

A man contracted with a personal flight instructor to take 15 flying lessons from her. The lessons were to begin two months from the signing of the contract. One month after the contract was signed, the man died when his car was struck by a drunk driver.

The instructor demanded that the man's estate pay for the 15 lessons. When the estate refused to pay, the instructor sued the estate.

It is undisputed that the instructor was willing and ready to perform her obligations under the contract.

Is the instructor likely to prevail in the action against the estate?

- A. No, because an offer lapses on the death of an offeror or an offeree.
- B. No, because the man's death excused both his and the instructor's performance obligations.
- C. Yes, because the instructor is not at fault for the man's inability to perform.
- D. Yes, because the man's death does not discharge his contractual obligations.

Correct

Collecting Statistics

02 mins, 03 secsTime Spent

2023Version

Explanation:

Ways to discharge contractual obligations

Full performance of contractual obligations

Impossibility, impracticability, or frustration of purpose

Release (in writing only)

Mutual rescission

Substituted contract

Contract or covenant not to sue

Accord & satisfaction

Novation

Mnemonic: **FIRM SCAN**

The occurrence of an **unexpected or extraordinary event** results in the **discharge of both parties' duties** under a contract if:

the event **frustrates the purpose** of the contract to the extent that the event **cannot fairly be regarded** as **within the risks** that the parties **assumed under the contract**

the contract was formed under a basic assumption that the event would *not* occur *and*

neither party was at fault in causing the event to occur.

Here, the man contracted to take flying lessons with the personal flight instructor. However, the man then *unexpectedly* died when he was hit by a drunk driver, so his death frustrated the purpose of the contract. The contract was formed under a basic assumption that the man would be alive to take the lessons, and neither party was at fault in causing his death. As a result, the man's death excused both his and the instructor's performance obligations (**Choice D**). Therefore, the instructor is unlikely to prevail in her action against the man's estate.

(Choice A) An offer does lapse on the death of an offeror or an offeree. However, once an offer has been *accepted* (as seen here), a contract is formed and the lapse of an offer is irrelevant.

(Choice C) Although the instructor is not at fault for the man's inability to perform, his death frustrates the purpose of the contract. As a result, both parties' contractual duties are discharged.

Educational objective:

The occurrence of an unexpected or extraordinary event discharges both parties' contractual duties if (1) the event frustrates the purpose of the contract, (2) the contract

was formed under a basic assumption that the event would not occur, and (3) neither party was at fault in causing the event to occur.

References

Restatement (Second) of Contracts § 265 (Am. Law Inst. 1981) (setting forth the frustration-of-purpose doctrine).

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