

TO THE STATE BUDGET AND CONTROL BOARD:

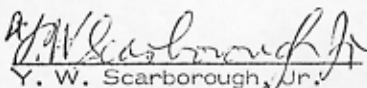
Gentlemen:

We, the undersigned Chairmen of the Board of Trustees of Palmer College and the State Committee for Technical Education, propose a merger of Palmer College and the State Board for Technical and Comprehensive Education (hereinafter referred to as the State Board), under the terms and conditions as outlined below:

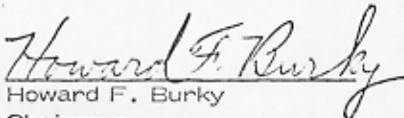
1. Effective July 1, 1972, the State Board will operate Palmer College-Columbia and Palmer College-Charleston, South Carolina with the present Palmer College management for the remainder of the 1972-73 academic year. Palmer Board indemnifies the State of South Carolina against any expenses whatsoever in the operations of these programs during this academic year so that they may discharge any obligations to students, faculty and administrators.
2. At the end of the 1972-73 academic year, Palmer College will contribute to the State Board all of its library holdings (acquisition value of approximately \$200,000) and all of its equipment (acquisition value of approximately \$275,000), free and clear of all encumbrances.
3. No real estate, property, building or any facility is to be considered in this agreement for purchase or acquisition by the State of South Carolina.
4. In concurrence with a Palmer College stipulation, the State Board agrees to retain the name "Palmer" either as a campus or facility name at either and/or location.
5. The Palmer College Corporation (the corporate entity) will continue in existence to hold title to and control all corporate assets not transferred to the State Board as a part of the merger.
6. Palmer College would, by corporate resolution, certify to the State of South Carolina that they will not engage in any post high school educational programs in South Carolina in consideration of this merger.
7. The existing Board of Trustees of Palmer College will serve for the 1972-73 academic year as an advisory board to the State Board.

8. Dr. Charles E. Palmer, President of Palmer College, would resign his duties, all salaries, compensation and affiliation with Palmer College to become the Associate Executive Director for Administration of the State Board.
9. During the 1972-73 academic year, the State Board will conduct a feasibility study to determine which programs being offered by Palmer College best serve the interests of the citizens of South Carolina and merit continuation. The State Board reserves the sole right to determine programs to be continued as well as those to be discontinued or are duplications of existing programs offered in the community to be served.
10. Funds to operate programs resulting from this merger would be requested through standard state agency budgetary proceedings.

Respectfully submitted,


Y. W. Scarborough, Jr.

Chairman
State Committee for
Technical Education


Howard F. Burky

Chairman
Board of Trustees
Palmer College