

18 GCA BUSINESS STRUCTURE & FUNCTION
CH. 80 OBLIGATIONS

DIVISION 3
GENERAL OBLIGATIONS

PART 1
OBLIGATIONS DEFINED

CHAPTER 80
OBLIGATIONS

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ARTICLE 1
DEFINITION

- § 80101. What are Obligations.
- § 80102. How Incurred and Enforced.

§ 80101. What are Obligations.

An *obligation* is a legal duty by which a person is bound to do or not to do a certain thing.

SOURCE: CC § 1427.

§ 80102. How Incurred and Enforced.

An obligation arises either from:

1. The contract of the parties; or
2. The operation of law.

An obligation arising from operation of law may be enforced in the manner provided by law, or by civil action or proceeding.

SOURCE: CC § 1428.

ARTICLE 2

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GENERAL RULES OF INTERPRETATION

§ 80201. General Rules.

The rules which govern the interpretation of contracts are described in Division II of this Title. Other obligations are interpreted by the same rules by which statutes of a similar nature are interpreted.

SOURCE: CC § 1429.

NOTE: See 1 GCA Chapters 4 and 7 for the law on interpretation of statutes.

**ARTICLE 3
JOINT OR SEVERAL OBLIGATIONS**

§ 80301. Obligations; Joint or Several.

§ 80302. When Joint.

§ 80303. Contribution, Joint Parties.

§ 80301. Obligations; Joint or Several.

An obligation imposed on several persons, or a right created in favor of several persons, may be:

1. Joint;
2. Several; or
3. Joint and several.

SOURCE: CC § 1430.

§ 80302. When Joint.

An obligation imposed upon several persons, or a right created in favor of several persons, is presumed to be joint, and not several, except in the special cases mentioned in Division II of this Title on the interpretation of contracts. This presumption, in the case of a right, can be overcome only by express words to the contrary.

SOURCE: CC § 1431.

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COURT CASES: The statement that the right of first refusal was a "collective right" and not an individual right was insufficient to overcome the presumption created by § 80102 that the right of first refusal possessed by former shareholders was joint and not several. *Ulloa v. GEDA*, 580 F.2d 952, (CA9 1978).

§ 80303. Contribution, Joint Parties.

A party to a joint, or joint and several obligation, who satisfies more than his share of the claim against all, may require a proportionate contribution from all the parties joined with him.

SOURCE: CC § 1432.

NOTE: No 1970 Civil Code §1433 existed.

CROSS-REFERENCES: See 7 GCA Chapter 24, Art. 6, *Contribution Among Joint Tortfeasors*.

ARTICLE 4
CONDITIONAL OBLIGATIONS

- § 80401. Obligations; when Conditional.
- § 80402. Kinds of Conditions.
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- § 80407. When Performance Excused.
- § 80408. Impossible, Unlawful Conditions Void.
- § 80409. Conditions, Forfeiture, how Construed.

§ 80401. Obligations; when Conditional.

An obligation is conditional, when the rights or duties of any party thereto depend upon the occurrence of an uncertain event.

SOURCE: CC § 1434.

§ 80402. Kinds of Conditions.

Conditions may be precedent, concurrent, or subsequent.

SOURCE: CC § 1435.

§ 80403. Conditions Precedent.

A *condition precedent* is one which is to be performed before some right dependent thereon accrues, or some act dependent thereon is performed.

SOURCE: CC § 1436.

§ 80404. Conditions Concurrent.

Conditions con-current are those which are mutually dependent, and are to be performed at the same time.

SOURCE: CC § 1437.

§ 80405. Conditions Subsequent.

A *condition sub-sequent* is one referring to a future event, upon the happening of which the obligation becomes no longer binding upon the other party, if he chooses to avail himself of the condition.

SOURCE: CC § 1438.

§ 80406. When Performance is Essential.

Before any party to an obligation can require another party to perform any act under it, he must fulfill all conditions precedent thereto imposed upon himself, and must be able and offer to fulfill all conditions concurrent so imposed upon him on the like fulfillment by the other party, except as provided in the next section.

SOURCE: CC § 1439.

§ 80407. When Performance Excused.

If a party to an obligation gives notice to another, before the latter is in default, that he will not perform the same upon his part and does not retract such notice before the time at which performance upon his part is due, such other party is entitled to enforce the obligation without previously performing or offering to perform any conditions upon his part in favor of the former party.

SOURCE: CC § 1440.

§ 80408. Impossible, Unlawful Conditions Void.

A condition in a contract, the fulfillment of which is impossible or unlawful, within the meaning of the Article on the Object of Contracts [in Division II of this Title], or which is repugnant to the nature of the interest

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created by the contract, is void.

SOURCE: CC § 1441.

§ 80409. Conditions, Forfeiture, how Construed.

A condition involving a forfeiture must be strictly interpreted against the party for whose benefit it is created.

SOURCE: CC § 1442.

NOTE: No 1970 Civil Code §§ 1443-1447 existed.

ARTICLE 5
ALTERNATIVE OBLIGATIONS

§ 80501. Right of Selection.

§ 80502. How Right is Lost.

§ 80503. Alternatives Indivisible.

§ 80504. When Alternative Obligations a Nullity.

§ 80501. Right of Selection.

If an obligation requires the performance of one of two acts, in the alternative, the party required to perform has the right of selection, unless it is otherwise provided by the terms of the obligation.

SOURCE: CC § 1448.

§ 80502. How Right is Lost.

If a party having the right of selection between alternative acts does not give notice of his selection to the other party within the time, if any, fixed by the obligation for that purpose, or, if none is so fixed, before the time at which the obligation ought to be performed, the right of selection passes to the other party.

SOURCE: CC § 1449.

§ 80503. Alternatives Indivisible.

The party having the right of selection between alternative acts must select one of them in its entirety, and cannot select part of one and part of another without the consent of the other party.

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SOURCE: CC § 1450.

§ 80504. When Alternative Obligations a Nullity.

If one of the alternative acts required by an obligation is such as the law will not enforce, or becomes unlawful, or impossible of performance, the obligation is to be interpreted as though the other stood alone.

SOURCE: CC § 1451.

NOTE: No 1970 Civil Code §§ 1452-1456 existed.

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