



Quiz

Reasonableness and the Prevention Principle in property transactions

1. What did the purchaser seek in bringing litigation in *Mediratta v Clark* (2019) VSC 685?
 - a. A declaration that the purchaser had breached the contract just prior to settlement by failing or refusing to permit an inspection by the purchaser or more particular, by the purchaser's valuer
 - b. A declaration that the vendor had breached the contract by failing, in breach of the implied term, to permit the valuer to inspect the property
 - c. A declaration that the default notice should be set aside
 - d. All of the above
2. What did general condition 22 of the contract provide?
 - a. That the purchaser may inspect the property at any reasonable time during the seven days preceding and including the settlement day
 - b. That the purchaser may inspect the property at any reasonable time during the settlement period
 - c. That the vendor must do everything reasonable to enable the purchaser to have the property inspected for the purposes that include obtaining a report, including a valuation report
 - d. That the sale of the property was conditional on the purchaser obtaining unconditional loan approval

3. What was Associate Justice Derham's finding in relation to general provision 22?
 - a. That the vendor was in breach of its obligations under general provision 22, thus disentitling it from rescinding the contract
 - b. That general provision 22 did not meet the facts of the case because the purchaser was seeking an inspection by the valuer on the settlement and date and was clearly not in a position to settle
 - c. That general provision 22 only allowed for the inspection of the property by the purchaser and did not extend to the purchaser's valuer
 - d. Both B and C
4. What duty was created in the case *Mackay v Dick* (1881) 6 App. Cas. 251 and mentioned by Justice Derham in his decision in this case?
 - a. That the vendor has a duty to allow the purchaser and its nominees inspection of the property in order to assist completion
 - b. That the purchaser has a duty and assumes liability for compliance with any notices or orders relating to property sold which are made or issued on or after the date of sale, but the purchaser shall be entitled to enter onto the property sold at any time prior to the settlement date for the purpose of complying with such notice
 - c. That any party to a contract is under an implied obligation to do all such things as are reasonably required on the part of the party to give the other party the benefit of the contract.
 - d. All of the above
5. What was Justice Derham's findings in relation to unconscionable conduct and the default notice arguments put forward by the purchaser?
 - a. That the conduct of the vendor in refusing access to the property to a valuer and then using that as the basis for the service of a default notice amounted to unconscionability.
 - b. That the default notice was invalid due to ambiguity.
 - c. Both A and B
 - d. Neither A or B

Answers:

1. D 2. A 3. B 4. C 5. D