

EXHIBIT “1”

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement") is made this 17th day of June, 2011, by and between PENNSYLVANIA ACADEMY OF MUSIC, (sometimes hereinafter referred to as "PAM"), a Pennsylvania not for profit corporation with an address of 313 West Liberty Street, Lancaster, Pennsylvania 17603, and Lincoln Park Performing Arts Center (sometimes hereinafter referred to as "LPPAC"), a Pennsylvania 501(c)(3), not for profit corporation with an address of 1 Lincoln Park, Midland, Pennsylvania 15050 ("sometimes hereinafter referred to as "Purchaser").

RECITALS

A. PAM -was incorporated under the laws of the Commonwealth of Pennsylvania on in 1979 and was in continuous operation thereafter until it ceased operating on March 31, 2011.

B On May 27, 2010, Debtor filed a Petition for Relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), The case is pending in the United States Bankruptcy Court for the Eastern District of Pennsylvania (the "Bankruptcy Court"), docketed as Case No. 10-14377 (the "Bankruptcy Case").

C. From May 27, 2010, until March 31, 2011, PAM continued to operate its educational and other programs as Debtor-in-Possession. On April 1, 2011, PAM ceased operations and has remained in possession of its assets.

D. Debtor now desires to sell, and Purchaser desires to purchase, all of the assets owned by PAM and used in connection with the operations of Debtor, on the terms and conditions hereof.

E. Purchaser desires to devote PAM's assets to operating an expanded music education as well as other performing arts programs withing the geographic area of Lancaster County and the surrounding area based upon the needs for such programs as LPPAC in its sole discretion shall determined.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, conditions and other valuable consideration set forth herein, and intending to be legally bound, the Purchaser and the Debtor (collectively, the "Parties") hereby agree as follows:

1. Purchase and Sale of Assets. Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined), the Purchaser shall purchase and the Debtor shall transfer, sell, assign, convey, and deliver to Purchaser, all of the Debtor's right, title, and interest in and to the following assets, free and clear of all liens, claims and encumbrances (collectively, the "Purchased Assets").

(a) All assets of the Debtor used in connection with the operation of PAM (the "Business"), including, but not limited to, all of the personal property, machinery, equipment, furniture, fixtures, leasehold improvements, tools, supplies, inventories, student and donor records, intellectual property, goodwill and all other tangible and intangible assets used by PAM in furthering its charitable purposes.

2. Assumption of Liabilities. Except for the obligations related to the lease with Liberty Property Holdings, L.P. for Suite 201, being a portion of Condominium Unit 200 in Liberty Place, Lancaster, Pennsylvania, the Purchaser shall assume no liabilities or obligations of the Debtor, including, but not limited to, obligations related to debt, accounts payable, leases or taxes.

3. Purchase Price. The total purchase price for the Purchased Assets is THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) (the "Purchase Price"), which is anticipated to pay its pre-bankruptcy Claimants a dividend of fifteen (15%) percent on claims as finally allowed to be paid in cash at closing, of which \$30,000.00 of the Purchase Price has been tendered to the Debtor-in-Possession with this Asset Purchase Agreement.

4. Allocation of Purchase Price. The Allocation of the Purchase Price shall be agreed upon by the Purchaser and the Debtor.

5. Transfer Taxes. To the extent there are any sales or transfer taxes of any kind assessed by any governmental authority on the transfer of the Assets, they shall be the sole and exclusive obligation of Purchaser, regardless on which party they may be assessed.

6. Bankruptcy Conditions. Purchaser understands that this Agreement must be submitted to and approved by the Bankruptcy Court as a 363 Sale under applicable provisions of the Bankruptcy Code by Order before settlement actually occurs. Purchaser further understands that approval of this sale can only be obtained upon Notice to Creditors and Parties-in-Interest which will disclose the terms of the offer including price which becomes public knowledge upon filing; and

(a) Purchaser further understands under applicable provisions of the Bankruptcy Code that this Agreement may be topped by a higher and better third-party offer. Debtor agrees not to submit to the Bankruptcy Court for approval any subsequent offer, which does not exceed THREE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$325,000.00). LPPAC further understands that if it is the successful purchaser in excess of \$325,000.00 it shall not receive a "break-up fee" as hereinafter provided; and

(b) In the event that the Debtor consummates a sale of the Purchased Assets for more than \$325,000.00 to a third party, Debtor agrees to pay Purchaser the sum of \$15,000.00 as a "break-up fee" for the time and money invested in submitting this Agreement, in addition to return of any deposit amounts provided to Debtor.

(c) Debtor agrees to promptly file with the Bankruptcy Court, a Motion ("Sale Motion") to approve the sale of the Purchased Assets pursuant to the terms and conditions of this Agreement and schedule a Hearing to approve the Sale Motion within thirty (30) days after filing the Sale Motion. At the Hearing on the Sale Motion seeking approval of the Agreement, Purchaser will require a finding by the Court that Purchaser is a good faith purchaser pursuant to 11 U.S.C. § 363(m) (the "Order").

7. Additional Condition. Purchaser's duty to proceed to closing is conditioned upon the Bankruptcy Court specifically approving the transfer of the Endowment Funds of PAM presently valued as of the date of the last statement for the period ended April 29, 2011 at \$873,108.53 to Purchaser without deduction as the entity entitled to receive said funds without further or additional payment to Debtor. The condition of the transfer of the Endowment Fund is that it shall be maintained as a separate fund with additions to and disbursements from the fund limited to the services previously provided by PAM pursuant to its Mission Statement and By-Laws as well as teaching of other performing arts within Lancaster County and the surrounding geographic area in accordance with the needs as determined by LPPAC in its discretion.

8. Closing. The payment of amounts due, the delivery of documents, and the completion of other items related to the transfer of the Assets purchased by Purchaser (the "Closing") shall be held on the earlier of: (i) ten (10) business days after the Parties' receipt of a non-appealable order entered by the United States Bankruptcy Court for the Eastern District of Pennsylvania authorizing the Debtor to sell the Assets pursuant to 11 U.S.C. § 363(b), et seq., under the terms of this Agreement and finding that Purchaser is a good faith purchaser pursuant to 11 U.S.C. § 363(m).

9. Condition of Tangible Personal Property. The purchase of the Purchased Assets is on an "AS IS, WHERE IS" basis with no representations or warranties of the Debtor either express or implied as to its condition.

10. Facilities. This Agreement is subject to Purchaser either assuming PAM's present lease with LIBERTY PROPERTY HOLDINGS, L.P., ("Landlord") for Suite 201, being a portion of the Condominium Unit 200 in Liberty Place, A Condominium, 313 West Liberty Street, Lancaster, Pennsylvania 17603, the facility presently occupied by Debtor or negotiating an arrangement with Landlord satisfactory to Purchaser, which relieves PAM of liability under its present Lease.

11. Reserve of Use of Name. Purchaser reserves the exclusive right to the future use of the name "Pennsylvania Academy of Music".

12. Ordinary Course of Business. Prior to Closing, and unless otherwise approved by the Purchaser, Debtor shall have no duty to carry on its educational mission and its operations, only maintain its equipment, licenses and assets in a manner consistent with past practice, and will not engage in any business activity or transaction. Debtor shall keep current all licenses, permits and registrations, if any. Debtor shall permit the Purchaser or its agents reasonable opportunities to inspect and observe the operation of the Debtor's business at all reasonable times prior to Closing.

13. No Material Adverse Change. The Purchaser's obligations set forth in this Agreement are contingent upon there being no material adverse changes in the Purchased Assets prior to Closing. This condition and the condition hereinbefore set forth in paragraph 12 is further contingent upon Purchaser conducting its "due diligence" and concluding same within (30) calendar days, and to notify PAM in writing that it has concluded its "due diligence" and wishes to proceed. Upon signing by both parties shall promptly thereafter submit this Asset Purchase Agreement to Bankruptcy Court for approval.

14. Termination. This Agreement may be terminated at any time upon the occurrence of any of the following events:

(a) by mutual consent of Purchaser and Debtor; or,

(b) by either Purchaser or Debtor if the Closing has not occurred on or before August 15, 2011, unless extended by mutual agreement of the parties; provided, however, that this provision shall not be available to the party who fails or refuses to consummate the transactions contemplated herein or to take any other action referred to herein as necessary to consummate the transactions contemplated hereby in breach of such party's obligations contained herein; or

(c) by either Purchaser or Debtor if there has been a material breach on the part of the other party of a material term of this Agreement that is not cured within ten (10) business days after such other party has been notified of the intent to terminate this Agreement pursuant to this section; or

(d) by either Purchaser or Debtor if any condition to Closing has not been satisfied as of the Closing Date. In the event of a termination by the Purchaser pursuant to subsection (c) above, the Debtor shall be entitled to retain the \$30,000.00 deposit as liquidated damages.

15. Notices All notices, requests, and other communications under this Agreement shall be in writing and shall be effective when sent by certified or registered mail, return receipt requested, addressed as follows:

If intended for PAM:

Thomas F. Godfrey - Chairperson
Pennsylvania Academy of Music
290 Eshelman Road
Lancaster PA 17601

and also to

Thomas F. Godfrey - Chairperson
Pennsylvania Academy of Music
2556 Park Oak Drive
Los Angeles CA 90068-2568

Roger W Sandt - Managing Director
Pennsylvania Academy of Music
1275 Loop Road
Lancaster PA 17601

and also to

Roger W Sandt - Managing Director
Pennsylvania Academy of Music
4532 Ocean Blvd Unit 212
Sarasota Fl 34242

With an additional copy to PAM:

Jacques H. Geisenberger, Jr.
JACQUES H. GEISENBERGER, JR., P. C.
WHEATLAND PLACE
941 WHEATLAND AVE - STE 403
LANCASTER PA 17603-3180

If intended for PURCHASER:

Lincoln Park Performing Arts Center
Attn: Stephen Catanzarite, Director
One Lincoln Park
Midland, PA 15050

With an additional copy to PURCHASER:

Joseph A. Askar, Esquire
1000 Third Street - Suite #4
Beaver, PA 15009

16. Expenses. Debtor and Purchaser accept no obligation for any costs of investigating and consummating the transactions contemplated hereby incurred by the other party, including fees for finders, brokers, attorneys, bankers, accountants, appraisers, consultants or advisors. Each party shall pay all of such costs incurred by such party.

17. No Assignment. Neither party shall be permitted to assign or transfer any rights or obligations under this Agreement, directly or indirectly, except upon the prior written consent of the other party, which shall not be unreasonably withheld. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties hereto, their successors and assigns.

18. Severability. If any provision of this Agreement is held to be invalid by a court of competent jurisdiction, then the remaining provisions shall nevertheless remain in full force and effect.

19. Headings. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

20. Entire Agreement; Amendments. This Agreement sets forth the entire understanding of the Parties hereto and supersedes any and all prior agreements, arrangements, and understandings relating to the subject matter hereof. This Agreement shall not be amended, modified, or supplemented except by a written instrument executed by all Parties to this Agreement.

21. Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

22. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute one in the same agreement.

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement the date and year set opposite their signature, effective the date first above written.

Date:	Attest	PENNSYLVANIA ACADEMY OF MUSIC
	<u>/s/ Douglas Ranck</u>	By: <u>/s/ Thomas F. Godfrey</u>
June 21, 2011	Douglas Ranck - Secretary	Thomas F. Godfrey - Chairperson

[Corporate Seal]

Date:	Attest	LINCOLN PARK PERFORMING ARTS CENTER
	<u>/s/ Loretta Conti, Board Sec.</u>	By: <u>/s/ Stephen Cantanzaric</u>
June 20, 2011	- Title	- Title Managing Director

[Corporate Seal]

ASSET PRICE ALLOCATION

Item(s)

Assigned Value

All items listed on inventory previously provided.

Purchaser reserves the right to amend such schedule upon completion of its Due Diligence period.

TOTAL

\$

ASSUMED OBLIGATIONS

Assumed Obligations

Amount Assumed

LIBERTY PROPERTY HOLDINGS, L.P.

Needs Work by LPPAC

313 West Liberty Street

Lancaster, Pennsylvania 17603