

## TOLLING AGREEMENT

This Tolling Agreement (“Agreement”) is made by and between **(1)** the “Districts”, which are hereby defined as (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; and **(2)** the State of Arizona (the “State”) (which includes 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 the “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 Districts contend that the Stolen Funds were taken from the County, the Treasurer, and the Districts; and

WHEREAS, the Districts contend that they 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 or related to 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 running of the Notice of Claim period, including the period 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.

2. The Parties agree that the running of the one-year statute of limitations period pursuant A.R.S. § 12-821, in which the Districts may be required to file a lawsuit against the State and/or the Auditor General, shall be tolled and suspended to May 29, 2025.

3. The periods identified in paragraphs (1) and (2) above are referred to as the "Tolling Period."

4. Except as provided further below, 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 for claims arising out of Gutfahr's fraud was or is untimely if the Notice of

Claim was timely made after consideration for purposes of calculation of the tolled period from the date of execution of this agreement through February 28, 2025, 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 for claims arising out of Gutfahr's Fraud if such lawsuit was filed against the State and/or the Auditor General within the Tolling Period. Provided, however, that nothing in this paragraph shall serve to extend, modify or revive any deadline for filing or service of any notice of claim or any statute of limitations or deadline for filing of any lawsuit that has already expired or passed as of the date of execution in full of this Tolling Agreement.

3. 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).

4. This Agreement shall be governed by and construed in accordance with the laws of the state of Arizona without regard to conflicts of law.

5. 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

By:

Its:

\_\_\_\_\_  
Date

**Nogales Unified School District No. 1**

\_\_\_\_\_  
Authorized Signature

By:

Its:

\_\_\_\_\_  
Date

**Patagonia Elementary School District No. 6**

\_\_\_\_\_  
Authorized Signature

By:

Its:

\_\_\_\_\_  
Date

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

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Authorized Signature

By:

Its:

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Date

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

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Authorized Signature

By:

Its:

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Date

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

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Authorized Signature

By:

Its:

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Date

**Sonoita Elementary School District No. 25**

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Authorized Signature

By:

Its:

\_\_\_\_\_  
Date

**Nogales Suburban Fire District**

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Authorized Signature

By:

Its:

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Date

**Rio Rico Medical and Fire District**

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Authorized Signature

By:

Its:

\_\_\_\_\_  
Date

**Tubac Fire District**

\_\_\_\_\_  
Authorized Signature

By:

Its:

\_\_\_\_\_  
Date

**Sonoita-Elgin Fire District**

\_\_\_\_\_  
Authorized Signature

By:

Its:

\_\_\_\_\_  
Date