



**Supreme Court of New Zealand
Te Kōti Mana Nui**

29 June 2017

MEDIA RELEASE – FOR IMMEDIATE PUBLICATION

***LAKES INTERNATIONAL GOLF MANAGEMENT LTD AND LAKES
INTERNATIONAL GOLF COURSE LTD v HARTLEY CLENDON
VINCENT***

(SC 99/2016) [2017] NZSC 99

PRESS SUMMARY

This summary is provided to assist in the understanding of the Court’s judgment. It does not comprise part of the reasons for that judgment. The full judgment with reasons is the only authoritative document. The full text of the judgment and reasons can be found at Judicial Decisions of Public Interest www.courtsofnz.govt.nz

The family trust of the respondent, Hartley Vincent, owns one of the residential sections at the Lakes Resort near Pauanui. A covenant is registered against this section requiring the owner to join, remain a member of, and meet all levies imposed by the “Golf Club”. “Golf Club” is defined as meaning “the golf club to be incorporated as an incorporated society to provide for playing rights on the golf course”.

The golf course at the resort is not run by an incorporated society, but rather through a proprietary club set up and controlled by Lakes International Golf Management Ltd, a company associated with Lakes International Golf Course Ltd (which currently owns the resort). The two Lakes International companies maintain that they can enforce the covenant against Mr Vincent and, in particular, may require him to join and remain a member of, and pay levies to the proprietary golf club.

Mr Vincent argues that the covenant cannot be enforced against him by these companies because the proprietary golf club operated by Lakes International Golf Management Ltd is not an incorporated society as required by the covenant.

In the High Court Heath J held the covenant was enforceable by the appellants. Mr Vincent's appeal to the Court of Appeal was successful; it held that the covenant did not require Mr Vincent to become a member of the proprietary golf club.

The Court has unanimously dismissed the appeal.

It discussed the relevance of material extrinsic to the words of the covenant that had been referred to by the Court of Appeal, holding that the material was irrelevant to its interpretation.

The Court held that the covenant had been correctly interpreted by the Court of Appeal. The reference to the golf club in the covenant was not a misdescription of an existing entity. Rather it identified the nature of the entity to be established in the future and to which the obligations under the covenant would attach. That entity was to be an incorporated society, which the proprietary golf club operated by Lakes International Golf Management Ltd is not.

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