and does meet the financial test to demonstrate financial assurance, as specified in Subpart H of 40 CFR Parts 264 and 265. The financial assurance referenced here includes, but is not limited to, a financial test to demonstrate financial responsibility for liability coverage, closure, or post-closure care, or any combination of these three; it also includes a "corporate guarantee" as that term is used in 40 CFR Parts 264 and 265, Subpart H.

BE IT FURTHER RESOLVED, that effective March 2, 1993, and until further action by this Board of Directors, the Chief Financial Officer (CFO) is authorized and empowered to provide necessary documents to any State or Federal environmental agency or department which show that the Company can and does meet the financial tests for self-bonding, cleanup, liability coverage, closure, and post-closure care. The Chief Financial Officer may fulfill the requirements for financial assurance that are established by any State or Federal environmental agency or department through the use of more than one financial assurance mechanism per facility, or the use of one financial assurance mechanism for multiple facilities.

In witness whereof I have hereunto placed my hand and the seal of the corporation on this 23rd day of March, 1994.

  
Assistant Secretary

*Price Waterhouse*



**AUDITOR'S CONFIRMATION OF LETTER  
BY CHIEF FINANCIAL OFFICER OF CORPORATE PARENT**

March 25, 1994

Mr. Michael F. Mee  
Senior Vice President and  
Chief Financial Officer  
Bristol-Myers Squibb Company  
345 Park Avenue  
New York, New York 10154

Dear Mr. Mee:

Bristol-Myers Squibb Company has prepared documents to demonstrate its financial responsibility under the Nuclear Regulatory Commission's financial assurance regulations, 10 CFR Part 30. This letter is furnished to you to assist the licensee, E.R Squibb & Sons, Inc. (License No. 29-00139-02), a wholly-owned subsidiary of Bristol-Myers Squibb Company, in complying with these regulations and should not be used for other purposes.

At your request, with respect to the attached letter entitled "Letter From Chief Financial Officer of Corporate Parent, Including Cost Estimates and Data From Audited Financial Statements" dated March 25, 1994, we have compared the numbers shown in each of the items marked with an asterisk with the numbers contained in the Company's independently audited consolidated financial statements, or underlying records, for the fiscal year ended December 31, 1993, which we have audited in accordance with generally accepted auditing standards and have issued our report thereon dated January 20, 1994.

Because the above procedure does not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the items contained in the attached letter. However, in performing the procedure referred to above, no matters came to our attention that caused us to believe that the amounts referred to above should be adjusted. This report relates only to the amounts referred to above and does not extend to the Company's consolidated financial statements, taken as a whole.

Very truly yours,

*Price Waterhouse*

Attachment:  
- As stated