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.

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.

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.

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.

The burden of showing a want of consideration sufficient to support an instrument lies with
the party seeking to invalidate or avoid it.