

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.

Scrip—how  
paid.

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 referred fund aforesaid below the sum of one hundred thousand dollars; but the capital shall be regarded as impaired, unless the amount of the stock capital created by or under the second article of this charter is deficient by losses or otherwise. In case of such deficiency, the Board of Directors shall have power to levy an assessment on the shares to make up the deficiency; and after public notice is given in two of the daily papers of the city of Baltimore, for at least thirty days of such assessment, and requiring its payment, the directors may sell at auction the stock of any shareholder who shall neglect or refuse to pay such assessment within one week from the time at which such payment is in and by said public notice required; *provided*, a price equal to the assessment be realized for it, and a new certificate shall be issued to the purchaser for the share or shares so purchased, and the old one shall be cancelled in the books of the company, and any surplus received for the stock so sold, over and above the assessment and expense, shall be paid over to the holder of such cancelled certificate.

Proviso.

Scrip—how  
converted into  
stock.

Sec. 12. *And be it enacted*, That the directors may at any time, by a vote of two-thirds of their whole number, convert the issue of scrip at its then marketable value, into capital stock, and make the company wholly a capital stock company; or when the surplus or reserved fund represented by the scrip aforesaid shall amount to a sum equal to the