**BLAW 201 Topics**

**Professor Kreider**

**Week 5: Chapter 14**

Recognize the two requirements for valid consideration

Understand the issues related to adequacy of consideration

Identify pre-existing duties

Describe the exceptions to consideration

**Chapter 14: Consideration**

Elements

Legal detriment on both sides

-doing something the party had no prior legal obligation to do **OR**

-refraining from something the party had the legal right to do (forbearance)

Bargained for and Exchanged

-the parties negotiate for the consideration and exchange one promise for another

-past consideration and moral obligations are not bargained for and exchanged

Adequacy of consideration

-relevant only when proving mistake, fraud, undue influence or duress

Preexisting Duty

No consideration

Exists under statute or prior contract

Part payment of an overdue debt without new consideration is a preexisting duty

-part payment of an overdue debt disputed in good faith is consideration

-paying before the debt is due is consideration

Exceptions to the Requirement of Consideration

Promissory Estoppel

Modification of a Sale of Goods Contract (UCC)

Waiver of the Statute of Limitations

Model Written Obligations Act (PA)

-written, signed promise

-statement of the intent to be bound