

CHAPTER 9-05 CONSIDERATION

9-05-01. Good consideration defined. Any benefit conferred or agreed to be conferred upon the promisor by any other person to which the promisor is not entitled lawfully, or any prejudice suffered or agreed to be suffered by such person, other than such as that person, at the time of consent, is lawfully bound to suffer as an inducement to the promisor, is a good consideration for a promise.

9-05-02. When legal or moral obligation good consideration. An existing legal obligation resting upon the promisor, or a moral obligation originating in some benefit conferred upon the promisor or prejudice suffered by the promisee, also is a good consideration for a promise to an extent corresponding with the extent of the obligation, but no further or otherwise.

9-05-03. Lawful consideration required. The consideration of a contract must be lawful within the meaning of section 9-08-01.

9-05-04. Contract void when consideration unlawful. If any part of a single consideration for one or more objects, or of several considerations for a single object, is unlawful, the entire contract is void.

9-05-05. Consideration executed or executory. A consideration may be executed or executory in whole or in part. Insofar as it is executory, it is subject to the provisions of chapter 9-04 relating to the object of a contract.

9-05-06. Executory consideration - Method of ascertaining. When a consideration is executory, it is not indispensable that the contract should specify its amount or the means of ascertaining it. It may be left to the decision of a third person or regulated by any specified standard.

9-05-07. Consideration undetermined - Method of ascertaining. When a contract does not determine the amount of the consideration nor the method by which it is to be ascertained, or when it leaves the amount thereof to the discretion of an interested party, the consideration must be so much money as the object of the contract reasonably is worth.

9-05-08. Consideration not ascertainable - Contract void. When a contract provides an exclusive method by which its consideration is to be ascertained, and such method is on its face impossible of execution, the entire contract is void.

9-05-09. Method of determining consideration becomes impossible - Provision void. When a contract provides an exclusive method by which its consideration is to be ascertained, and such method appears possible on its face, but in fact is or becomes impossible of execution, such provision only is void.

9-05-10. Written instrument - Presumption of consideration. A written instrument is presumptive evidence of a consideration.

9-05-11. Burden of proving want of consideration. The burden of showing a want of consideration sufficient to support an instrument lies with the party seeking to invalidate or avoid it.