**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 Fire District; (i) Tubac Fire District; and (j) Sonoita-Elgin Fire District; **(2)** Santa Cruz County (the “County”); and **(3)** the Santa Cruz County Treasurer’s Office (the “Treasurer”). 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 County and/or the Treasurer arising from Gutfahr’s Fraud; and

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

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

WHEREAS, the Districts, the County and the Treasurer have or may have common interests relating to the investigation of the circumstances of Gutfahr’s Fraud, which requires the Districts, the County and the Treasurer to exchange information concerning: (1) identification of the methods involved in Gutfahr’s Fraud; (2) calculation of the amount of misappropriated monies; (3) identification of the parties impacted by Gutfahr’s Fraud; (4) and development of preliminary loss allocation and recovery allocation among the parties impacted by Gutfahr’s Fraud (the “Investigation”); and

WHEREAS, on August 1, 2024, the County filed a Verified Complaint in the Superior Court of Arizona, Pima County, Case No. CV2024-4535 against Gutfahr and others (the “Complaint”), and the Districts, the County and the Treasurer have or may have common interests relating to the Complaint; and

WHEREAS, as a result of their common interests with the County and the Treasurer, the Districts have concluded that it is prudent to forego asserting any legal claims or causes of action the Districts have, or may have, against the County and/or the Treasurer, arising from Gutfahr’s Fraud while the Investigation is ongoing; and

WHEREAS, as a result of the County’s and the Treasurer’s common interests with the Districts, the County and the Treasurer have concluded that it is prudent for the County and the Treasurer 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 County and/or the Treasurer, arising from Gutfahr’s Fraud while the Investigation is ongoing.

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. §§ 11-622 and 12-821.01(A), in which the Districts may be required to provide the County and/or the Treasurer with a written basis on which the Districts assert the County and/or the Treasurer 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 County and/or the Treasurer, 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 County and the Treasurer agree they will not assert that any Notice of Claim made by any of the Districts to the County and/or the Treasurer was or is untimely if the Notice of Claim was made within the Tolling Period, and the County and/or the Treasurer 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 County and/or the Treasurer if any of the Districts files a lawsuit against the County and/or the Treasurer within the Tolling Period.
5. This Agreement is in furtherance of the Parties’ discussions of compromise and settlement of disputed claims and is not admissible in any proceeding except for the limited purpose of proving the existence of this Agreement and the rights and obligations specified herein.
6. 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).
7. This Agreement shall be governed by and construed in accordance with the laws of the state of Arizona without regard to conflicts of law.
8. 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]

**Santa Cruz County**

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

Authorized Signature Date

By:

Its:

**Santa Cruz County Treasurer’s Office**

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

Authorized Signature Date

By:

Its:

**Nogales Unified School District No. 1**

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Authorized Signature Date

By:

Its:

**Patagonia Elementary School District No. 6**

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Authorized Signature Date

By:

Its:

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

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Authorized Signature Date

By:

Its:

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

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Authorized Signature Date

By:

Its:

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

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Authorized Signature Date

By:

Its:

**Sonoita Elementary School District No. 25**

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Authorized Signature Date

By:

Its:

**Nogales Suburban Fire District**

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Authorized Signature Date

By:

Its:

**Rio Rico Fire District**

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Authorized Signature Date

By:

Its:

**Tubac Fire District**

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Authorized Signature Date

By:

Its:

**Sonoita-Elgin Fire District**

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Authorized Signature Date

By:

Its: