

**Hilton Resorts Corp. v O'Brien-Kautz**

2024 NY Slip Op 32879(U)

July 25, 2024

Supreme Court, New York County

Docket Number: Index No. 850596/2023

Judge: Francis A. Kahn III

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This opinion is uncorrected and not selected for official publication.



Accordingly, it is

ORDERED and ADJUDGED that the motion for a judgment of foreclosure and sale and to confirm the referee's report is granted; and it is further

ORDERED that the mortgaged property described in the complaint and as described in this judgment, or such part thereof as may be sufficient to discharge the mortgage debt, the expense of sale and the costs of this action as provided in the RPAPL be sold within 180 days of this judgment, in one parcel, at a public auction at the New York County Courthouse located at 60 Centre Street, New York, New York under the direction of **Tom R. Kleinberger, Esq.**, who is appointed Referee for this purpose; and it is further

ORDERED that **PRIOR** to scheduling publication, Plaintiff shall contact the auction part clerk at **sfc-foreclosures@nycourts.gov** and obtain consent to place the matter on the auction calendar and, thereafter, Plaintiff shall upload the notice of sale to NYSCEF at least 21 days before the sale and serve it on the Referee. **IF THE AUCTION IS NOT ON THE CALENDAR, then *the auction will not go forward***; and it is further

ORDERED that after receiving permission from the Auction Part Clerk, the Referee shall give public notice of the time and place of sale in accordance with RPAPL 231(2) in the **Chelsea-Clinton News**; and the referee need not conduct the sale unless plaintiff shall provide the referee with proof of publication of the notice of sale, and if the sale is adjourned due to plaintiff's failure to provide such proof, then said adjournment shall not be considered at the referee's request; and it is further

ORDERED that by accepting this appointment the Referee certifies that she/he is in compliance with Part 36 of the Rules of the Chief Judge (22 NYCRR Part 36), including, but not limited to §36.2 (c) ("Disqualifications from appointment"), and §36.2 (d) ("Limitations on appointments based upon compensation"), and, if the Referee is disqualified from receiving an appointment pursuant to the provisions of that Rule, the Referee shall immediately notify the Appointing Judge; and it is further

ORDERED that the Referee is prohibited from receiving any funds without compliance with Part 36 of the Rules of the Chief Administrative Judge; and it is further

ORDERED that the Referee shall conduct the foreclosure sale only if Plaintiff, its successors and/or assignees or its representatives is present at the sale or the Referee has received a written bid and Terms of Sale from Plaintiff, its successors and/or assigns, or its representatives; and it is further

ORDERED that if the Referee cannot conduct the sale within 180 days of the date of this judgment, plaintiff must make a motion to extend the time to sell the subject property explaining the reasons for the delay; and it is further

ORDERED that at the time of sale the Referee may accept a written bid from the Plaintiff or the Plaintiff's attorney, just as though Plaintiff were physically present to submit said bid; and it is further

ORDERED that the Referee shall accept the highest bid offered by a bidder who shall be identified upon the court record, and shall require that the successful bidder immediately execute Terms of Sale for the purchase of the property, and pay to the Referee in cash, certified check or bank check, ten percent (10%) of the sum bid, unless the successful bidder is Plaintiff, in which case no deposit against the purchase process shall be required and it is further

ORDERED that notwithstanding the previous paragraph, the Referee shall have the right to refuse cash payments and require a bank or certified check from the successful bidder and the Referee shall be entitled to qualify bidders and require bidders to show proof of funds before or during the auction; and it is further

ORDERED that in the event the first successful bidder fails to execute the Terms of Sale or fails to immediately pay the ten percent (10%) deposit as required, the property shall be immediately reoffered at auction on the same day; and it is further

ORDERED the Referee shall deposit the down payment and proceeds of sale, as necessary in an FDIC-insured bank where the Referee has an account for that purpose in accordance with CPLR 2609; and it is further

ORDERED that after the balance of the purchase price is paid or credited and the property is sold, the Referee shall execute a deed to the purchaser in accordance with RPAPL 1353 and the terms of sale (which shall be deemed a binding contract); and it is further

ORDERED that in the event a party other than Plaintiff becomes the purchaser at the sale, the closing of title shall be held no later than 30 days after the date of such sale; and it is further

ORDERED that, pursuant to RPAPL 1353(1), if Plaintiff (or its affiliate as defined in paragraph [a] of subdivision one of section six-1 of the banking law) is the purchaser, the property shall be placed back on the market for sale or other occupancy within 180 days of the execution of the deed of sale or within 90 days of construction, renovation, or rehabilitation of the property, provided that such construction, renovation or rehabilitation proceeded diligently to completion, whichever comes first, provided that this court grants an extension upon a showing of good cause; and it is further

ORDERED that the Referee, after receiving the proceeds of the sale, shall pay (from the proceeds) the taxes, assessments, sewer rents, or water rates, which are, or may become, liens on the property in accordance with their priority according to law with such interest or penalties which may have lawfully accrued thereon to the date of payment; and it is further

ORDERED that the Referee shall deposit the balance of the proceeds from the sale in his or her own name as Referee in an FDIC-insured bank where the Referee has an account for that purpose and shall make the following payments in accordance with RPAPL 1354:

1. The Referee's fees for conducting the sale, which are \$750.00. Plaintiff shall also compensate the Referee in the sum of \$350 for each adjournment or cancellation made on less than two business days' notice unless the Referee caused the delay.
2. All taxes, assessments and water rates that are liens upon the property and monies necessary to redeem the property from any sales for unpaid taxes, assessments or water rates and any other amounts due in accordance with RPAPL 1354(2). The purchaser shall be responsible for interest and penalties accrued *after* the sale. The Referee shall not be responsible for the payment of penalties or fees pursuant to this appointment. The purchaser shall hold the Referee harmless from any such penalties or fees assessed.
3. The expenses of the sale and the advertising expenses as shown on the bills presented and certified by the Referee to be correct, copies of which shall be annexed to the report of sale.

4. The Referee shall also pay to the Plaintiff or its attorneys the following:
- a. Amount Due from the Referee's Report: \$39,662.94, together with interest at note rate from December 5, 2023, until entry of judgment, together with any advances as provided for in the note and mortgage which Plaintiff had made for taxes, insurance, principal, and interest and any other charges due to prior mortgages or to maintain the property pending consummation of the foreclosure sale, not included in the computation upon presentation of receipts for said expenditures to the Referee, and then with interest from the date of entry of this judgment at the statutory rate until the date the deed is transferred.
  - b. Costs and Disbursements: \_\_\_\_\_ (to be filled in by the Clerk) to Plaintiff for costs and disbursements in this action with interest at the statutory judgment rate from the date of entry of this judgment.
  - c. The Court declines to award additional allowance.
5. Surplus monies from the sale shall be paid into Court by the Referee within five days after receipt in accordance with RPAPL 1354(4); and it is further

ORDERED that if Plaintiff is the purchaser of the property, or in the event that the rights of the purchasers at the sale and the terms of sale under this judgment shall be assigned to or be acquired by Plaintiff, and a valid assignment is filed with the Referee, the Referee shall not require Plaintiff to pay in cash the entire amount bid at sale, but shall execute and deliver to Plaintiff or its assignee, a deed or deeds of the property sold upon the payment to said Referee of the amounts specified as 1, 2, and 3 above, and the Referee shall allow Plaintiff to pay the amounts specified in 2 and 3 above when it is recording the deed; that the balance of the bid, after deducting the amounts paid by Plaintiff, shall be applied to the amount due to Plaintiff as specified in 4 above; that Plaintiff shall pay any surplus after applying the balance of the bid to the Referee, who shall deposit it in accordance with 5 above; and it is further

ORDERED that all expenses of recording the Referee's deed, including real property transfer taxes, which is not a lien upon the property at the time of sale, shall be paid by the plaintiff from the sale proceeds; and it is further

ORDERED that Plaintiff may seek to recover a deficiency judgment in accordance with RPAPL 1371 if applicable, and it is further

ORDERED that if the property is sold in one parcel in "as is" physical order and condition, subject to any condition that an inspection of the property would disclose; any facts that an accurate survey of the property would show; any covenants, restrictions, declarations, reservations, easements, right of way, and public utility agreements of record, if any; any building and zoning ordinances of the municipality in which the mortgaged property is located and possible violations of same; any rights of tenants or persons in possession of the subject property; prior liens of record, if any, except those liens addressed in RPAPL 1354, any equity of redemption of the United States of America to redeem the property within 120 days from the date of sale, any rights pursuant to CPLR 317, 2003 and 5015 or any appeal of the underlying action or additional litigation brought by any defendant or its successor or assignee contesting the validity of this foreclosure; and it is further

ORDERED that the purchaser be let into possession of the property upon production in hand of the Referee's Deed or upon personal service of the Referee's deed in accordance with CPLR 308; and it is further

ORDERED that Defendants in this action and persons claiming through them and any person possessing a junior interest in the property after the Notice of Pendency was filed are barred and foreclosed of all right, claim, lien, title, and interest in the property after the sale of the mortgaged property; and it is further

ORDERED that within **14 days** after completing the sale and executing the proper conveyance to the purchaser, the Referee shall file with the clerk a report under oath of the disposition of the proceeds of the sale and upload the report to NYSCEF if it is an e-filed case; and it is further

ORDERED that if the purchaser or purchasers at said sale default upon the bid or terms of sale, the Referee may place the property for resale without prior application to this Court, unless Plaintiff's attorney elects to make such an application, and the deposit of the recalcitrant bidder forfeited and retained by Plaintiff as liquidated damages; and it is further

ORDERED that Plaintiff shall serve a copy of this judgment with notice of entry upon the owner of the equity of redemption, any tenants named in this action, and any other parties entitled to service, including the Referee appointed herein; and it is further

ORDERED that nothing herein shall be deemed to relieve Plaintiff of any obligation imposed by RPAPL 1307 or 1308 to secure and maintain the property until ownership of the property has been transferred and the deed duly recorded; and it is further

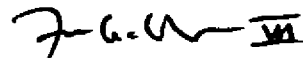
ORDERED that when the Referee files a report of sale, she or he shall also file a Foreclosure Action Surplus Monies Form and also upload this document to NYSCEF if an e-filed case; and it is further

ORDERED that, without further order of the Court, the referee shall be entitled to an additional fee of \$950.00 for conducting and attending a closing with a purchaser other than plaintiff, plus, if such a closing is scheduled for the referee's conference room, then the referee shall be entitled to a reasonable fee for use thereof, without further order of the Court; and it is further identified:

A description of the premises is annexed hereto as schedule A.

7/25/2024

DATE



FRANCIS KAHN, III, A.J.S.C.

**HON. FRANCIS A. KAHN III**  
J.S.C.

CHECK ONE:

CASE DISPOSED

DENIED

NON-FINAL DISPOSITION

GRANTED IN PART

OTHER

APPLICATION:

SETTLE ORDER

SUBMIT ORDER

CHECK IF APPROPRIATE:

INCLUDES TRANSFER/REASSIGN

FIDUCIARY APPOINTMENT

REFERENCE

**EXHIBIT "A"**  
**48<sup>TH</sup> STREET VACATION SUITES**  
**LEGAL DESCRIPTION**  
**FLOATING UNIT/FLOATING TIME USE RIGHTS**

A Vacation Ownership Interest in 48<sup>TH</sup> STREET VACATION SUITES (the "Project") consisting of the following:

An undivided 0.0424631946437561 % fee simple interest in perpetuity, as tenant in common with the Owners of all other Vacation Ownership Interests in and to said Phase I as established by and subject to that certain Declaration of Covenants, Conditions and Restrictions and Vacation Ownership Instrument for 48<sup>th</sup> Street Vacation Suites, dated September 23, 2021, and recorded in the Office of the City Register, City of New York, New York County, New York (the "City Register's Office") on October 21, 2021 as CRFN2021000417251, and all exhibits thereto, as amended from time to time (the "Timeshare Declaration");

Together with and an undivided 0.0424631946437561 % interest in and to the 29.1942% of the Condominium Common Elements, appurtenant to the Condominium Unit known as Timeshare Unit A in The 1248 Condominium (the "Condominium") at the premises located at 12-14 East 48th Street and 13 East 47th Street, County of New York, City and State of New York (the "Building"), designated in the Declaration of Condominium establishing a plan for condominium ownership of the Building and the land upon which the Building is situated (said Building and Land referred to herein as the "Property" or the "Condominium") made by 1248 Associates, LLC, as the declarant thereunder, pursuant to Article 9-B of the Real Property Law of the State of New York dated October 17, 2017, executed January 8, 2019, and recorded January 23, 2019 in the City Register's Office as CRFN 2019000025606, (the "Condominium Declaration".) The Condominium Declaration and the Timeshare Declaration, and all exhibits thereto, as each may be further amended from time to time, are collectively referred to as the "Declarations";

Together with the following:

- a) The recurring right to reserve, use and occupy a STUDIO PREMIER PLUS Suite Configuration on a Floating Unit/Floating Time basis for full week every YEAR during the GOLD Season, in accordance with and subject to, the Declarations, together with the right in common with Owners of all other Suites in the Project to use and enjoy the Common Area of the Project during the Occupancy Period reserved to the aforesaid Vacation Ownership Interest. The Interval Control Number is 85-2702-6-7-;

**and**

- b) Membership in the Hilton Grand Vacations Club.

The Timeshare Unit and the land on which the Building is located is further described as follows:

The Timeshare Unit A is designated and described in the Condominium Declaration, and is also designated and described as Tax Lot 1002 in Block 1283 of the Borough of Manhattan on the Tax Map of the Tax Map Unit of the City of New York (formerly known as the Real Property Assessment Department) and on the floor plans of the Property certified by Frank A. Fusaro, AIA, Architect, on September 25, 2018 and filed with the Tax Map Unit of the City of New York on October 11, 2018, as Condominium Plan Number 2828, and also filed in the City Register's Office on January 23, 2019 as CRFN 2019000025607, (the "Floor Plans").

The Land is more particularly described as follows: ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

\*85LD1\*

BEGINNING at a point on the southerly side of East 48<sup>th</sup> Street, distance 225.00 feet easterly from the corner formed by the intersection of the easterly side of 5<sup>th</sup> Avenue with the southerly side of East 48<sup>th</sup> Street;

RUNNING thence easterly along the southerly side of East 48<sup>th</sup> Street, 50 feet to a point;

THENCE southerly and parallel with 5<sup>th</sup> Avenue, 200 feet 10 inches to a point in the northerly side of East 47<sup>th</sup> Street;

THENCE westerly along the northerly side of East 47<sup>th</sup> Street, 25 feet to a point;

THENCE northerly and parallel with 5<sup>th</sup> Avenue, 100 feet 5 inches to a point;

THENCE westerly parallel with East 47<sup>th</sup> Street and East 48<sup>th</sup> Street, along the center of the block, 25 feet to a point;

THENCE northerly and parallel with 5<sup>th</sup> Avenue, 100 feet 5 inches to the point or place of BEGINNING.