
HOSPITALS - MISSISSIPPI

SRHS Ambulatory Services, Inc. v. Pinehaven Group, LLC

Supreme Court of Mississippi - July 21, 2022 - So.3d - 2022 WL 2841696

Nonprofit corporation formed by county-owned community hospital, which entered into purchase agreement for property, filed action against vendor and title insurer, seeking declaration that the purchase of the property was void for lack of ratification by county board of supervisors, benefits under title insurance policy, and damages for title insurer's negligence.

Vendor counterclaimed for declaration of parties' rights under disputed purchase contract. The Circuit Court denied nonprofit's motion for summary judgment and granted vendor's motion for declaratory judgment. Nonprofit appealed.

The Supreme Court held that purchase was valid without ratification by county board of supervisors.

Purchase of property by nonprofit corporation formed by county-owned community hospital was valid without ratification by county board of trustees under statute governing operations of boards of trustee of community hospitals, which mandated owners' approval of real estate transactions when board acquired property; hospital board of trustees was not acquiring the property, hospital's board approved and financed nonprofit's acquisition of the property, nonprofit's board of directors voted to enter into contract with vendor for purchase, hospital board agreed in its meeting minutes to provide financial services to corporation, and hospital board approved in its resolutions the initial price needed to secure the property and the final price to complete the purchase.

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