

9-203. ATTACHMENT AND ENFORCEABILITY OF SECURITY INTEREST; PROCEEDS; SUPPORTING OBLIGATIONS; FORMAL REQUISITES.

(A) A SECURITY INTEREST ATTACHES TO COLLATERAL WHEN IT BECOMES ENFORCEABLE AGAINST THE DEBTOR WITH RESPECT TO THE COLLATERAL, UNLESS AN AGREEMENT EXPRESSLY POSTPONES THE TIME OF ATTACHMENT.

(B) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (C) THROUGH (I), A SECURITY INTEREST IS ENFORCEABLE AGAINST THE DEBTOR AND THIRD PARTIES WITH RESPECT TO THE COLLATERAL ONLY IF:

(1) VALUE HAS BEEN GIVEN;

(2) THE DEBTOR HAS RIGHTS IN THE COLLATERAL OR THE POWER TO TRANSFER RIGHTS IN THE COLLATERAL TO A SECURED PARTY; AND

(3) ONE OF THE FOLLOWING CONDITIONS IS MET:

(A) THE DEBTOR HAS AUTHENTICATED A SECURITY AGREEMENT THAT PROVIDES A DESCRIPTION OF THE COLLATERAL AND, IF THE SECURITY INTEREST COVERS TIMBER TO BE CUT, A DESCRIPTION OF THE LAND CONCERNED;

(B) THE COLLATERAL IS NOT A CERTIFICATED SECURITY AND IS IN THE POSSESSION OF THE SECURED PARTY UNDER § 9-313 PURSUANT TO THE DEBTOR'S SECURITY AGREEMENT;

(C) THE COLLATERAL IS A CERTIFICATED SECURITY IN REGISTERED FORM AND THE SECURITY CERTIFICATE HAS BEEN DELIVERED TO THE SECURED PARTY UNDER § 8-301 OF THIS ARTICLE PURSUANT TO THE DEBTOR'S SECURITY AGREEMENT; OR

(D) THE COLLATERAL IS DEPOSIT ACCOUNTS, ELECTRONIC CHATTEL PAPER, INVESTMENT PROPERTY, OR LETTER-OF-CREDIT RIGHTS, AND THE SECURED PARTY HAS CONTROL UNDER § 9-104, § 9-105, § 9-106, OR § 9-107 PURSUANT TO THE DEBTOR'S SECURITY AGREEMENT.

(C) SUBSECTION (B) IS SUBJECT TO § 4-210 OF THIS ARTICLE ON THE SECURITY INTEREST OF A COLLECTING BANK, § 5-118 OF THIS ARTICLE ON THE SECURITY INTEREST OF A LETTER-OF-CREDIT ISSUER OR NOMINATED PERSON, § 9-110 ON A SECURITY INTEREST ARISING UNDER TITLE 2 OR TITLE 2A OF THIS ARTICLE, AND § 9-206 ON SECURITY INTERESTS IN INVESTMENT PROPERTY.

(D) A PERSON BECOMES BOUND AS DEBTOR BY A SECURITY AGREEMENT ENTERED INTO BY ANOTHER PERSON IF, BY OPERATION OF LAW OTHER THAN THIS TITLE OR BY CONTRACT:

(1) THE SECURITY AGREEMENT BECOMES EFFECTIVE TO CREATE A SECURITY INTEREST IN THE PERSON'S PROPERTY; OR

(2) THE PERSON BECOMES GENERALLY OBLIGATED FOR THE OBLIGATIONS OF THE OTHER PERSON, INCLUDING THE OBLIGATION SECURED UNDER THE SECURITY AGREEMENT, AND ACQUIRES OR SUCCEEDS TO ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE OTHER PERSON.