**TOLLING AGREEMENT**

This Tolling Agreement (“Agreement”) is made by and between **(1)** the “Districts”, including (a) Nogales Unified School District No. 1; (b) Patagonia Elementary School District No. 6; (c) Patagonia Union High School District No. 20; (d) Santa Cruz Elementary School District No. 28; (e) Santa Cruz Valley Unified School District No. 35; (f) Sonoita Elementary School District No. 25; (g) Nogales Suburban Fire District; (h) Rio Rico Medical and Fire District; (i) Tubac Fire District; and (j) Sonoita-Elgin Fire District; **(2)** the State of Arizona (the “State”); and **(3)** the Arizona Auditor General (the “Auditor General”). Each entity referenced herein shall be referred to as a “Party,” and collectively all entities referenced herein shall be referred to as “Parties.”

RECITALS

WHEREAS, beginning in or around 2014 and continuing through April 2024, former Santa Cruz County Treasurer Elizabeth Gutfahr (“Gutfahr”) is alleged to have embezzled and misappropriated what is currently believed to be $38,712,371 (the “Stolen Funds”) of funds held by the Treasurer (“Gutfahr’s Fraud”); and

WHEREAS, the Stolen Funds were taken from the County, the Treasurer, and the Districts; and

WHEREAS, the Districts may have but have not determined if they have, legal claims or causes of action against the State and/or the Auditor General arising from Gutfahr’s Fraud; and

WHEREAS, the State and/or the Auditor General dispute whether the Districts have legal claims or causes of action against the State and/or the Auditor General arising from Gutfahr’s Fraud; and

WHEREAS, certain time limitations may be prescribed by law for the Districts to assert any legal claims or causes of action the Districts have, or may have, against the State and/or the Auditor General, arising from Gutfahr’s Fraud; and

WHEREAS, the Districts, the State and the Auditor General have concluded that it is prudent for the State and/or the Auditor General to toll time limitations prescribed by law for the Districts to assert any legal claims or causes of action the Districts have, or may have, against the State and/or the Auditor General, arising from Gutfahr’s Fraud.

NOW THEREFORE, it is agreed as follows:

TERMS AND CONDITIONS

1. The Parties agree that the Notice of Claim period, including the periods set forth in A.R.S. § 12-821.01(A), in which the Districts may be required to provide the State and/or the Auditor General with a written basis on which the Districts assert the State and/or the Auditor General are or may be liable in whole or part for Gutfahr’s Fraud and to state a specific amount for which any such claims may be settled is tolled and suspended from the effective date of this Agreement through and including February 28, 2025, which the parties may extend further by a signed, written amendment to this Agreement.
2. The Parties agree that the one-year period in which the Districts may be required to file a lawsuit against the State and/or the Auditor General, pursuant A.R.S. § 12-821, shall be tolled and suspended to May 29, 2025, which the parties may extend further by a signed, written amendment to this Agreement.
3. The periods identified in paragraphs (1) and (2) above are referred to as the “Tolling Period.”
4. The State and the Auditor General agree they will not assert that any Notice of Claim made by any of the Districts to the State and/or the Auditor General was or is untimely if the Notice of Claim was made within the Tolling Period, and the State and/or the Auditor General will not assert any statute of limitations defense or other defenses based on the timeliness of the filing of any lawsuit by the Districts against the State and/or the Auditor General if any of the Districts files a lawsuit against the State and/or the Auditor General within the Tolling Period.
5. This Agreement constitutes the entire agreement between the Parties as to the matters herein and supersedes all prior and contemporaneous agreements pertaining to such matters. This Agreement may not be modified except through a writing executed by both Parties or electronic mail between counsel for the Parties confirming the modification(s).
6. This Agreement shall be governed by and construed in accordance with the laws of the state of Arizona without regard to conflicts of law.
7. This Agreement may be signed by electronic means and in multiple counterparts which shall constitute one Agreement when combined. Faxed, scanned, or emailed images of signatures shall be sufficient for this Agreement and be the equivalent of original signatures.

[Signature Pages Follow]

**State of Arizona**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature Date

By:

Its:

**Arizona Auditor General**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature Date

By:

Its:

**Nogales Unified School District No. 1**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature Date

By:

Its:

**Patagonia Elementary School District No. 6**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature Date

By:

Its:

**Patagonia Union High School District No. 20**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature Date

By:

Its:

**Santa Cruz Elementary School District No. 28**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature Date

By:

Its:

**Santa Cruz Valley Unified School District No. 35**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature Date

By:

Its:

**Sonoita Elementary School District No. 25**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature Date

By:

Its:

**Nogales Suburban Fire District**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature Date

By:

Its:

**Rio Rico Medical and Fire District**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature Date

By:

Its:

**Tubac Fire District**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature Date

By:

Its:

**Sonoita-Elgin Fire District**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature Date

By:

Its: