

amount of premiums earned by said company (less returned premiums) on risk terminating as aforesaid; and thereupon the said company shall issue to such persons or firms respectively certificates declaring him or them, or his or their assigns to be entitled to a portion of the invested funds of said company equal to the amount so credited to him or them on the books of the company as aforesaid; and also to receipt annually out of the interest or income derived by said company from the investment of said profits of an interest not exceeding six per cent. per annum, and said certificate shall also contain a proviso that the amount named therein is liable for any future losses of said company, as provided in this charter; and also a proviso for the conversion of the same into stock of said company, in the case therefor in this charter provided; but no person or firm shall be credited with or receive a certificate for a share of profits less than two dollars, nor for any fractional excesses over even twos of dollars, and all such shares less than two dollars and such fractional excesses over even twos of dollars, shall be carried to the contingent fund of said company, and applied on account of charges and expenses; the fund represented by this scrip shall constitute a surplus or reserve of said company for the security and payment of losses, and liable for any excess of losses and expenses above the earned premiums of any year; each later annual issue of scrip always to be first reduced or wholly cancelled before any previous annual issue is at all reduced, and all the issues of scrip to be liable to reduction and cancellation before the capital stock shall be encroached upon; the board of directors shall have full power to reduce and cancel the scrip of said company for the purpose, and in the succession aforesaid, as the exigencies of the company may require.

Sec. 11. *And be it enacted*, That no scrip issued by the company shall be paid off in whole or in part, so as to reduce the aggregate of the capital and the surplus or reserved fund aforesaid below the sum of one hundred thousand dollars; but the capital shall not be regarded as impaired unless the amount of stock capital created by or under the second article of this charter is deficient by

Capital not to be reduced below one hundred thousand dollars.