

## **Georgia Statutes Regarding Contract Interpretation**

### **13-21. By whom contracts construed**

The construction of a contract is a question of law for the court. Where any matter of fact is involved, the jury should find the fact.

### **13-22. Rules of interpretation**

The following rules, among others, shall be used in arriving at the true interpretation of contracts:

- (1) Parol evidence is inadmissible to add to, take from, or vary a written contract. All the attendant and surrounding circumstances may be proved and, if there is an ambiguity, latent or patent, it may be explained; so, if only a part of a contract is reduced to writing (such as a note given in pursuance of a contract) and it is manifest that the writing was not intended to speak the whole contract, then parol evidence is admissible;
- (2) Words generally bear their usual and common signification; but technical words, words of art, or words used in a particular trade or business will be construed, generally, to be used in reference to this peculiar meaning. The local usage or understanding of a word may be proved in order to arrive at the meaning intended by the parties;
- (3) The custom of any business or trade shall be binding only when it is of such universal practice as to justify the conclusion that it became, by implication, a part of the contract, except in regard to those transactions covered by Title 11;
- (4) The construction which will uphold a contract in whole and in every part is to be preferred, and the whole contract should be looked to in arriving at the construction of any part;
- (5) If the construction is doubtful, that which goes most strongly against the party executing the instrument or undertaking the obligation is generally to be preferred;
- (6) The rules of grammatical construction usually govern, but to effectuate the intention they may be disregarded; sentences and words may be transposed, and conjunctions substituted for each other. In extreme cases of ambiguity, where the instrument as it stands is without meaning, words may be supplied;
- (7) When a contract is partly printed and partly written, the latter part is entitled to most consideration;
- (8) Estates and grants by implication are not favored;
- (9) Time is not generally of the essence of a contract; but, by express stipulation or reasonable construction, it may become so.

### **24-61. Admissibility of parol contemporaneous evidence**

Parol contemporaneous evidence is generally inadmissible to contradict or vary the terms of a valid written instrument.

### **24-62. Admissibility where part only of stipulations is in writing**

If the writing does not purport to contain all the stipulations of the contract, parol evidence shall be admissible to prove other portions thereof not inconsistent with the writing; so collateral undertakings between parties of the same part among themselves would not properly be looked for in the writing.

#### **24-63. Explanation of ambiguities**

- (a) All contemporaneous writings shall be admissible to explain each other.
- (b) Parol evidence shall be admissible to explain all ambiguities, both latent and patent.

#### **24-64. Surrounding circumstances**

The surrounding circumstances are always proper subjects of proof to aid in the construction of contracts.

#### **24-65. Usage**

Evidence of known and established usage shall be admissible to aid in the construction of contracts as well as to annex incidents.

#### **24-66. Rebuttal of equity; discharge of contract; subsequent agreement; enlargement of time; change of place of performance**

Parol evidence shall be admissible to rebut an equity, to discharge an entire contract, to prove a new and distinct subsequent agreement, to enlarge the time of performance, or to change the place of performance.

#### **13-23. Intention of parties generally**

The cardinal rule of construction is to ascertain the intention of the parties. If that intention is clear and it contravenes no rule of law and sufficient words are used to arrive at the intention, it shall be enforced irrespective of all technical or arbitrary rules of construction.

#### **13-24. Intention of one party known to the other**

The intention of the parties may differ among themselves. In such case, the meaning placed on the contract by one party and known to be thus understood by the other party at the time shall be held as the true meaning.