

GRANT AGREEMENT

THIS AGREEMENT ("Agreement") is effective as of the ____ day of _____, 20__.

B E T W E E N:

HIS MAJESTY THE KING IN RIGHT OF ONTARIO
as represented by the Minister of Municipal Affairs and Housing

(referred to as the "**Ministry**")

AND:

Township of North Kawartha

(referred to as the "**Municipality**")

WHEREAS subsection 302(2) of the *Municipal Act, 2001* empowers the Minister, upon such conditions as may be considered advisable, to make grants and loans and provide other financial assistance to a municipality;

AND WHEREAS a severe ice storm, that started on March 28, 2025, caused extensive damage across large areas of central and eastern Ontario resulting in significant clean-up and recovery costs for municipalities (the "**March 2025 Ice Storm**");

AND WHEREAS the Province created a Municipal Ice Storm Assistance (MISA) Program (the "MISA Program") to provide one-time financial assistance to municipalities impacted by the March 2025 Ice Storm to cover the eligible costs associated with the emergency response and recovery;

AND WHEREAS the Municipality submitted an expression of interest for assistance under the MISA Program, which was accepted by the Ministry, and submitted a claim to cover the municipality's eligible costs incurred as a result of the March 2025 Ice Storm;

AND WHEREAS the Ministry wishes to assist the Municipality for the Municipality's eligible costs related to the March 2025 Ice Storm;

NOW THEREFORE in consideration of their respective agreements set out below, the parties covenant and agree as follows:

1.0 DEFINITIONS

1.1 In this Agreement the following words shall have the following meanings:

- (a) "Agreement" means this Agreement entered into between the Ministry and the Municipality and all schedules and attachments to this Agreement and any instrument amending this Agreement;
- (b) "Business Day" means any working day, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day and any other day on which the Province of Ontario has elected to be closed for business;
- (c) "Conflict of Interest" includes, but is not limited to, any circumstance where in relation to the performance of its obligations under this Agreement, the Municipality's other commitments, relationships or financial interests:
 - (i) could or could be seen by a reasonable person, to interfere with the Municipality's objective, unbiased and impartial exercise of its independent judgment, or
 - (ii) could or could be seen by a reasonable person to compromise, impair or be incompatible with the effective performance of its contractual obligations;
- (d) "Effective Date" means the date set out at the top of the Agreement.
- (e) "Eligible Capital Costs" means the costs described in Schedule "A" of the Agreement or in the Ministry's Municipal Ice Storm Assistance Program Guidelines;
- (f) "Eligible Costs" means the Eligible Capital Costs and/or the Eligible Operating Costs;
- (g) "Eligible Operating Costs" means the costs described in Schedule "B" to the Agreement or in the Ministry's Municipal Ice Storm Assistance Program Guidelines;
- (h) "Expiry Date" means the date that is two years from the Effective Date;
- (i) "Grant Fund(s)(ing)" means funds that may be or are provided to the Municipality, as the context may require, by the Ministry pursuant to this Agreement;
- (j) "Indemnified Parties" means His Majesty the King in right of Ontario, and His ministers, agents, appointees and employees; and

- (k) "Own Purpose Taxation Levy" means the amount recorded as the Municipality's Taxation – Own Purposes in the latest Financial Information Return submitted by the Municipality prior to March 28, 2025.

2.0 GRANT FUNDING AND PAYMENTS

- 2.1 The Ministry will pay to the Municipality Grant Funding of up to a maximum total amount of \$49,000 (Forty-Nine Thousand Dollars).
- 2.2 The Grant Funding is made up of a grant of up to \$49,000 (Forty-Nine Thousand Dollars) for the Municipality's Eligible Operating Costs and \$0 (Zero Dollars) for the Municipality's Eligible Capital Costs.
- 2.3 The Ministry will pay to the Municipality,
- (a) 75% of the Eligible Costs that would otherwise be payable under the Agreement, that are equal to 3% of the Municipality's Own Purpose Taxation Levy; and
 - (b) 95% of all other Eligible Costs that would otherwise be payable under the Agreement, that exceed 3% of the Municipality's Own Purpose Taxation Levy.
- 2.4 Subject to section 2.5, the Ministry will provide the Grant Funding to the Municipality in accordance with the following payment plan:
- (a) one or more interim payments, with an initial interim payment in the amount of \$17,118 (Seventeen Thousand One Hundred and Eighteen Dollars) to be paid to the Municipality within 60 calendar days following the execution of the Agreement by both parties; and
 - (b) a final payment, to be paid to the Municipality within 60 calendar days following the Ministry completing its review of the Municipality's claims,
- but in no event will payments to the Municipality under the Agreement exceed the maximum total amount set out in section 2.1.
- 2.5 The Ministry will determine the amount of the Municipality's final payment of Grant Funding based on the Ministry's complete review of the Municipality's claim against MISA Program criteria. The Ministry will make a final payment of Grant Funding to the Municipality based on the Ministry's determination of the Municipality's total Eligible Costs minus the amount of any interim payments of Grant Funding made to the Municipality under subsection 2.4(a).
- 2.6 If the Ministry determines that any interim payment of Grant Funding under subsection 2.4(a) is more than the amount of funds that the Municipality is eligible for under the MISA Program, the Municipality agrees to repay the Ministry any amount that is over and above the amount of Grant Funding that the Municipality is eligible to receive under the MISA Program within 30 calendar days of receiving a notice to pay from the Ministry in accordance with Article 9.0 of the Agreement.

2.7 The Ministry is bound by the *Financial Administration Act* (Ontario) ("FAA") and, pursuant to subsection 11.3(2) of the FAA, payment by the Ministry of Grant Funds under the Agreement will be subject to,

- (a) an appropriation, as that term is defined in subsection 1(1) of the FAA, to which that payment can be charged being available in the year in which the payment becomes due; or
- (b) the payment having been charged to an appropriation for a previous fiscal year.

2.8 The Ministry shall not provide any Grant Funds to the Municipality until,

- (a) a copy of the insurance certificate and policy required by section 8.2 has been received by the Ministry.

2.9 Despite section 2.8, the Ministry may:

- (a) make interim payments of the Grant Funds under subsection 2.4(a) to the Municipality; and
- (b) make additional interim payments of Grant Funds to the Municipality,

if the Municipality has provided the Ministry with appropriate receipts and documentation to support to the Ministry's satisfaction that all the interim costs were incurred as a result of the March 2025 Ice Storm.

3.0 MUNICIPALITY WARRANTS

3.1 The Municipality warrants that it shall carry out its obligations and use the Grant Funding it receives under the Agreement in compliance with all applicable federal, provincial or municipal laws or regulations.

4.0 USE OF GRANT FUNDING

4.1 The Municipality shall use Grant Funds exclusively to pay or reimburse itself for its Eligible Costs.

5.0 AUDIT AND DOCUMENT RETENTION

5.1 For seven (7) years after the date of the last payment of the Grant Funds by the Ministry to the Municipality, the Municipality shall maintain all necessary records to substantiate: (a) all payments to the Municipality under this Agreement; and (b) all expenditures of the Municipality for Eligible Costs made with or reimbursed by Grant Funds. For seven (7) years after the date of the final payment of the Grant Funds by the Ministry to the Municipality, the Municipality shall permit and assist the Ministry in conducting audits of the operations of the Municipality to verify (a) and (b) above. The Ministry shall provide

the Municipality with at least ten (10) Business Days' prior notice of its requirement for such audit.

- 5.2 If requested by the Ministry during the period described in section 5.1, the Municipality shall provide the Ministry with the originals of the records described in section 5.1.

6.0 CONFLICT OF INTEREST

- 6.1 The Municipality shall:

- (a) avoid any Conflict of Interest in the performance of this Agreement and use the Grant Funds without an actual, potential or perceived Conflict of Interest;
- (b) disclose to the Ministry without delay any actual, potential or perceived Conflict of Interest that arises during the performance of this Agreement.

7.0 LIMITATION OF LIABILITY AND INDEMNITY

- 7.1 The Indemnified Parties shall not be liable for any incidental, indirect, special or consequential damages, injury or any loss or use or profit of the Municipality arising out of or in any way related to the Agreement.
- 7.2 The Municipality will indemnify and hold harmless the Indemnified Parties from and against any cause of action, liability, loss, cost, damage, or expense (including legal, expert and consultant fees) that anyone incurs or sustains as a result of or in connection with Agreement and any action, claim, demand, lawsuit, or other proceeding that anyone makes, brings or prosecutes as a result of or in connection with the Agreement, unless solely caused by the gross negligence or wilful misconduct of the Indemnified Parties.

8.0 INSURANCE

- 8.1 The Municipality represents and warrants that it has, and shall maintain for the term of the Agreement, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent Municipality would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than two million dollars (\$2,000,000) per occurrence. The policy shall include the following:
- (a) the Ministry as an additional insured with respect to liability arising in the course of performance of the Municipality's obligations under, or otherwise in connection with, the Agreement;
 - (b) a cross-liability clause;
 - (c) contractual liability coverage; and
 - (d) a 30-day written notice of cancellation, termination or material change.

- 8.2 The Municipality shall provide the Ministry with certificates of insurance, or other proof as may be requested by the Ministry, that confirms the insurance coverage as provided for in section 8.1. Upon the request of the Ministry, the Municipality shall make available to the Ministry a copy of each insurance policy.

9.0 REPAYMENT

- 9.1 The Ministry may require the Municipality to repay to the Ministry any amount of Grant Funding received by the Municipality if:
- (a) Grant Funding is used by the Municipality in contravention of the Agreement;
 - (b) the Ministry, acting reasonably, determines that the Municipality's claim for the Grant Funding was based on false or erroneous information; or
 - (c) the Ministry provides Grant Funding in excess of the amount to which the Municipality is entitled to receive under the Agreement.
- 9.2 The Ministry may charge interest on any amount owing by the Municipality at the then current interest rate charged by the Province of Ontario on accounts receivable.
- 9.3 If the Municipality fails to pay any amount owing to the Ministry under the Agreement, the Municipality acknowledges and agrees that the Ministry or the Minister of Finance may deduct any unpaid amount from any money payable to the Municipality by the Province of Ontario, or may exercise any other remedies available to the Ministry or the Minister of Finance to collect the unpaid amounts.
- 9.4 The Municipality shall pay any amount owing to the Ministry under this Agreement by cheque payable to the "Minister of Finance" and mailed to the Ministry to the attention of the Ministry's representative identified in section 11.1.

10.0 TERM AND TERMINATION

- 10.1 The term of the Agreement will commence on the Effective Date and will expire on the Expiry Date unless terminated earlier pursuant to Article 10.0.
- 10.2 The Ministry may in its sole discretion, without liability, cost or penalty, and without prejudice to any other rights or remedies of the Ministry under this Agreement or at law or in equity, terminate this Agreement at any time, for any reason, upon giving at least seven (7) Business Days' notice to the Municipality.

11.0 NOTICES

Means for Notice

- 11.1 Notices shall be in writing and shall be delivered by email, postage-prepaid envelope, personal delivery or facsimile and shall be addressed to the Ministry and the Municipality respectively as follows:

To the Ministry:
The Ministry of Municipal Affairs and Housing
Ice Storm Assistance Unit
Municipal Programs and Analytics Branch
College Park, 16th Floor, 777 Bay St
Toronto, Ontario M7A 2J3
Attention: Niamh Hill, Manager
Niamh.Hill@ontario.ca

and to the Municipality:
Township of North Kawartha
280 Burleigh Street, P.O. Box 550
Attention: Treasurer, Judy Everett
j.everett@northkawartha.ca

- 11.2 Notices shall be deemed to have been given: (a) in the case of postage-prepaid envelope, five (5) Business Days after such notice is mailed; or (b) in the case of e-mail, personal delivery or facsimile, one (1) Business Day after such notice is received by the other party.

12.0 GOVERNING LAW

- 12.1 This Agreement and the rights, obligations and relations of the parties hereto shall be governed by and construed in accordance with the laws of the Province of Ontario.

13.0 SCHEDULES

- 13.1 The following schedules are attached to and form part of this Agreement:

- (a) Schedule "A" (Eligible Capital Costs of the Municipality);
- (b) Schedule "B" (Eligible Operating Costs of the Municipality); and
- (c) Schedule "C" (Ministry's Municipal Ice Storm Assistance Program Guidelines).

- 13.2 The Ministry may update Schedule "C" from time to time without the agreement of the Municipality provided that the changes do not impose substantial additional liability on the Municipality. The Ministry shall provide any updated Schedule "C" to the Municipality by notice.

14.0 ENTIRE AGREEMENT

- 14.1 This Agreement constitutes the entire Agreement between the parties with respect to the subject matter contained in the Agreement and supersedes all prior oral or written representations and Agreements.

- 14.2 This Agreement may only be modified by a written Agreement duly executed by the parties.

15.0 MUNICIPALITY'S POWER TO ENTER INTO AGREEMENT

- 15.1 The Municipality represents and warrants that it has the full right and power to enter into the Agreement and that it is not party to any other agreement that would in any way interfere with the rights of the Ministry under the Agreement. The parties both represent that their respective representatives have the authority to legally bind them.

16.0 MUNICIPALITY NOT A PARTNER OR AGENT

- 16.1 Nothing in the Agreement shall have the effect of creating a partnership or agency relationship between the Ministry and the Municipality.

17.0 RESPONSIBILITY OF THE MUNICIPALITY

- 17.1 The Municipality agrees that it is liable for the acts and omissions of its officers, employees, agents, partners, affiliates, volunteers and subcontractors. The Municipality shall be liable for all damages, costs, expenses, losses, claims or actions of any kind arising from any breach of the Agreement resulting from the actions of the above-mentioned individuals and entities.

18.0 AGREEMENT BINDING AND SURVIVAL

- 18.1 The Agreement shall operate to the benefit of and be binding upon the parties and their successors, executors, administrators and their permitted assigns.
- 18.2 The provisions of Articles 3.0 (Municipality Warrants), 4.0 (Use of Grant Funding), 5.0 (Audit and Document Retention), 7.0 (Limitation of Liability and Indemnity), 9.0 (Repayment), 12.0 (Governing Law), 17.0 (Responsibility of the Municipality) and 18.0 (Agreement Binding and Survival) shall survive termination or expiry of this Agreement for a period of seven (7) years from the date of expiry or termination of this Agreement.

19.0 CONDONATION NOT A WAIVER

- 19.1 Any failure by the Ministry to insist in one or more instances upon strict performance by the Municipality of any of the terms or conditions of the Agreement shall not be construed as a waiver by the Ministry of its right to require strict performance of any such terms or conditions, and the obligations of the Municipality with respect to such performance shall continue in full force and effect.

20.0 SEVERABILITY

- 20.1 If any term or condition of the Agreement is to any extent invalid or unenforceable, the remainder of the Agreement shall not be affected thereby.

21.0 FORCE MAJEURE

- 21.1 Neither party shall be liable for damages caused by delay or failure to perform its obligations under the Agreement where such delay or failure is caused by an event beyond its reasonable control.

22.0 COUNTERPARTS

- 22.1 The Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed the Agreement.

HIS MAJESTY THE KING IN RIGHT OF ONTARIO
as represented by the Minister of Municipal Affairs and Housing

The Honourable Robert J. Flack

Date

Township of North Kawartha

By: _____
Name:
Title:

Date

By: _____
Name:
Title:

Date

SCHEDULE "A"
ELIGIBLE CAPITAL COSTS OF THE MUNICIPALITY

A.1 ELIGIBLE CAPITAL COSTS

A.1.1 Eligible Capital Costs are costs incurred to restore essential municipal assets such as infrastructure and public facilities as a result of the March 2025 Ice Storm. The following costs, that are directly, properly and reasonably incurred by the Municipality, may be submitted by the Municipality to the Ministry as an Eligible Capital Cost for the Grant Funding:

- (a) the repair or restoration to the pre-ice storm condition of the Municipality's uninsured infrastructure, including:
 - (i) pipes;
 - (ii) ditches;
 - (iii) fences;
- (b) purchase of materials and procurement of external service providers for capital projects;
- (c) incremental labour costs and incremental costs for the use of the Municipality's own equipment for repairing or restoring essential infrastructure and facilities; and
- (d) other municipal facilities or infrastructure not listed, with the written approval of the Ministry.

A.1.2 For greater certainty, Eligible Capital Costs include, but are not limited to:

- (a) costs incurred for professionals, technical personnel, consultants and contractors specifically engaged to undertake:
 - (i) surveying, appraisals, design, engineering, recovery cost estimates, or construction; and
 - (ii) technical and environmental studies and associated consultation and project management required to comply with the *Environmental Assessment Act*, *Environmental Protection Act* and the *Ontario Water Resources Act*.

A.2 INELIGIBLE COSTS

A.2.1 Despite Article A.1, the following are not Eligible Capital Costs:

- (a) damage to property or infrastructure not related to the March 2025 Ice Storm;
- (b) costs incurred by the Municipality before March 28, 2025;
- (c) any costs of the Municipality for which the Municipality receives Grant Funding or reimbursement from the federal government, the provincial government outside of this agreement, or any other person;
- (d) tree replacement or tree canopy restoration;
- (e) damage to private property;
- (f) improvements to property and infrastructure;
- (g) the Municipality's regular salary and equipment costs;
- (h) any costs of the Municipality for that are eligible for rebate, including a tax rebate, from any person;
- (i) legal fees;
- (j) lost revenues of the Municipality;
- (k) borrowing costs of the Municipality; and
- (l) the Municipality's losses covered by insurance and insurance deductibles.

SCHEDULE “B”
ELIGIBLE OPERATING COSTS OF THE MUNICIPALITY

B.1 ELIGIBLE OPERATING COSTS

B.1.1 Eligible Operating Costs are costs incurred to deliver extraordinary services or response activities as a result of the March 2025 Ice Storm to protect public health, safety and access to essential services. The following costs, that are directly, properly and reasonably incurred by the Municipality, may be submitted by the Municipality to the Ministry as an Eligible Operating Cost for the Grant Funding:

- (a) the Municipality’s extraordinary incremental salary, food, accommodation and equipment costs directly incurred in responding to the March 2025 Ice Storm, including:
 - (i) rescue and transportation for evacuated persons;
 - (ii) costs to ensure safe passage on frequently travelled roads and emergency routes;
 - (iii) employee overtime pay;
 - (iv) hiring temporary employees for ice storm-related activities; and
 - (v) equipment rental;
- (b) costs of emergency response and cleanup directly incurred in responding to the March 2025 Ice Storm, including:
 - (i) tree and bush clearing;
 - (ii) pruning of hazardous branches;
 - (iii) dangerous tree and other hazard removal;
 - (iv) debris chipping;
 - (v) debris and waste clean up and disposal; and
- (c) such other costs approved by the Ministry.

B.2 INELIGIBLE COSTS

B.2.1 The following costs are not Eligible Operating Costs:

- (a) the Municipality’s regular salary and equipment costs;

- (b) the Municipality's regular emergency services costs related to routine incident management functions;
- (c) the Municipality's regular operating costs not related to the March 2025 Ice Storm;
- (d) lost revenues of the Municipality;
- (e) borrowing costs of the Municipality;
- (f) costs incurred by a local electricity distribution company;
- (g) decorative landscaping, corrective pruning;
- (h) grinding of tree stumps; and
- (i) the Municipality's losses covered by insurance and insurance deductibles.

SCHEDULE "C"
MUNICIPAL ICE STORM ASSISTANCE PROGRAM GUIDELINES

The attached program guidelines form Schedule "C" to the Agreement.