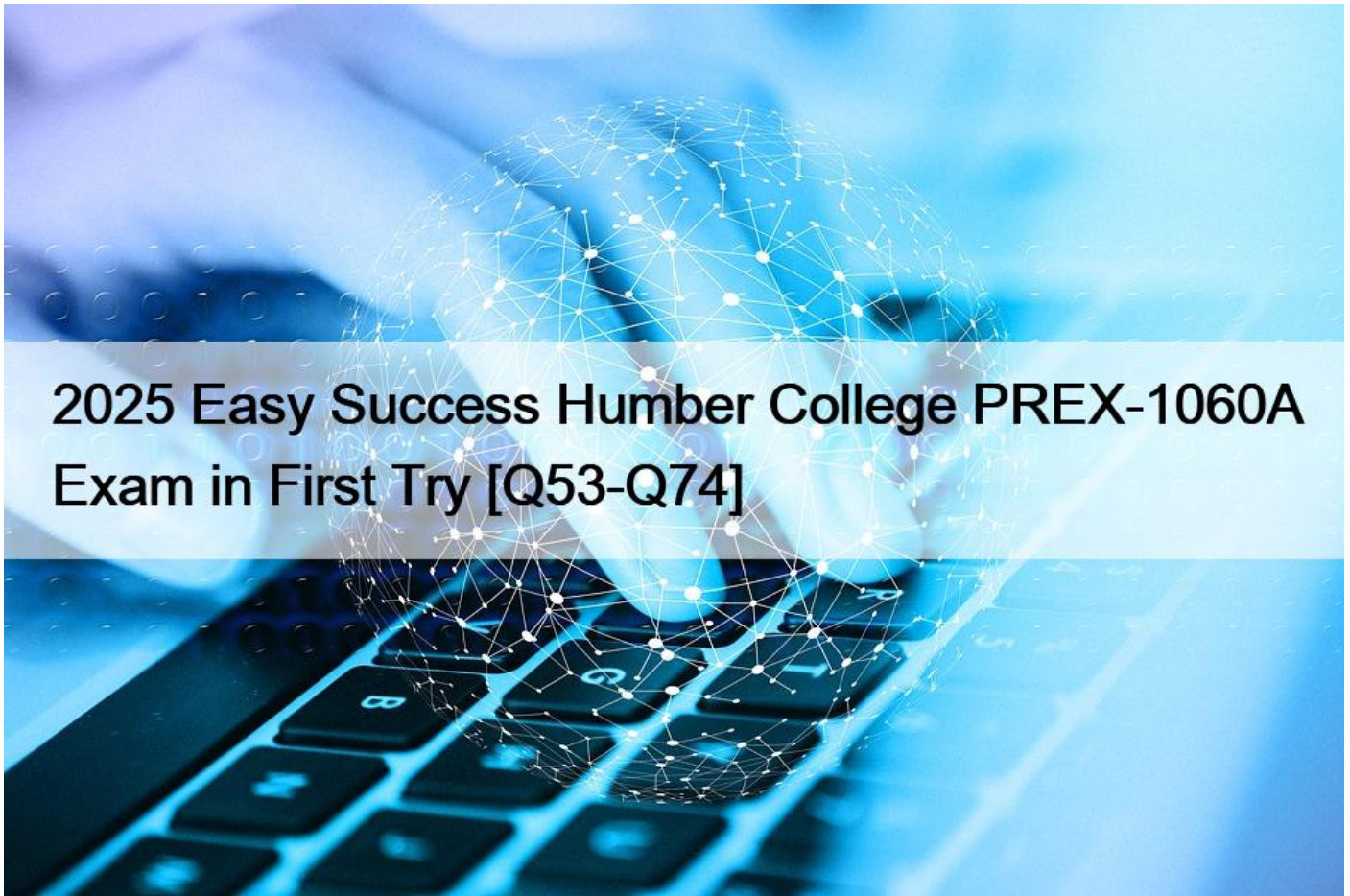


2025 Easy Success Humber College PREX-1060A Exam in First Try [Q53-Q74]



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2025 Easy Success Humber College PREX-1060A Exam in First Try Best PREX-1060A Exam Dumps for the Preparation of Latest Exam Questions QUESTION 53

A salesperson is representing a seller of a pet food store and is preparing the marketing materials. Which of the following is a document the salesperson is required to provide to prospective buyers of the business?

- * A list of customers who have purchased products in the last 60 months or since the business was acquired.
- * A statement of the expenses for the business for the past year or since the business was acquired.
- * A list of equipment, chattels, and fixtures that are included with the business.
- * An income statement for the past 12 months or since the business was acquired.

QUESTION 54

A salesperson sells an office building using the Commercial Agreement of Purchase and Sale along with a schedule that lists all the fixtures, chattels, and rental items of the office building. After closing the real estate transaction, a dispute arises between the seller and the buyer about which chattels, fixtures, and rental items of the office building were to be included and which were to be excluded. Which of the following is NOT an accurate statement regarding the salesperson's actions related to negotiating chattels, fixtures, and rental items?

- * The salesperson should clearly list all rental items and service contracts, as these will not be included in the purchase price of the

real property being purchased.

- * The salesperson should specifically exclude all fixtures that are not a part of the transaction since fixtures are considered a part of the property and are normally included in the purchase price.
- * The salesperson should clearly describe and list the fixtures and chattels in the Agreement of Purchase and Sale and mark each item as an exclusion or inclusion.
- * The salesperson should specifically exclude all chattels that are not a part of the transaction since chattels are considered a part of the property and are normally included in the purchase price.

QUESTION 55

A landlord and a tenant have signed an agreement to lease an office space. Prior to the transaction closing, an unforeseeable event occurs that is not the fault of either party. Which statement about the return of the tenant's deposit is NOT correct?

- * The agreement may contain a clause forfeiting all of the deposit if the landlord has started work on the premises.
- * The parties may need to obtain a court order that clarifies how the deposit will be returned and distributed.
- * The tenant can have the deposit back without signing a mutual release as it is not their fault.
- * The landlord and tenant may agree to split the deposit.

QUESTION 56

Obtaining the size and boundaries of a commercial condominium unit is an important task for a salesperson.

Which of the following statements regarding this task is NOT correct?

- * An Ontario Land Surveyor can be hired to measure the space.
- * Space should be measured in accordance with BOMA standards.
- * An architect can be hired to measure the space.
- * The original plans should be used to determine the size of a unit.

QUESTION 57

Asset sale and share sale are two different ways to sell a business. Which statement describes an asset sale?

- * The buyer replaces the seller as the owner of the corporation.
- * The buyer assumes all assets and accepts all liabilities of the business.
- * The buyer is eligible for tax deductions and benefits by claiming capital cost allowance on depreciable property.
- * The seller benefits from a tax standpoint since any gain to the seller on the sale will be considered under the capital gains tax exemption.

QUESTION 58

While preparing to list a vacant retail site that allows new auto sales, the salesperson sees that there is an auto repair garage business next door with old and rusting metal storage tanks at the side of their building. Which of the following is the correct action for the salesperson to take?

- * The salesperson should attempt to identify signs of contamination on the property and recommend an appropriate third-party expert to the seller client.
- * The salesperson should include the information in the marketing material as it would be beneficial for an auto sales business to have a garage located nearby.
- * The salesperson should ask the owner of the garage for more information and what course of action they recommend to assist a future purchaser of the site.
- * The salesperson should ask the owner of the garage whether they have thought about selling their property at this time.

QUESTION 59

A salesperson is representing a commercial landlord in a lease negotiation. The landlord wants to sign back the offer with a higher rent. What should the salesperson make the landlord aware of regarding the rent increase?

- * The rent increase cannot be higher than the guideline set by the government.
- * The rent increase cannot be more than the Consumer Price Index (CPI).
- * The rent increase can be any amount.
- * The rent increase can be challenged by the Landlord and Tenant Board.

QUESTION 60

A buyer is interested in constructing a retail building and wants to use the most efficient method to save time and money. Which statement is true with regard to tilt-up wall panels and pre-cast panels?

- * Pre-cast panels cost much more than tilt-up panels.
- * Both tilt-up panels and pre-cast panels can lower construction costs.
- * Pre-cast panels are more durable than tilt-up panels.
- * Both tilt-up panels and pre-cast panels are formed off-site.

QUESTION 61

In a commercial transaction, which of the following is NOT a responsibility of the lawyer?

- * Exchange of legal documents
- * Review of financial statements
- * Review of the Agreement of Purchase and Sale
- * Remedy of title issues

QUESTION 62

Which statement about an Environmental Site Assessment (ESA) is NOT correct?

- * All new commercial properties must undergo an ESA before construction begins.
- * An ESA is not required if the buyer is purchasing the industrial property for their own use.
- * No stipulations exist for the third and final phase of an ESA due to its vast and complex nature.
- * The Environmental Protection Act establishes the procedures and requirements for the first two phases of an ESA.

QUESTION 63

The cost approach is one method of real estate evaluation that an appraiser may use to estimate the value of a commercial property. Which of the following is NOT an accurate statement regarding the cost approach?

- * The cost approach is preferred for newer construction properties, as the appraiser would not need to make a subjective estimation of the accrued depreciation of the building.
- * The cost approach is typically used to appraise income-generating properties.
- * The cost approach is preferred for older construction properties, as calculating depreciation on them is fairly straightforward.
- * The cost approach is useful for the appraisal of property types for which sales and income data are scarce, such as industrial and special-purpose properties.

QUESTION 64

A salesperson is representing a buyer client in the purchase of a fully tenanted mixed-use building. The agreement of purchase and sale will be in the name of a corporation owned by the buyer and several other shareholders. Which of the following statements is correct regarding the signing of this agreement of purchase and sale?

- * The general partner of the company must sign and date below the printed name of the limited company.

- * The buyer must sign and date below the printed name of the corporation.
- * An authorized signing officer of the company must sign and date over the words: "I have authority to bind the corporation"; and below the printed registered name.
- * A major shareholder of the company must sign and date over their printed name.

QUESTION 65

Which of the following is a reason why an owner might consider redeveloping an industrial property?

- * The cost of relocating is low.
- * A similar building can be bought at a low price.
- * The existing building no longer provides the highest and best use of the site.
- * A redevelopment will seriously disrupt the current operation.

QUESTION 66

Salespersons are required to verify, wherever they can, information provided by landlords, such as zoning details and permitted uses. A salesperson is helping a major landlord to lease out a big retail mall that involves complex matters. Which of the following does NOT need third-party professional advice?

- * The total area measurements
- * The maximum floor load of every unit
- * The number of sprinklers required in every unit
- * The total remuneration payable for a 20-year lease

QUESTION 67

A salesperson is drafting an offer and discussing with the buyer the steps required for due diligence when purchasing a commercial condominium unit. All of the steps below are included in due diligence, EXCEPT:

- * Create a business plan
- * Gather, organize, and verify all pertinent information
- * Identify third-party professionals
- * Estimate time frames required for due diligence and other offer conditions

QUESTION 68

Established under the Farming and Food Production Protection Act, the Normal Farm Practices Board is composed of members appointed by the Minister of Agriculture, Food and Rural Affairs. Which statement is NOT accurate with regard to the Normal Farm Practices Board?

- * The Board can order farmers to cease practices that cause disturbances if they are not considered to be normal farm practices.
- * The Board can conduct hearings that are heard by a minimum of five board members.
- * The Board can order farmers to modify practices for consistency with normal farm practices.
- * The Board can dismiss complaints if the disturbances are the result of normal farm practices.

QUESTION 69

A salesperson is assisting the buyer of a retail condominium with the due diligence process. What is a leading practice they should recommend to the buyer?

- * Verify if there are any non-competition provisions that need to be satisfied as set out in the condominium rules or bylaws.
- * Ensure there is parking and repair space available for commercial trucks.
- * Confirm that the contract of the condominium property management company has been renewed for at least 10 years.
- * Obtain the existing status certificate from the brokerage to verify all restrictions, including shared premises with other businesses

in the commercial condominium.

QUESTION 70

A buyer is purchasing a farm and all the animals are included in the sale price. The buyer is worried the animals could become infected with disease prior to closing, so the salesperson inserts a clause in the agreement of purchase and sale to address that issue. Which of the following should NOT be included in the clause to protect the buyer?

- * The number of animals based on type, gender, and health; if the number is not the same at closing, the price will be adjusted.
- * A condition requiring a check-up of each animal by a predetermined veterinarian during due diligence.
- * State that the buyer is assuming all animals on an "as is" basis.
- * State that the seller will continue the day-to-day farm operations until closing.

QUESTION 71

A buyer has just been approved for a commercial mortgage to purchase a retail strip plaza. They meet with their salesperson to review the mortgage documents. The buyer expresses concern about possible late payments. Which of the following is an accurate statement about provisions in the commercial mortgage documents regarding late payments?

- * The options for late payments are the same for every lender.
- * Each lender has their own method for dealing with late payments.
- * There are no penalties for late payments in a commercial mortgage.
- * Penalties for late payments will be added to the monthly rent.

QUESTION 72

A buyer client is discussing zoning bylaws of the municipality in relation to an industrial development site with their salesperson. Which of the following is NOT a correct statement with respect to zoning bylaws?

- * Zoning bylaws specify the permitted land uses throughout a municipality.
- * Municipal zoning bylaws overrule all other laws with respect to land uses and issuance of building permits in Ontario.
- * New commercial construction and redevelopment must comply with zoning bylaws.
- * Municipalities have zoning bylaws that divide the city into different land uses or zones.

QUESTION 73

A tenant receives the keys to their new retail space. When the tenant opens the door, they see evidence of a small fire on the walls near the electrical panel. Which of the following is an appropriate recommendation the salesperson could provide to the new tenant?

- * Meet with the property manager, review the lease, and determine a course of action.
- * Repair the damage and deduct the cost from the rent.
- * Contact a lawyer and immediately start a legal action for damages.
- * Terminate the lease and start looking for a new space.

QUESTION 74

A tenant is renting 4,000 square feet of space in a commercial shopping center under a net lease. The base rent is \$20 per square foot per annum, and there is a percentage rent of 5% of gross sales over the base rent. The tenant has annual gross sales of \$1,000,000. The annual expenses are \$10 per square foot. How much annual base rent does the tenant have to pay?

- * \$80,000
- * \$60,000
- * \$120,000
- * \$130,000

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