Attachment 3

**RC185640: Bond Conditions**

46 Immediately following commencement of any consent issued under this application the consent holder shall enter into an enforceable agreement acceptable to the Canterbury Regional Council and the Selwyn District Council that provides a single joint bond, pursuant to sections 108(2) (b) and 108A of the Resource Management Act 1991

46aa These bond conditions will apply to all resource consents relating to the closure and rehabilitation of the Bathurst Coal Mine, consent, namely:

* RC185640
* CRC184166
* CRC200500,
* CRC201366
* CRC201367
* CRC201368
* CRC203016
* CRC214320
* CRC214321

46a The purpose of the bond is to secure, in the event of any default by the consent holder:

(a). Compliance with all the conditions of the consents listed in 46aa above, including compliance with the EMP and MCMP (RC185640 Condition 3/CRC xxx) that address closure of the mine, and the wetland compensation package (CRC184166 Conditions 22 – 33);

(b). The completion of rehabilitation and closure in accordance with the certified MCMP; and

(c). Any future monitoring and maintenance obligations of the consent holder under the consents granted arising from these applications, including:

* RC185640 Condition 23 – 28 concerning inspections and remediation following a natural event, and
* RC185640 Condition 31, relating to final landform and cover.
* CRC xxx

46b The bond agreement shall provide that the consent holder remains liable under the Resource Management Act 1991 for any breach of the conditions of any consent issued which occurs prior to the completion of closure.

46c The bond can be either a cash or a Bank bond, at the consent holders choice.

46d The consent holder must engage a suitably qualified and experienced person(s) to assess the anticipated costs and risks of the activities listed in Condition 46a (a) – (c) and all relevant conditions of all of the issued consents.

46e The consent holder shall provide a report to the Canterbury Regional Council and Selwyn District Council which specifies all matters covered by conditions 46a (a) – (c) of this consent, and the relevant conditions of Canterbury Regional Consents CRC184166, CRC200500, CRC201366, CRC201367, CRC201368, CRC203016, CRC214320 and CRC214321 and identifies the matters to be bonded for, all assumptions, costs, and risk elements that inform the recommended bond amount.

46f If the Canterbury Regional Council and the Selwyn District Council do not within 5 working days give notice to accept the bond amount derived in accordance with condition 46(e) or condition 46(h), they will jointly at the consent holders cost engage a suitably qualified and experienced person to peer review the report prepared in accordance with condition 46(e) or condition 46(h) and within 30 days of that notice report, on the alternative amount of the bond.

46g If the consent holder and the Councils cannot agree on the terms of the bond including the bond amount and any review of the bond, the dispute must be resolved through the dispute resolution process set out in the bond agreement which will include a mediation clause.

46h The bond amount may be reviewed annually, within 30 days of each annual anniversary of the commencement of this consent. If the consent holder wishes to review the bond, the consent holder shall provide a report to the Canterbury Regional Council and the Selwyn District Council which deals with all matters covered by condition 46a (a) – (c) and any other relevant condition of all of the issued consents and identifies the matters yet to be completed and to therefore be bonded for, revised estimate of costs and risks including recommendations of any revised bond amount. The Canterbury Regional Council and the Selwyn District Council shall jointly engage a suitably qualified and experienced person to peer review the report and give notice, within 60 days of receipt of the report, the revised bond amount. In setting any new bond sum, the Councils shall have particular regard to the updated estimates of the costs of rehabilitation, monitoring and compliance with the conditions of consent. The two Councils shall also take into account the quantum and purpose of any bond provided by the consent holder in favour of any other party or other commitments (e.g. protection covenants for ecological enhancement).The revised bond amount shall not apply until the consent holder receives confirmation from the Canterbury Regional Council and the Selwyn District Council that the new bond amount is agreed. The consent holder shall meet the reasonable costs of bond reviews. If the revised amount less than the existing bond, the Canterbury Regional Council and the Selwyn District Council shall release any excess.

46i The Canterbury Regional Council and the Selwyn District Council shall release any remaining bond upon the completion of closure of the site. Completion means when all objectives of the MCMP have been achieved and compliance with consent conditions has been demonstrated by the Consent Holder to the satisfaction of the Canterbury Regional Council and the Selwyn District Council.

46j If the consent is transferred in part or whole to another party or person, the bond lodged by the transferor shall be retained until any outstanding work at the date of transfer is completed or a replacement bond is entered into by the transferee, to ensure compliance with conditions of the consent unless the Canterbury Regional Council and the Selwyn District Council is satisfied adequate provisions have been made to transfer the liability to the new consent holder.

46k The consent holder shall meet the reasonable costs of providing any bond, including the costs of preparation of the bond and any substitute bond.