

default by the mortgagor in the payment of the mortgage debt and interest, or the covenants in the *chattel* mortgage contained, may be foreclosed and the mortgaged chattel sold in the same manner as authorized by the laws of this Commonwealth in the case of personal property sold under execution.

Section 5. Unless otherwise expressly provided by such *chattel* mortgage, the mortgagor shall be entitled to retain possession of the mortgaged chattels and crops until default under the terms of his agreement; but a removal of the mortgaged chattels or crops after harvest from the county in which they were actually located at the time of the execution of the mortgage shall be deemed a default, unless expressly waived by the mortgagee, or his duly authorized agent or assignee; *and the lien of the mortgage shall not be extinguished or impaired by the removal of the mortgaged property from the county in which the mortgage is recorded.*

Removal of mortgaged chattels deemed a default.

Lien not impaired by the removal of chattels from county

Section 2. This act shall become effective immediately upon final enactment.

When effective.

APPROVED—The 18th day of April, A. D. 1935.

GEORGE H. EARLE

No. 21

AN ACT

To permit certain cooperative associations to give chattel mortgages, on rotating stocks of goods or inventories, to secure loans from banks for cooperatives, organized under the Farm Credit Act of one thousand nine hundred thirty-three, or from Federal intermediate credit banks, organized under the Agricultural Credits Act of one thousand nine hundred twenty-three.

Section 1. Be it enacted, &c., That any cooperative association or corporation, organized under the laws of this State or under the laws of the United States or qualified to do business in this State, and qualified as a cooperative association, under the laws of this State or the laws of the United States or both, may give as security for any loan or loans, obtained from any bank for cooperatives organized under the Act of Congress known as the Farm Credit Act of one thousand nine hundred thirty-three, or for any loan or loans obtained from any Federal intermediate credit bank, organized under an Act of Congress known as the Agricultural Credits Act of one thousand nine hundred twenty-three, a chattel mortgage covering stocks of goods, inventories or other things in bulk; but changing in specifics, in which case, the lien of such mortgage shall be lost as to all articles disposed of by the mortgagor prior to the extinguishment of the mortgage; but shall attach to the articles purchased to supply their places.

Cooperative association or corporation.

Chattel mortgages.

Execution of
said mortgages.

Section 2. Such mortgages must be in writing, signed by the mortgagor, or by his agent duly authorized and constituted, and duly acknowledged by some person authorized to take acknowledgment of deeds; and provisions that the mortgage shall secure in addition to the principal sum any further and additional amounts as may be advanced by the mortgagee to the mortgagor within a period of one year from the date of the execution of the mortgage, not to exceed in the aggregate an amount stated in the mortgage, shall be valid and binding, and such mortgages shall be a lien from the date of recording, as hereinafter provided, as to any amount advanced thereunder up to the amount so stated in said mortgage.

Recording of
mortgages.

Section 3. The mortgages mentioned in the preceding section, when executed and acknowledged as hereinbefore provided, shall be recorded in the office for the recording of deeds for the county in which said chattels are actually located at the time of the execution of such mortgages; and such recorder is hereby required to index and to record the same at length in a book to be by him kept in his said office to be provided at the expense of said county, and to be called "Chattel Mortgage Book," and he shall duly certify the record of all such instruments in the manner provided by law for mortgages on real estate; and such recorder shall be entitled to charge and receive for recording such mortgage a fee of one dollar and fifty cents (\$1.50). Such mortgages shall, except between parties thereto, take effect and be valid only from the time of recording as herein provided, and in case of more than one mortgage, the first recorded shall have preference and be first paid out of the proceeds of the sale of the property mortgaged. Such mortgage shall remain a lien on the property mortgaged as between the parties thereto until paid; but as to third parties shall not remain a lien for a longer period than five years, unless the lien thereof is extended for an additional period of five years by the filing with the recorder of deeds of the affidavit of the mortgagee, or his successor in interest, stating the amount then secured by the lien. A notation of the filing of such affidavit and extension of lien shall be made on the margin of the original record of the mortgage in the office of the recorder of deeds, and the recorder shall be entitled to charge and receive a fee of seventy-five cents (\$.75) therefrom.

Mortgages may
be assigned.

Section 4. All such mortgages may be assigned or released by an instrument in writing, signed and acknowledged by the mortgagee, his agent or assignee; and recorded in the same office as the original mortgage, and such assignment or release shall, except as between the parties thereto, take effect and be valid only from the time of recording the same; and the recorder shall

be entitled to charge and receive seventy-five cents (\$.75) for recording each such assignment and each such release.

Section 5. Such chattel mortgages, upon default by the mortgagor in the payment of the mortgage debt and interest or the covenants in the mortgage contained, may be foreclosed and the mortgage chattels sold in the same manner as authorized by the laws of this Commonwealth in the case of personal property sold under execution.

Mortgages may be foreclosed.

Section 6. This act shall become effective immediately upon its final enactment.

When effective.

APPROVED—The 18th day of April, A. D. 1935.

GEORGE H. EARLE

No. 22

AN ACT

To validate and confirm certain contracts, expenditures or payments heretofore made, ratified or approved by councils of cities of the third class, and to direct payments thereunder by the fiscal officers of such cities in certain cases.

Section 1. Be it enacted, &c., That, except as in this act otherwise expressly provided, every contract for personal services and for the payment of compensation therefor and every expenditure or payment heretofore made by any officer of a city of the third class, and ratified or approved by the council of such city is hereby confirmed and declared valid and binding on the respective city of the third class, and where payment has not already been made, the payment of such compensation by the fiscal officers of such city of the third class is hereby directed and made mandatory, and no member of council or any fiscal officer of such city of the third class shall be liable to surcharge or to prosecution for any crime or misdemeanor for or on account of any such contract, expenditure or payment, or for voting in favor of the authorization, ratification or approval of the same, notwithstanding the failure to comply with the requirements of section nine hundred and two of the act, approved the twenty-third day of June, one thousand nine hundred and thirty-one (Pamphlet Laws, nine hundred thirty-two), commonly called "The Third Class City Law"; that council shall prescribe by ordinance the number, duties, and compensation of the officers and employees of the city, and that no payment of compensation shall be made from the city treasury, or be in anywise authorized to any person, except an officer or employee elected or appointed in pursuance of law.

Cities of the third class.