
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **May 5, 2015**



LIME ENERGY CO.

(Exact Name of Registrant as Specified in Charter)

DELAWARE
(State or Other Jurisdiction
of Incorporation)

001-16265
(Commission File Number)

36-4197337
(IRS Employer Identification No.)

16810 Kenton Drive, Suite 240, Huntersville, North Carolina
(Address of Principal Executive Offices)

28078
(Zip Code)

(704) 892-4442
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events.

On April 1, 2015, Lime Energy Co. (the “Company”) entered into a Stipulation and Agreement of Settlement (the “Stipulation”) relating to the settlement of a derivative suit entitled *Kuberski and Lawton v. Lime Energy Co.*, Case No. 12 C 7993 (consolidated with Case No. 13 C1708), in the United States District Court for the Northern District of Illinois (the “Derivative Suit”). On May 5, 2015, the United States District Court for the Northern District of Illinois issued an order granting preliminary approval of the proposed settlement by and among the Company, the plaintiffs and all named individual defendants in the Derivative Suit.

A hearing to determine whether the court should issue an order of final approval of the settlement has been scheduled for July 7, 2015, at 9:00 a.m. at the United States District Court for the Northern District of Illinois, Eastern Division, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois, 60604. Pursuant to the court’s order, any objections to the settlement must be filed in writing with the court by no later than June 23, 2015. Additional information concerning the terms of the proposed settlement, the July 7, 2015 hearing and the requirements for objections can be found in the Notice of Pendency and Settlement of Shareholder Derivative Action, attached hereto as Exhibit 99.1. Also attached as Exhibit 99.2 is the Stipulation. This Form 8-K and the attachments are available on the investor relations website of the Company at <http://www.lime-energy.com/investors>.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Notice of Pendency and Settlement of Shareholder Derivative Action

99.2 Stipulation and Agreement of Settlement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LIME ENERGY CO.

Dated: May 8, 2015

By: /s/ C. Adam Procell
C. Adam Procell
Chief Executive Officer & President

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

RICHARD KUBERSKI and ERIC L.)	
LAWTON, derivatively and on behalf of)	Case No. 12 C 7993
Nominal Defendant LIME ENERGY CO.,)	
)	(Consolidated with Case No. 13 C 1708)
)	
Plaintiffs,)	District Judge: Hon. Harry D. Leinenweber
)	
vs.)	Magistrate Judge: Hon. Sidney I. Schenkier
)	
JOHN O'ROURKE, JEFFREY MISTARZ,)	
DAVID ASPLUND, GREGORY)	
BARNUM, CHRISTOPHER CAPPS,)	
WILLIAM CAREY, JR., JOSEPH)	
DESMOND, STEPHEN GLICK,)	
PRADEEP KAPADIA, RICHARD)	
KIPHART, DANIEL PARKE, and DAVID)	
VALENTINE,)	
)	
Defendants.)	
)	
-and-)	
)	
LIME ENERGY CO., a Delaware corporation,)	
)	
Nominal Defendant.)	
)	

**NOTICE OF PENDENCY AND SETTLEMENT
OF SHAREHOLDER DERIVATIVE ACTION**



TO: ALL HOLDERS OF LIME ENERGY CO. (“LIME”) COMMON STOCK AS OF APRIL 1, 2015 AND THEIR RESPECTIVE SUCCESSORS-IN-INTEREST.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT AND DISMISSAL OF SHAREHOLDER DERIVATIVE LITIGATION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS. YOUR RIGHTS MAY BE AFFECTED BY LEGAL PROCEEDINGS IN THIS ACTION.

PLEASE NOTE THAT THIS ACTION IS NOT A “CLASS ACTION” AND NO INDIVIDUAL SHAREHOLDER HAS THE RIGHT TO BE COMPENSATED AS A RESULT OF THE SETTLEMENT OF THIS ACTION.

YOU ARE HEREBY NOTIFIED, pursuant to Federal Rule of Civil Procedure 23.1 and by Order of the United States District Court for the Northern District of Illinois, of the proposed settlement (the “Settlement”) of the above-captioned consolidated shareholder derivative action (the “Action”). The terms of the Settlement of the Action are set forth in a Stipulation of Settlement dated April 1, 2015 (the “Stipulation”), and all capitalized terms herein shall have the same meanings as set forth in the Stipulation. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the text of the Stipulation, which has been filed with the Court and is attached to a Form 8-K that will be filed with the Securities and Exchange Commission and published on the investor relations section of Lime’s website.

The Action was brought derivatively on behalf of Lime against certain current and former officers and directors of the Company for alleged breaches of fiduciary duties arising out of the misreporting of revenue in the Company’s financial statements for the years ended 2008, 2009, 2010, and 2011, and the quarter ended March 31, 2012, and the failure to file quarterly or annual financial statements during the remainder of 2012. Defendants have denied and continue to deny each and every one of the claims and contentions alleged in the Action. The terms of the Settlement set forth in the Stipulation include the adoption by the Company of a number of corporate governance and compliance enhancements, such as putting in place certain accounting monitoring controls and establishing and communicating certain policies related to financial reporting. As set forth in the Stipulation, Derivative Plaintiffs intend to apply for court approval of an award of attorneys’ fees and expenses in an amount of \$335,000. In addition, the Derivative Counsel intend to apply for court approval of a service award to each Derivative Plaintiff in the amount of \$1,500 to be paid out of the award of attorneys’ fees and expenses, in recognition of the Derivative Plaintiffs’ participation and efforts in the prosecution of the Action. Defendants have agreed not to oppose such applications.

A hearing on the Settlement (the “Settlement Hearing”) will be held on July 7, 2015, 2015, at 9:00 a.m., before United States District Judge Harry D. Leinenweber, in the United States District Court for the Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois 60604 (the “Court”): (i) to determine whether the terms and conditions of the Settlement provided for in the Stipulation are fair, reasonable, adequate and in the best interests of Lime’s shareholders; (ii) to determine whether a final judgment should be entered dismissing the Action as to all Defendants with prejudice and extinguishing and releasing any and all Released Claims (as defined in the Stipulation); and (iii)

to determine, if the Court approves the Settlement and enters its final Judgment, whether it should grant Derivative Counsel's application for an award of attorneys' fees and expenses in an amount not exceeding \$335,000. The date and location of the Settlement Hearing may be changed by the Court without further notice.

Any Current Lime Shareholder who wishes to be heard with respect to the Stipulation, the Settlement, the Judgment proposed to be entered herein and/or the application for an award of attorneys' fees and expenses may appear in person or by his, her or its attorney at the Settlement Hearing and present any evidence that may be proper and relevant; *provided that* no later than fourteen (14) days prior to the Settlement Hearing, such Person submits to the Clerk of the Court, United States District Court, Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois 60604: (a) a written notice of the intention to appear; (b) proof of ownership of Lime common stock as well as documentary evidence of when such stock ownership was acquired; (c) a detailed statement of the matters to be presented to the Court and the grounds therefore or the reasons why such Person desires to appear and to be heard; and (d) all documents and writings supporting such position. In addition, upon or before filing such papers with the Clerk of the Court, such papers shall be served by hand or overnight mail on the following counsel of record:

Francis A. Bottini, Jr.
BOTTINI & BOTTINI, INC.
7817 Ivanhoe Avenue, Suite 102
La Jolla, California 92037
Tel: (858) 914-2001

Co-Lead Counsel for the Derivative Plaintiffs

and

Laurence M. Rosen
THE ROSEN LAW FIRM, P.A.
275 Madison Avenue, 34th Floor
New York, New York 10016
Tel: (212) 686-1060

Co-Lead Counsel for the Derivative Plaintiffs

and

Matthew Thomas Heffner
HEFFNER & HURST LLP
30 North LaSalle Street, Suite 1210
Chicago, Illinois 60602
Tel: (312) 346-3466

Liaison Counsel for the Derivative Plaintiffs

and

Melanie E. Walker
SIDLEY AUSTIN LLP
One South Dearborn Street
Chicago, Illinois 60603
Tel: (312) 853-7036

Counsel for Defendants

Attendance at the Settlement Hearing is not necessary for an objection to be considered by the Court; however, any Person wishing to be heard at the Settlement Hearing is required to state in his, her or its written objection that he, she or it intends to appear at the hearing. Any Person who fails to object in the manner prescribed above shall be deemed to have waived such objection(s) and shall be forever barred from raising such objection(s) or otherwise contesting the Settlement in this or any other action or proceeding.

This Notice does not purport to be a comprehensive description of the Action, the pleadings, the terms of the Settlement or Stipulation, or Settlement Hearing. For a more detailed statement of the matters involved in this litigation and Settlement, you may inspect the pleadings, the Stipulation, the Orders entered by the Court and other papers filed in the Action at the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois 60604, during regular business hours of each business day. Questions may be directed in writing to Francis A. Bottini, Jr., Bottini & Bottini, Inc., 7817 Ivanhoe Avenue, Suite 102, La Jolla, California 92037 or to Laurence M. Rosen, The Rosen Law Firm, P.A., 275 Madison Avenue, 34th Floor, New York, New York 10016 or to Matthew Thomas Heffner, Heffner & Hurst LLP, 30 North LaSalle Street, Suite 1210, Chicago, Illinois 60602.

DATED: April 30, 2015

BY ORDER OF THIS COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

**DO NOT CONTACT THE COURT
REGARDING THIS NOTICE**

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

RICHARD KUBERSKI and ERIC L.)	
LAWTON, derivatively and on behalf of)	Case No. 12 C 7993
Nominal Defendant LIME ENERGY CO.,)	(Consolidated with Case No. 13 C 1708)
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Plaintiffs,)	District Judge: Hon. Harry D. Leinenweber
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vs.)	Magistrate Judge: Hon. Sidney I. Schenkier
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BARNUM, CHRISTOPHER CAPPS,)	
WILLIAM CAREY, JR., JOSEPH)	
DESMOND, STEPHEN GLICK,)	
PRADEEP KAPADIA, RICHARD)	
KIPHART, DANIEL PARKE, and DAVID)	
VALENTINE,)	
)	
Defendants.)	
)	
-and-)	
)	
LIME ENERGY CO., a Delaware corporation,)	
)	
Nominal Defendant.)	
)	

STIPULATION AND AGREEMENT OF SETTLEMENT



This Stipulation and Agreement of Settlement (“Stipulation”) of the above-captioned action (the “Action”), is entered into by: (a) Richard Kuberski and Eric L. Lawton (collectively, the “Derivative Plaintiffs”); (b) nominal defendant Lime Energy Co. (“Lime” or the “Company”); and (c) John O’Rourke, Jeffrey Mistarz, David Asplund, Gregory Barnum, Christopher Capps, William Carey, Jr., Joseph Desmond, Stephen Glick, Pradeep Kapadia, Richard Kiphart, Daniel Parke, and David Valentine (collectively, the “Individual Defendants,” and collectively with Lime, the “Defendants”).⁽¹⁾ This Stipulation is intended by the Parties to fully, finally, and forever compromise, resolve, discharge, and settle the Released Claims (as defined below), subject to the approval of the United States District Court for the Northern District of Illinois (the “Court”).

I. BACKGROUND AND PROCEDURAL HISTORY

On October 5, 2012, a shareholder derivative action captioned *Kuberski v. Lime Energy Co., et al.*, No. 12 C 7993 (the “*Kuberski* Action”) was filed in the Court. On March 5, 2013, a second shareholder derivative action captioned *Lawton v. O’Rourke, et al.*, No. 13 C 1708 (the “*Lawton* Action”) was filed in the Court. On March 26, 2013, plaintiff in the *Kuberski* Action and plaintiff in the *Lawton* Action moved to consolidate the two cases. On April 9, 2013, the Court granted the motion to consolidate and appointed two law firms, Bottini & Bottini, Inc. and The Rosen Law Firm, P.A., as co-lead counsel for the Derivative Plaintiffs, and appointed the law firm of Susman Heffner & Hurst LLP (now known as Heffner & Hurst) as liaison counsel for the Derivative Plaintiffs (collectively referred to, together with The Law Offices of Edward T. Joyce & Associates, P.C., as “Derivative Counsel”). The Court also ordered the Derivative Plaintiffs to file an Amended Consolidated Complaint by May 9, 2013.

(1) The Defendants collectively with the Derivative Plaintiffs shall be referred to as the “Parties.”

On May 9, 2013, the Derivative Plaintiffs filed a Consolidated Amended Complaint (the “Consolidated Complaint”). The Consolidated Complaint alleged derivative claims on behalf of Lime and against the Individual Defendants for alleged breaches of fiduciary duties arising out of the misreporting of revenue in the Company’s financial statements for the years ended 2008, 2009, 2010, and 2011, and the quarter ended March 31, 2012, and the failure to file quarterly or annual financial statements during the remainder of 2012.

On June 10, 2013, Defendants moved to dismiss the Consolidated Complaint pursuant to Federal Rule of Civil Procedure 23.1 for failure to make a demand on Lime’s Board of Directors. While the motion to dismiss was pending, the Parties engaged in settlement discussions, but those discussions were unsuccessful. On March 25, 2014, after full briefing on the motion, the Court issued a memorandum opinion and order granting Defendants’ motion and dismissing the case with prejudice on the basis that the Derivative Plaintiffs had failed to make a demand on Lime’s Board of Directors and had failed to establish that such a demand would have been futile. On April 22, 2014, the Derivative Plaintiffs moved for reconsideration and for leave to amend. On June 25, 2014, the Court denied the Derivative Plaintiffs’ motion in an oral ruling in open court. The Court entered judgment in favor of Defendants and against the Derivative Plaintiffs on July 9, 2014.

On July 25, 2014, the Derivative Plaintiffs filed a notice of appeal to the United States Court of Appeals for the Seventh Circuit, challenging the Court’s dismissal order and the Court’s denial of the Derivative Plaintiffs’ motion for reconsideration and for leave to amend. On August 14, 2014, pursuant to the Seventh Circuit’s mediation program, the Parties participated in a court-ordered mediation conference. Although the Parties did not reach an agreement at that time, with the continued assistance and involvement of the Seventh Circuit mediator, the Parties

continued their settlement discussions over a period of several weeks. Briefing on the appeal was suspended.

The Seventh Circuit mediator held a final telephonic conference with the Parties on October 8, 2014, at which time the Parties had reached an agreement on most of the major settlement terms, but continued to disagree on certain other terms of the settlement. After that unsuccessful conference, however, the Parties agreed to retain a private mediator, Jed D. Melnick, Esq. of JAMS, to continue to explore whether agreement on all terms of a settlement could be reached. On February 17, 2015, after further negotiations and with the assistance of Mr. Melnick, the Parties reached a settlement agreement.

II. THE BENEFITS OF SETTLEMENT

Defendants have denied and continue to deny each and every one of the claims and contentions alleged in the Action, along with all allegations of any wrongdoing or liability arising from any conduct, statements, actions or omissions alleged, or that could have been alleged in the Action or any shareholder demand relating to the events alleged in the Action. Defendants also deny and continue to deny all allegations that Lime has suffered damages by or as a result of matters alleged in the Action with respect to the Defendants. Defendants have nevertheless concluded that further litigation would be expensive and distracting and that it is desirable to settle the Action upon the terms and conditions set forth in this Stipulation. Defendants have, therefore, determined that it would be beneficial to Lime and its shareholders to settle the Action in the manner and upon the terms and conditions set forth in this Stipulation.

Derivative Plaintiffs continue to believe that the Action has merit. However, Derivative Plaintiffs and Derivative Counsel recognize and acknowledge the significant risk, expense, and length of continued proceedings necessary to prosecute the Action against the Defendants. Derivative Counsel also have taken into account the uncertain outcome and the risks of any

litigation as well as the difficulties and delays inherent in such litigation. Derivative Counsel are also mindful of the inherent problems in establishing demand futility, and the possible defenses to the claims alleged in the Action. Based upon Derivative Counsel's extensive investigation and evaluation of the facts and the law underlying the claims alleged in the Consolidated Complaint, Derivative Plaintiffs have determined that the Settlement (as defined below) is fair, reasonable, and adequate and in the best interests of Lime and its shareholders, and have agreed to settle the Action upon the terms and conditions set forth in this Stipulation.

III. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by the Parties that, subject to Court approval, in consideration for the substantial benefits flowing to the Parties from the Settlement, the Action shall be finally and fully compromised, settled, and dismissed with prejudice, subject to the terms and conditions set forth below:

1. Definitions

As used in this Stipulation, the following terms have the meanings specified below:

1.1 "Current Lime Shareholder" means all Persons who owned Lime common stock as of the date of this Stipulation and who continue to hold Lime common stock as of the date of the Settlement Hearing. Excluded from the term "Current Lime Shareholder" are the Individual Defendants, the officers and directors of Lime, members of their immediate families, and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have a controlling interest.

1.2 "Defendants" means the Individual Defendants and nominal defendant Lime Energy Co.

1.3 "Derivative Counsel" means: (a) Bottini & Bottini, Inc., 7817 Ivanhoe Avenue, Suite 102, La Jolla, CA 92037;
(b) The Rosen Law Firm, P.A., 275 Madison Avenue, 34th Floor,

New York, NY 10016; (c) Heffner & Hurst, 30 North LaSalle Street, Suite 1210, Chicago, IL 60602; and (d) The Law Offices of Edward T. Joyce & Associates, P.C., 135 South La Salle Street, Suite 2200, Chicago, IL 60603.

1.4 “Effective Date” means the first date by which all of the events and conditions specified in paragraph 6.1 herein have been met and/or have occurred.

1.5 “Fee and Expense Award” means any sum paid by Defendants or their insurance carrier to the Derivative Plaintiffs and Derivative Counsel for the Derivative Plaintiffs’ attorneys’ fees and litigation expenses as an award by the Court in recognition of the benefits conferred upon Lime and Current Lime Shareholders via the Action. The Parties have agreed that the Fee and Expense Award shall not exceed \$335,000.

1.6 “Final” means the latest of: (a) the expiration of the time for the filing or noticing of any appeal of the Judgment; (b) the final affirmance of the Judgment on appeal, the expiration of the time for a petition, or a denial of any petition, to review the affirmance of the Judgment on appeal, or, if such petition is granted, the final affirmance of the Judgment following review pursuant to that grant; or (c) the final dismissal of any appeal from the Judgment or the final resolution of any proceeding to review any appeal from the Judgment without any material change to the Judgment. However, any proceeding, order, or any appeal or petition for review of a proceeding or order, pertaining solely to Derivative Counsel’s application for an award of attorneys’ fees and expenses, shall not in any way delay or preclude the Judgment from becoming Final.

1.7 “Individual Defendants” means defendants John O’Rourke, Jeffrey Mistarz, David Asplund, Gregory Barnum, Christopher Capps, William Carey, Jr., Joseph Desmond, Stephen Glick, Pradeep Kapadia, Richard Kiphart, Daniel Parke, and David Valentine.

1.8 “Judgment” means the Final Judgment and Order entered by the Court in a form substantially similar to the Proposed Final Judgment and Order attached hereto as Exhibit C.

1.9 “Notice” means the form of notice of the Settlement to be provided and published by Lime, substantially in the form of the attached Exhibit B.

1.10 “Person” means any individual, business or legal entity, including any corporation, limited liability corporation, professional corporation, limited liability partnership, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and their spouses, heirs, predecessors, successors, representatives, or assignees.

1.11 “Preliminary Approval Order” means an order entered by the Court substantially in the form attached hereto as Exhibit A.

1.12 “Released Claims” means any and all claims, demands, rights, remedies or causes of action, whether based on federal, state, local, statutory, common or foreign law or any other law, rule, regulation or principle of equity, whether known or unknown, including, without limitation, Unknown Claims, whether suspected or unsuspected, whether contingent or non-contingent, whether accrued or unaccrued, whether or not concealed or hidden, whether factual or legal, and for any remedy whether at equity or law, that were, could have been, or might have been asserted from the beginning of time through the date of entry of the Final Judgment and Order, by Lime or any Current Lime Shareholder in the Action, in any shareholder demand, or in any other forum derivatively on behalf of Lime, against the Released Parties or any other individual named or unnamed, in connection with, arising out of, related to, based upon, in whole or in part, directly or indirectly (i) any action or omission or failure to act relating to any of the matters, facts, or events set forth, referenced, or alleged in any pleading or other document filed

in the Action, or (ii) the settlement of the Action, including the payments provided for in this Stipulation; provided, however, that nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of this Stipulation.

1.13 “Released Parties” means Defendants, including each and all individuals named or who could have been named in the Action, as well as each and all members of their families, parent entities, affiliates, subsidiaries and each and all of their respective past or present officers, directors, employees, agents, attorneys, accountants, auditors, insurers, heirs, executors, estates, administrators, predecessors, successors, assigns, and representatives, as well as any entities in which they have a controlling interest or any trusts of which they are the settler or which is for the benefit of them and/or member(s) of their families.

1.14 “Releasing Parties” means the Derivative Plaintiffs (individually, and derivatively on behalf of Lime), Lime, and every Current Lime Shareholder and each and all members of their families, heirs, administrators, predecessors, successors, parent entities, subsidiaries, affiliates, custodians, agents, representatives, executors, assigns, estates, trusts, trustees, trust beneficiaries, and all Persons acting in concert with any of the aforementioned Persons.

1.15 “Settlement” means the agreement made and entered into by and among the Parties as set forth in this Stipulation.

1.16 “Settlement Hearing” means the hearing that the Parties will request that the Court hold after dissemination of the Notice in order to consider and determine, among other things, whether the Settlement should be approved and whether Judgment should be entered dismissing the Action with prejudice.

1.17 “Unknown Claims” means any Released Claims that either of the Derivative Plaintiffs (individually, and derivatively on behalf of Lime), Lime, or any Current Lime Shareholder does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Parties that, if known by him, her, or it might have affected his, her, or its settlement with, and release of, the Released Parties, or might have affected his, her, or its decision not to object to this Settlement, including claims based on the discovery of facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the Released Claims. The Parties further agree that the Released Claims constitute an express waiver of all rights and protections afforded by California Civil Code § 1542 and all similar federal, state or foreign laws, rights, rules, or legal principles. Section 1542 states:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

The Derivative Plaintiffs, Lime, and every Current Lime Shareholder shall be deemed by operation of the Judgment to have acknowledged that the release of Unknown Claims was separately bargained for and is a key element of the Settlement.

2. Corporate Governance Matters

As part of this Settlement, Defendants agree, subject to the occurrence of the Effective Date, to implement and maintain the corporate governance reforms set forth in this section (the “Reforms”), and to maintain such Reforms for a period of at least five years following the Effective Date. Defendants acknowledge that the filing, pendency, prosecution, and settlement of the Action were a substantial and material cause in the Company’s decision to adopt, implement, and maintain the Reforms. The Reforms are as follows:

2.1 The Company agrees to have monitoring controls in place to review: (a) journal entries posted to the general ledger; (b) project account reconciliations; (c) project budgets; and (d) access rights to the database underlying the Company's accounting system. Specifically, the Company has limited or will limit the number of employees who have the ability to post journal entries to the accounting system, and has added or will add formal review policies surrounding the posting of journal entries. In addition, the Company has implemented or will implement a more detailed review of account reconciliations and budgets at the project level by upper management. The Company also has worked or will work with the value added reseller of its accounting system to find a solution that will permit the Company to continue to build customized SQL queries of the information in its accounting system while assuring the integrity of its accounting data.

2.2 The Company agrees to have monitoring controls to limit access rights to the database underlying the Company's accounting system. Specifically, the Company has worked or will work with the value added reseller of its accounting system to find a solution that will permit the Company to continue to build customized SQL queries of the information in its accounting system while assuring the integrity of its accounting data.

2.3 The Company agrees to limit, or that it has limited, the number of employees who have the ability to post journal entries to the accounting system and to add formal review policies surrounding the posting of journal entries.

2.4 The Company agrees to implement a more detailed review of account reconciliations and budgets at the project level by upper management.

2.5 The Company agrees that the CEO shall issue messages to all Company employees at least annually concerning the importance of a culture of compliance, and the importance of proper financial reporting to Lime's shareholders.

2.6 The Company agrees to establish and maintain a "Clawback Policy" that meets the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

2.7 The Company agrees to inform its accounting staff for 2015 in writing of the Company's revenue recognition policies, the consequences of falsifying financial reports, and the Clawback Policy.

2.8 The Company agrees that the CFO shall certify to the Audit Committee on an annual basis that s/he has performed, or the Company's outside auditor has performed, a risk assessment pertaining to financial reporting risks and promptly addressed potentially unlawful activities.

2.9 The Company agrees that it shall be chaired by an independent director, as that term is defined in NASDAQ Rule 5605(a)(2).

2.10 The Company agrees that the Audit Committee shall comply with applicable NASDAQ standards.

2.11 None of the matters set forth in Paragraphs 2.1 through 2.10 shall be deemed to imply that Lime's prior corporate procedures were deficient.

2.12 The Parties acknowledge and agree that the Reforms set forth in this Settlement confer substantial benefits upon Lime and its shareholders.

3. Release and Bar

3.1 Upon the Effective Date, each of the Releasing Parties shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims as against the Released Parties; provided, however, that

nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of this Stipulation.

3.2 Upon the Effective Date, each of the Releasing Parties will be forever barred and enjoined from commencing, instituting, maintaining or prosecuting any of the Released Claims in any court, or other forum, or proceeding.

3.3 Upon the Effective Date, the Released Parties shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Derivative Plaintiffs and Derivative Counsel from all claims or demands relating to or arising out of, or connected with the institution, prosecution, assertion, settlement, or resolution of the Action and/or the Released Claims; provided, however, that nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of this Stipulation.

3.4 Pending final approval of the Settlement by the Court, the Releasing Parties are barred and enjoined from instituting, commencing, maintaining, or prosecuting any action or proceeding against the Released Parties asserting any of the Released Claims or challenging the Settlement other than in this action in accordance with the procedures established by the Court (the "Injunction"). If any action is taken by any Releasing Party in violation of the Injunction, the Derivative Plaintiffs, if requested, shall join in any motion and shall otherwise use their reasonable best efforts to effect a withdrawal, dismissal, transfer or stay of such action.

4. Derivative Counsel's Application for Attorneys' Fees and Reimbursement of Litigation Expenses

4.1 In recognition of the benefits conferred upon the Company as a result of the Settlement, Defendants have agreed, after negotiations with the Derivative Plaintiffs at arm's length and in good faith, that the Defendants or their insurance carrier shall pay the Derivative Plaintiffs and Derivative Counsel a Fee and Expense Award of \$335,000. Derivative Counsel

will apply to the Court for an award of attorneys' fees and expenses in the amount of \$335,000. Derivative Counsel may, subject to the Court's approval, pay to the Derivative Plaintiffs a service award of \$1,500 each out of the Fee and Expense Award. Defendants will not oppose such application. The Defendants shall cause any fees and expenses awarded by the Court (up to and including the agreed-to amount of \$335,000) to be paid to Francis A. Bottini, Jr. of Bottini & Bottini, Inc., as agent for all Derivative Counsel, within ten (10) business days of the Court's entry of the Final Judgment and Order in connection with the Settlement, subject to Derivative Counsel's obligation to make refunds or repayments to Defendants or their insurance carrier if for any reason whatsoever, including any appeal and/or further proceeding or remand, or successful collateral attack the Fee and Expense Award is lowered or reversed.

4.2 Bottini & Bottini, Inc. and The Rosen Law Firm, P.A. shall have exclusive authority to allocate the Fee and Expense Award among Derivative Counsel in a manner that, in their discretion, reflects the contributions of each counsel to the filing, prosecution, and settlement of the Action. Defendants shall have no obligations or liability with respect to the apportionment or distribution of any attorneys' fees or expenses awarded by the Court.

4.3 No order of the Court, or modification or reversal on appeal of any order of the Court, concerning the amount or allocation of attorneys' fees or expenses shall constitute grounds for cancellation or termination of this Stipulation or prevent the Judgment from becoming Final.

4.4 Except as otherwise expressly provided in Paragraphs 4.1 and 5.1, the Parties shall bear their own attorneys' fees and costs incurred in connection with the Action and Settlement.

5. Preliminary Approval and Notice

5.1 Promptly following the execution of this Stipulation, the Parties shall submit this Stipulation, together with its Exhibits, to the Court, and shall apply for entry of a Preliminary Approval Order, substantially in the form of Exhibit A attached hereto.

5.2 Not later than ten calendar days following the entry of the Preliminary Approval Order, Lime shall cause this Stipulation and the Notice to be filed with the United States Securities and Exchange Commission on Form 8-K and post the Notice on the investor relations page of Lime's website, to be maintained until the date the Court enters the Final Judgment and Order in connection with the Settlement. In addition, Lime will cause the Notice to be published on one occasion in the *Investor's Business Daily*. All costs of notice shall be paid by Defendants or their insurance carrier.

6. Conditions of Settlement; Effect of Disapproval, Cancellation, or Termination

6.1 The Settlement shall be conditioned on the occurrence of all of the following events:

- a. entry by the Court of the Preliminary Approval Order in all material respects;
- b. Court approval of the Settlement in all material respects following notice to Current Lime Shareholders and the Settlement Hearing;
- c. entry of the Final Judgment and Order in the Action in all material respects; and
- d. the passing of the date upon which the Judgment becomes Final.

6.2 If any of the conditions listed in paragraph 6.1 above are not met, this Stipulation and any Settlement documentation shall be null and void and of no force and effect, and the Parties shall be restored to their positions as of the last date before this Stipulation and the Parties shall resume the litigation before the Seventh Circuit Court of Appeals on the Derivative

Plaintiffs' appeal of the Court's dismissal order and the Court's denial of the Derivative Plaintiffs' motion for reconsideration and for leave to amend. All negotiations, proceedings, documents prepared, and statements made in connection with the Settlement shall be without prejudice to any Party, shall not be deemed or construed to be an admission by any Party of any act, matter or proposition, and shall not be used in any manner or for any purpose in the Action or in any other action or proceeding. Further, in the event that any of the conditions listed in paragraph 6.1 are not met, the terms and provisions of this Stipulation shall not be used in the Action or in any other action or proceeding for any purpose, and any judgments or orders entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated.

7. Miscellaneous Provisions

7.1 Neither this Stipulation, nor any of its terms or provisions, nor the Exhibits hereto, nor any document referred to herein, nor entry of the Judgment, nor any action taken to carry out this Stipulation or the Settlement is, may be construed as, or may be used as, evidence of the validity of any claim or as an admission by or against the Parties of any fault, wrongdoing, or concession of liability whatsoever.

7.2 Neither this Stipulation, nor any of its terms or provisions, nor the Exhibits hereto, nor any document referred to herein, nor entry of the Judgment nor any action taken to carry out this Stipulation or the Settlement shall be offered or received into evidence in any action or proceeding for any purpose whatsoever other than to enforce the provisions of this Stipulation, except that this Stipulation and the Exhibits hereto may be filed as evidence of the Settlement to support a defense of *res judicata*, collateral estoppel, release, or other theory of claim or issue preclusion or similar defense.

7.3 The Parties: (a) acknowledge that it is their intent to consummate the terms and conditions of this Stipulation; and (b) agree to cooperate to the extent reasonably necessary, and

to exercise their best efforts, to effectuate and implement all terms and conditions of this Stipulation.

7.4 The Parties intend this Settlement to be a final and complete resolution of all disputes among them with respect to the Action. This Stipulation and its Exhibits constitute the entire agreement among the Parties concerning the Settlement, and no representations, warranties, or inducements have been made by any Party hereto concerning this Stipulation and its Exhibits other than those contained and memorialized in such documents.

7.5 The Parties agree that the terms of this Settlement, including the amount of attorneys' fees and expenses, were negotiated at arm's length in good faith by the Parties, and that the Settlement was reached voluntarily after consultation with experienced legal counsel. The Parties further agree that they and their respective counsel have at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure and all other similar rules of professional conduct.

7.6 The Parties agree that, other than disclosures required by law or the Court, any public comments from the Parties or any of their representatives regarding this Settlement will not substantially deviate from words to the effect that the Parties have reached a mutually agreeable resolution that will avoid expensive litigation, that the Parties are satisfied with the resolution, and that the Settlement is in the best interests of Lime and its shareholders.

7.7 The headings used in this Stipulation are used for the purpose of convenience only and are not meant to have legal effect.

7.8 All of the Exhibits to this Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

7.9 This Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Parties or their respective successors-in-interest.

7.10 This Stipulation may be executed in one or more counterparts, including by facsimile and PDF counterparts. All executed counterparts, including facsimile and PDF counterparts, shall be deemed to be one and the same instrument.

7.11 This Stipulation shall be binding upon, and inure to the benefit of, the Parties and their respective successors, assigns, heirs, spouses, marital communities, executors, administrators, and legal representatives.

7.12 This Stipulation shall be construed as having been drafted by all the Parties to it, so that any rule of construction by which ambiguities are interpreted against the drafter shall have no force and effect.

7.13 All Persons executing this Stipulation and any of the Exhibits hereto, or any related settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to this Stipulation to effectuate its terms.

7.14 The waiver by any Party of any breach of this Stipulation shall not be deemed or construed as a waiver of any other breach, whether prior or subsequent to, or contemporaneous with, the execution of this Stipulation.

7.15 The rights and obligations of the Parties shall be construed and enforced in accordance with, and governed by, the substantive laws of the State of Illinois without giving effect to that State's choice-of-law principles.

IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed by their duly authorized attorneys and dated April 1, 2015.

BOTTINI & BOTTINI, INC.

/s/ Francis A. Bottini, Jr.

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Co-Lead Counsel for the Derivative Plaintiffs

- and -

THE ROSEN LAW FIRM, P.A.

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Co-Lead Counsel for the Derivative Plaintiffs

- and-

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Counsel for Defendants