

4. (Contract to Give Trust Receipt.)

(1) A contract to give a trust receipt, if in writing and signed by the trustee, shall, with reference to goods, documents or instruments thereafter delivered by the entruster to the trustee in reliance on such contract, be equivalent in all respects to a trust receipt.

(2) Such a contract shall as to such goods, documents, or instruments be specifically enforceable against the trustee; but this sub-section shall not enlarge the scope of the entruster's rights against creditors of the trustee as limited by this Article.

5. (Validity Between the Parties.) Between the entruster and the trustee the terms of the trust receipt shall, save as otherwise provided by this Article, be valid and enforceable. But no provision for forfeiture of the trustee's interest shall be valid except as provided in subsection (5) of Section 6.

6. (Repossession, and Entruster's Rights on Default.)

(1) The entruster shall be entitled as against the trustee to possession of the goods, documents or instruments on default, and as may be otherwise specified in the trust receipt.

(2) An entruster entitled to possession under the terms of the trust receipt or of sub-section (1) may take such possession without legal process, whenever that is possible without breach of the peace.

(3) (a) After possession taken, the entruster shall, subject to sub-division (b) and sub-section (5), hold such goods, documents or instruments with the rights and duties of a pledgee.

(b) An entruster in possession may, on or after default, give notice to the trustee of intention to sell, and may, not less than five days after the serving or sending of such notice, sell the goods, documents or instruments for the trustee's account, at public or private sale, and may at a public sale himself become a purchaser. The proceeds of any such sale, whether public or private, shall be applied (1) to the payment of the expenses thereof, (2) to the payment of the expenses of re-taking, keeping and storing the goods, documents, or instruments, (3) to the satisfaction of the trustee's indebtedness. The trustee shall receive any surplus and shall be liable to the entruster for any deficiency. Notice of sale shall be deemed sufficiently given if in writing, and either (1) personally served on the trustee, or (2) sent by post-paid ordinary mail to the trustee's last known business address.