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SEVEN DEVELOPMENT GROUP	:	IN THE COURT OF COMMON PLEAS
INCORPORATED f/k/a SEVEN DEVELOPMENT	:	BERKS COUNTY, PENNSYLVANIA
GROUP, LLC	:	CIVIL – LAW DIVISION
	:	
Plaintiff,	:	
vs.	:	Docket No. 25-12104
	:	
EXETER TOWNSHIP.,	:	JURY TRIAL DEMANDED
	:	
Defendant	:	

**BRIEF OF PLAINTIFF, SEVEN DEVELOPMENT GROUP INCORPORATED f/k/a  
SEVEN DEVELOPMENT GROUP, LLC IN OPPOSITION TO PRELIMINARY  
OBJECTIONS OF DEFENDANT EXETER TOWNSHIP**

Plaintiff Seven Development Group Incorporated f/k/a Seven Development Group, LLC, (“Seven Development”) by and through its attorneys Alex V. Alfieri, Esquire, and Stock Alfieri, hereby submits this Brief in opposition to Defendant Exeter Township’s Preliminary Objections.

**I. STATEMENT OF QUESTIONS INVOLVED**

- Should this Honorable Court deny Exeter Township’s Preliminary Objection and demur to Count I of the Complaint against Exeter Township as Plaintiff pleaded sufficient facts alleging Exeter Township violated 53 P.S. § 66503?

*Suggested Answer: Yes.*

2. Should this Honorable Court deny Exeter Township's Preliminary Objection and demur to Count I of the Complaint against Exeter Township as there is a private civil cause of action under 53 P.S. § 66503?

*Suggested Answer: Yes.*

3. Should this Honorable Court deny Exeter Township's Preliminary Objection and should not dismiss Count I of the Complaint against Exeter Township, as Plaintiff has legal standing to bring a claim under 53 P.S. § 66503?

*Suggested Answer: Yes.*

4. Should this Honorable Court deny Exeter Township's Preliminary Objection as it relates to a claim of negligence as Plaintiff's First Amended Complaint does not include a Count for negligence which makes Defendant's Preliminary Objection moot?

*Suggested Answer: Yes.*

5. Should this Honorable Court deny Exeter Township's Preliminary Objection and demur to any and all claims against Exeter Township as the Township owed Seven Development a duty to abide by the Second Class Township Code when it put the property located at 3925 Perkiomen Avenue, Township of Exeter, Berks County, Pennsylvania out for bid and requested public bids.

*Suggested Answer: Yes.*

## **II. STATEMENT OF THE CASE**

Plaintiff Seven Development filed its Praecipe for Writ of Summon on July 21, 2025. On August 22, 2025, Defendant filed its Praecipe for Rule to File Complaint. The Office of the Prothonotary then issued a Rule to File Complaint on August 25, 2025 which required Plaintiff to

file a Complaint within twenty (20) days. Plaintiff filed its Complaint in the Court of Common Pleas of Berks County, Pennsylvania on September 12, 2025. Defendant Exeter Township filed its Preliminary Objections to Plaintiff's Complaint on October 2, 2025. Plaintiff's First Amended Complaint was filed on October 16, 2025. On November 5, 2025, Defendant filed its Preliminary Objections to Plaintiff's Amended Complaint.

In 2023, Exeter township put the property known as the "Exeter Promenade" located at 3925 Perkiomen Avenue, Township of Exeter, Berks County, Pennsylvania, identified as Property ID 43532614435099, out for public bid for prospective buyers. Exeter Township advertised the property known as the Exeter Promenade in the Reading Eagle on May 3, 2023. See First Amended Complaint at ¶ 10. This initial advertisement indicated that bids must be received no later than 12:30 p.m. on June 8, 2023 and that the bid award will take place on June 12, 2023. Id. The bidding opened with a purchase price of \$3 million dollars. Id. The dates for bidding on the Exeter Promenade were then extended to July 6, 2023, at 12:30 p.m. and the Bid award was extended to July 10, 2023 according to the Meeting Minutes of Exeter Township dated May 8, 2023. Id. at ¶ 11. Next, the Meeting Minutes of July 10, 2023, under Administrative Paragraph 4, indicate that Exeter Township started bids at \$3 million for the Exeter Promenade. Id. at ¶ 14. On that same date, Exeter Township was actively making decisions on bids. There was a non-conforming bid of \$2 million before the Township. Id. Ultimately the bid was unanimously rejected. Furthermore, there was no mention at the meeting that the bidding had closed. Id.

Next, on July 21, 2023, Dr. Jason Hartman emailed a copy of a Letter of Intent on behalf of Seven Development Group to Larry Piersol and Betsy McBride. See Plaintiff's First Amended Complaint at ¶ 15. That same day, Betsy McBride responded to Dr. Jason Hartman's email and

stated “I am forwarding your offer to Exeter Township Solicitor, J. Chadwick Schnee. There are restrictions to the Township regarding how it can sell real estate such as auction or sealed bids. I will be back in touch. Thank you for sending the LOI to us.” Id. Next, the September 25, 2023 Exeter Township meeting Minutes indicate that a motion was passed to advertise for bids for the sale of the Promenade once again. Id. at ¶ 20-21. Between July 21, 2023, when the Letter of Intent was sent, and September 25, 2023, when a motion was passed to advertise for bids again, Seven Development never heard from Exeter Township despite multiple inquiries into the status of the bid and the Promenade itself. Furthermore, none of the Exeter Township meeting Minutes during that period of time ever mentioned the Letter of Intent that was sent on behalf of Seven Development. Plaintiff was never notified that the bidding was closed. Id. at ¶ 23.

The Exeter Promenade went unaddressed by Exeter Township until 2024. Id. at ¶ 24. The Exeter Township Meeting Minutes of March 11, 2024 state that there was a motion to enter into an agreement with the Berk County Redevelopment Authority for the sale of the Exeter Promenade. Id. at ¶ 25. In addition, the March 11, 2024 Meeting Minutes stated that the property went to bid in 2023 and was unsuccessful at receiving an acceptable bid. Id. This statement is inaccurate as a Letter of Intent was submitted on behalf of Seven Development for an acceptable bid amount of \$3 million dollars on July 21, 2023. Id. at ¶ 26.

### **III. ARGUMENT**

#### **A. Legal Standard**

Preliminary Objections should only be granted where the contested pleading is legally insufficient. Preliminary Objections require the court to resolve the issues solely on the basis of the pleadings; no testimony or other evidence outside of the complaint may be considered to

dispose of the legal issues presented by the demurrer. All material facts set forth in the pleading and all inferences reasonably deducible therefrom must be admitted as true. Caltagirone v. Cephalon, Inc., 2018 PA Super 158, 190 A.3d 596.

**B. PLAINTIFF SEVEN DEVELOPMENT HAS SUFFICIENTLY PLEADED THAT DEFENDANT EXETER TOWNSHIP VIOLATED 53 P.S. § 66503 OF THE SECOND CLASS TOWNSHIP CODE.**

Exeter Township is a second class township and is therefore governed by the Second Class Township Code of Pennsylvania. Section 66503 of the Second Class Township Code provides the process that a second-class township must follow when selling real estate it owns. It provides:

- (a) No real estate owned by the township having a value in excess of six thousand dollars (\$6,000) may be sold except to the highest bidder after due notice by advertisement for bids or advertisement of a public auction in one newspaper of general circulation in the township. The advertisement shall be published once not less than ten days before the date set for the opening of bids or public auction, and the date for opening bids or public auction shall be announced in the advertisement. The award of contracts shall be made only by public announcement at a regular or special meeting of the board of supervisors or at the public auction. All bids shall be accepted on the condition that payment of the purchase price in full shall be made within sixty days of the acceptance of bids. Real estate owned by the township may be sold at a consideration of six thousand dollars (\$6,000) or less without advertisement or competitive bidding only after the board of supervisors estimates the value of the real

estate upon receipt of an appraisal by a qualified real estate appraiser. Prior to selling real estate valued at six thousand dollars (\$6,000) or less without advertisement or competitive bidding, the board of supervisors shall make a public announcement of the board of supervisors' intention to sell the real estate at a regular or special meeting of the board of supervisors at least thirty days prior to the sale.

(b) The board of supervisors may reject all bids if the bids are deemed to be less than the fair market value of the property. In the case of a public auction, the board of supervisors may establish a minimum bid based on the fair market value of the real property.

(b.1) The board of supervisors may sell real property under the act of October 27, 1979 (P.L. 241, No. 78), entitled, as amended, "An act authorizing public subdivisions, municipality authorities and transportation authorities to enter into contracts for the purchase of goods and the sale of real and personal property where no bids received," if no bids are received on real property after proper notices.

53 P.S. § 66503.

Exeter Township was required to comply with the bidding procedures set forth in 53 P.S. § 66503. Section 66503 requires that any real property owned by a Township that is valued over \$6,000.00 be sold after public notice and competitive bidding. 53 P.S. § 66503(a). Furthermore, subsection (b.1) provides that if no bids are received after following the proper procedures such as advertising the property, then the Township may proceed under the Act of October 27, 1979, P.L. 241, No. 78, codified at 73 P.S. §§ 1641.1-1642. Since 53 P.S. § 66503 can trigger the Act of

October 27, 1979, P.L. 241, No. 78, codified at 73 P.S. §§ 1641.1-1642, these statutes should be read together.

73 P.S. § 1641.1. Nonreceipt of bids provides that:

(b) Sale of property. When a political subdivision, municipality authority or transportation authority is required to advertise for bids in order to sell real or personal property and no bids are received, the political subdivision, municipality authority or transportation authority may proceed as follows:

- (1) The political subdivision, municipality authority or transportation authority may advertise for bids a second time.
- (2) If no bids are received within 15 days of the second advertisement, the political subdivision, municipality authority or transportation authority may initiate negotiations for a private sale of property, taking into consideration its fair market value.

73 P.S. § 1641.1.

Reading 73 P.S. §§ 1641.1-1642 together with Section 66503 of the Second Class Township Code requires a Township to advertise, receive, and fairly evaluate all bids before selling or disposing of the real property. Furthermore, a private sale of the property can only take place after no bids are received within 15 days of the second advertisement.

73 P.S. § 1641.1(b)(2). The second advertisement imposed a July 6, 2023 deadline with the award to be issued on July 10, 2023. Plaintiff submitted their LOI on July 21, 2023 thus they were compliant with 73 P.S. § 1641.1 as their bid was sent within 15 days of the advertisement. Here, Exeter Township had notice of Seven Development's bid and

chose to ignore Plaintiff's bid and the aforementioned by conveying the property to the Berks County Redevelopment Authority in violation of 53 P.S. § 66503 and 73 P.S. §§ 1641.1-1642.

Exeter Township advertised the property known as the Exeter Promenade in the Reading Eagle on May 3, 2023. See First Amended Complaint at ¶ 10. This initial advertisement indicated that bids must be received no later than 12:30 p.m. on June 8, 2023 and that the bid award will take place on June 12, 2023. Id. The bidding opened with a purchase price of three million dollars. Id. The dates for bidding on the Exeter Promenade were then extended to July 6, 2023, at 12:30 p.m. and the Bid award was extended to July 10, 2023 according to the Meeting Minutes of Exeter Township dated May 8, 2023. Id. at ¶ 11. Next, the Meeting Minutes of July 10, 2023, under Administrative Paragraph 4, indicate that Exeter Township started bids at \$3 million for the Exeter Promenade. Id. at ¶ 14. On that same date Exeter Township was actively making decisions on bids. There was a non-conforming bid of \$2 million before the Township. Id. Ultimately the bid was unanimously rejected, however, this clearly shows that the Township was still receiving bids for the Exeter Promenade property, even if non-conforming. Defendant argues that because Plaintiff submitted a bid that was non-compliant with the material bidding requirements, that Defendant did not have an obligation to address it. This is simply incorrect as a non-compliant 2 million dollar bid was received by Defendant and the Defendant addressed said bid. Clearly the Defendant chose to address bids that were non-conforming. Furthermore, there was no mention at the meeting that the bidding had closed. Id.

- 1. The Berks County Redevelopment Authority is not a municipality authority and is a local redevelopment authority which is not covered by 53. P.S. § 66503(c).**

Defendant asserts that Exeter Township had the power to sell the Exeter Promenade to the Berks County Redevelopment Authority under section 66503(c). See Defendant's

Preliminary Objections at ¶¶ 56-58. Although section 66503(c) does allow for the conveyance of township-owned real property to municipal authorities, the Berks County Redevelopment Authority is not a municipal authority. Municipal authorities are created under the Municipality Authorities Act, 53 Pa.C.S. § 5601 et seq. The Berks County Redevelopment Authority is a redevelopment authority which was created under the Urban Redevelopment Law, 35 P.S. § 1701 et seq. Section 1704(a) of the Urban Redevelopment Law states “[e]ach such body shall be known as the Redevelopment Authority of the municipality or the county, as the case may be, but shall in no way be deemed to be an instrumentality of such municipality or county, or engaged in the performance of a municipal function.” 35 P.S. § 1704(a). Furthermore, the definition of a municipal authority under the Municipality Authorities Act is “[t]he body or board authorized by law to enact ordinances or adopt resolutions for the particular municipality.” 53 P.a.C.S. § 5602.

There is no exception under 66503(c) that allows for conveyances of property to a Redevelopment Authority. Carbo v. Redstone Township illustrates this rationale. In Carbo, the issue was whether Redstone Township could convey real property to the Township’s Sewer Authority to avoid Section 1503’s public notice and bidding requirements. Carbo v. Redstone Twp., 960 A.2d 899, 903 (Pa. Cmwlth. 2008). The Court held that “the trial court properly held Section 1503 of the Township Code authorized Township’s conveyance of the Subject Property to Sewer Authority without public notice and bidding. 53 P.S. § 66503. In turn, the Municipalities Authorities Act authorized Sewer Authority to acquire the Subject Property from Township.” Id. at 904. Furthermore, “Sewer Authority exists pursuant to the Municipalities Authorities Act, 53 Pa. C.S. §§ 5601-5623.” Id. at 903. In the present case, the Berks County Redevelopment Authority does not exist pursuant to the Municipalities Authorities Act, it exists pursuant to the Urban Redevelopment Law. Therefore, the Berks County Redevelopment

Authority is not a municipality authority and does not fit the exception that Defendant relies on under section 66503(c).

**2. The Township is precluded from proceeding under 53 P.S. § 66503(c) after it chose to proceed in accordance with section (a) and (b.1) of Section 66503.**

The factual allegations as pled in Plaintiff's Amended Complaint, taken as true, show that the Township did not act in accordance with the requirements set forth in 53 P.S. § 66503(a). Townships have a duty to follow the Code. Greater Fourth St. Assocs. v. Smithfield Twp., 816 A.2d 388, 393 (Pa. Cmwlth. 2003). When Exeter Township voted to proceed with the bidding process laid out in Section 66503, they were required to follow the language of the statute. By Exeter Township advertising the property and putting the property out for bid clearly demonstrates their intention to dispose of the property pursuant to Section 66503(a) of the Second class Township Code.

The Township passed a motion on September 25, 2023, to advertise for bids for sale of the Promenade once again. See Plaintiff's First Amended Complaint at ¶ 21. At that point, Seven Development's Letter of Intent should have been addressed. In addition, emails were sent by the Plaintiff on August 20, 2023, and on September 15, 2023 requesting an update on Plaintiff's bid consideration and the Promenade itself. Id. at ¶ 22. These communications went unanswered until August 12, 2024. Id. When the Township put the Promenade out for a second round of bidding, they were on notice that there was a bid before them that satisfied the minimum bidding requirement. Although the bidding window was open and the Township had Plaintiff's bid in their possession, the Township completely disregarded and ignored Plaintiff's bid and Letter of Intent. By ignoring Plaintiff's bid as if it was not submitted and/or received, it gave the Township the opportunity to convey the property to the Berks County Redevelopment Authority all while violating Section 66503 and Section 1641.1.

Section 66503(b.1) states that the board of Supervisors may sell real property under section 1641.1 if no bids are received after proper notices are given. 53 P.S. § 66503(b.1). Even if it was determined that no bids were received, 73 P.S. § 1641.1(b)(1) says the political subdivision, municipality authority or transportation authority may advertise for bids a second time. 73 P.S. § 1641.1(b)(1). The Township passed a motion to advertise for bids the Promenade again on September 25, 2023. See Plaintiff's First Amended Complaint at ¶ 21. Section 1641.1(b)(2) then lays out the Township's option to initiate negotiations for a private sale of the property. 73 P.S. § 1641.1(b)(2). However, this is only allowed if no bids are received within 15 days of the second advertisement. Id. Not only did the Township not place a second advertisement for bids after passing a motion to do so, but they also already had in their possession the bid from Plaintiff that conformed with the minimum bid requirement. Despite having Plaintiff's bid, the Township chose to ignore it.

Lastly, 73 P.S. § 1642 provides "[t]he provisions of this act shall apply only when such political subdivision, municipality authority or transportation authority has complied with the provisions of law as to advertising for bids and no bids were submitted." There are numerous ways in which the Township did not comply with Section 66503 or Section 1641.1. The Township did not advertise for bids again after a motion was passed by the Township to do so. Furthermore, they disregarded and ignored a bid that was conforming to the minimum bid requirement. The Township then conveyed the property to the Berks County Redevelopment Authority despite not following the bidding and advertisement process. The facts of the case show that Exeter Township had no regard for any of the statutes listed above and wanted to unilaterally do things their way without following proper procedure or considering Plaintiff's bid.

**C. PLAINTIFF HAS A PRIVATE CAUSE OF ACTION AGAINST THE DEFENDANT BECAUSE A TOWNSHIP MAY BE SUED.**

55 P.S. §66501 sets forth that, any township may sue and be sued. 53 P.S. § 66501. Section 66501 of the Second Class Township Code does not differentiate who may sue a township, it simply states that any township may be sued. Defendant argues that when determining if there is a private cause of action, the main focus should be on the legislative intent. See Defendant’s Brief in Support of Exeter Township’s Preliminary Objections to Plaintiff’s First Amended Complaint at 18. Here, it should be clear that the legislature’s intent was not to preclude a private cause of action under the Second Class Township Code. If they wanted to restrict private causes of action under the Second Class Township Code, they simply would have included language that would have done so. Viewing the language of 55 P.S. §66501, “[a]ny township may sue or be sued” it should be concluded that the legislature did not intend to restrict private causes of action under the Second Class Township Code.

Furthermore, a private cause of action under the Second Class Township code is not without precedent. In Greater Fourth Street Associates v. Smithfield Township, Greater Fourth Street Associates, Inc. was a corporation that sued Smithfield Township for conveying real property to STEDCO who then sold the property without following the proper bidding procedures. Greater Fourth St. Assocs. v. Smithfield Twp., 816 A.2d 388 (Pa. Cmwlth. 2003). The Court there found that there was a violation of the same section of the code that is at issue here. “Consequently, we agree that the transaction at issue violates Section 1503(a) of the Code and must be set aside.” Id. The Defendant fails to cite any case law which would preclude a private cause of action under 55 P.S. §66503. Rather, this Court should turn to Greater Fourth St. Assocs. v. Smithfield Twp and determine that there is a private cause of action under 53 P.S. § 66503.

**D. PLAINTIFF HAS STANDING BECAUSE SEVEN DEVELOPMENT HAS A DIRECT INTEREST IN THE BIDDING PROCESS OF THE EXETER PROMENADE AND ITS INTEREST IS SUBSTANTIAL, DIRECT AND IMMEDIATE AND IT ADDITIONALLY HAS TAXPAYER STANDING.**

Standing is a jurisdiction requirement that allows courts to decide on actual controversies brought by parties. In Pennsylvania, to have standing, a party must have a direct interest in the subject-matter of the particular litigation. Wm. Penn Parking Garage, Inc. v. Pittsburgh, 464 Pa. 168, 346 A.2d 269 (1975). The party's interest must also be immediate and pecuniary and not a remote consequence of the judgment. Id. It is established law "that to have standing, a party must (a) have a substantial interest in the subject-matter of the litigation; (b) the interest must be direct; and (c) the interest must be immediate and not a remote consequence." S. Whitehall Twp. Police Serv. v. S. Whitehall Twp., 521 Pa. 82, 555 A.2d 793, 795 (1989). "A 'substantial' interest is an interest in the outcome of the litigation which surpasses the common interest of all citizens in procuring obedience to the law." Id. "A 'direct' interest requires a showing that the matter complained of caused harm to the party's interest." Id. "An 'immediate' interest involves the nature of the causal connection between the action complained of and the injury to the party challenging it." Id.

Seven Development has a substantial, direct and immediate interest in the disposition of the Exeter Promenade. Exeter Township established a minimum bid of \$3 million dollars which initiated a bidding process that invited qualified bidders under the Second Class Township Code Section 66503(a). During this process, Seven Development submitted a bid of \$3 million dollars which satisfied the minimum bid requirement. By submission of said bid by Plaintiff, this created an interest in having its bid considered in accordance with governing law and the Township's procedures, which Exeter Township failed to follow.

Seven Development's interest is substantial because it relates to a significant financial investment. Seven Development's substantial interest in the outcome of the litigation which surpasses the common interest of all citizens because they submitted a bid that satisfied the minimum bid requirement. A Township disposing or conveying a property with a minimum value of \$3 million dollars is a substantial interest to all parties involved in the bidding process, particularly Seven Development because they submitted a bid that satisfied that \$3 million dollar minimum. By the Township ignoring Plaintiff's bid, Plaintiff was unlawfully deprived of the ability to purchase the Promenade at the \$3 million dollar purchase price. Furthermore, Seven Development invested time, capital and other resources in preparing a qualifying bid and relying on the Township to fairly evaluate and acknowledge said bid. The Township disregarded section 66503 of the Second Class Township code by not reviewing or acknowledging Plaintiff's bid and then conveyed the property to the Berks County Redevelopment Authority, which is not a municipal authority and does not satisfy the exception under 66503(c). Exeter Township impaired Plaintiff's ability to acquire the Promenade by violating the Second Class Township Code and not following the proper procedures. Thus, depriving Plaintiff of an ability to engage in the bidding process.

Seven Development's interest is direct. When the Township disregarded the bidding requirements set forth in the Second Class Township Code by ignoring Plaintiff's bid and then conveying the property to the Berks County Redevelopment Authority, Plaintiff's interest in the bidding process and the subject property was directly impacted. The harm that Seven Development suffered was a direct result of Exeter Township refusing to consider Plaintiff's bid and proceeding to convey the property in violation of the bidding requirements as previously stated. But for the actions of the Township, Seven Development would have had a fair

opportunity to purchase the Exeter Promenade. There is a direct causal link between the Township violating section 66503 of the Second Class Township Code and the harm that Seven Development suffered.

Next, Seven Development's interest and harm suffered was immediate. When Exeter Township bypassed the bidding process and conveyed the property to the Berks County Redevelopment Authority, Seven Development suffered immediate harm. By conveying the property, Seven Development lost all chance at acquiring the Exeter Promenade through the bidding process and for the 3 million dollar purchase price.

By advertising the property and soliciting offers, and addressing non-conforming offers, the Township created an expectation that submitted bids, particularly the bid of the Plaintiff, which satisfied the minimum bid requirement, was going to receive fair consideration by the Township. Seven Development submitted a satisfactory bid and had a substantial, direct and immediate interest in the Exeter Promenade. Exeter Township's unilateral decision to convey the property outside of the bidding process caused a substantial, direct and immediate harm to the Plaintiff thus giving Plaintiff standing to bring the within cause of action.

**1. Seven Development has taxpayer standing as its Governor, Kevin Orman, owns property and pays taxes to Exeter Township.**

Not only does Seven Development have a substantial, direct and immediate interest in the subject matter of this litigation, but it also has taxpayer standing. "In Pennsylvania, a taxpayer of a contracting jurisdiction who is also a disappointed bidder has standing to enjoin the award of a public contract." C.O. Falter Constr. Corp. v. Towanda Mun. Auth., 149 Pa. Commw. 74, 77 (1992). As the Governor, principal agent and shareholder of Seven Development, Kevin Orman owns property and pays taxes to Exeter Township and therefore Seven Development qualifies for taxpayer standing.

“[A]lthough many reasons have been advanced for granting standing to taxpayers, the fundamental reason for granting standing is simply that otherwise a large body of governmental activity would be unchallenged in the courts.” In re Application of Biester, 487 Pa. 438, 409 A.2d 848 (Pa. 1979). Here, if Defendant’s argument is accepted and Seven Development were denied standing, Exeter Township would essentially be immune from suit as it pertains to unilateral conveyances of publicly owned real property.

**E. AS TO DEFENDANT’S PRELIMINARY OBJECTION TO A NEGLIGENCE CLAIM, THIS POINT IS MOOT AS THE NEGLIGENCE CLAIM WAS WITHDRAWN FROM THE COMPLAINT AND NOT INCLUDED IN PLAINTIFF’S FIRST AMENDED COMPLAINT.**

As to Exeter Township’s Preliminary Objection that pertains to a claim for negligence, Plaintiff removed its Count of negligence against Defendant in its First Amended Complaint. See First Amended Complaint, generally. Therefore, Plaintiff is not asserting a claim for negligence and as a result, Defendant’s preliminary objection relating to negligence should be dismissed as moot.

**F. DEFENDANT OWED PLAINTIFF A DUTY TO FOLLOW THE PROCEDURES LAID OUT IN 53 P.S. § 66503.**

Exeter Township owed a duty to Plaintiff to follow the requisite procedures laid out in 53 P.S. section 66503 when it engaged in the bidding process. The competitive bidding requirements for the sale of real property are statutorily mandated. Carbo v. Redstone Twp., 960 A.2d 899 (Pa. Cmwlth. 2008). Exeter Township had a duty to comply with 53 P.S. § 66503 of the Second Class Township Code as it was statutorily mandated to do so. Competitive bidding requirements for the sale of real property are statutorily mandated to protect against favoritism, improvidence, fraud and corruption in the awarding of public contracts. Id. Here, allowing Exeter Township to avoid

the bidding process it had already engaged with would completely frustrate the entire purpose of 53 P.S. § 66503's bidding process and requirements. "It also bears mentioning that public officers, such as the supervisors, are fiduciaries and, when dealing with public property, must act with the 'utmost good faith, fidelity and integrity.'" Greater Fourth St. Assocs. v. Smithfield Twp., 816 A.2d 388, 392 (Pa. Cmwlth. 2003). (quoting *Heilig Bros. v. Kohler*, 366 Pa. 72, 77-78, 76 A.2d 613, 616, 43 Mun. L. Rep. 65 (1950)). Here, Exeter Township and its supervisors were acting as fiduciaries when they advertised the Exeter Promenade and put it up for bid.

"Nonetheless, such motives do not relieve the Township of its duty to follow the code." Greater Fourth St. Assocs. v. Smithfield Twp., 816 A.2d 388, 393 (Pa. Cmwlth. 2003). By Defendant placing the Promenade out for public bid, this created a duty to comply with the statutorily-mandated Second Class Township Code and specifically 53 P.S. § 66503(a). This duty extended to Seven Development as it submitted a bid to Exeter Township. Notably, at the August 12, 2024 township meeting, it was stated that "When the Township put the parcel out for bid ages ago, no bids were received by the deadline that met the minimum threshold at that time. Accordingly, the Township did not sell the Promenade at that time. As a Second Class Township Code prohibits the Township from engaging in a direct sale (which is why the Township went through the bidding process the first time around), the Township partnered with the County RDA earlier this year to help assist with a potential sale because the Township is permitted under the Code to directly sell a property to a redevelopment authority. To the extent that you still have an interest in potentially purchasing the property, I would suggest contacting the County RDA" ¶31 Plaintiff's Amended Complaint. Therefore, Exeter Township owed a duty to Seven Development to comply with the Second Class Township Code and to consider Plaintiff's bid.

#### IV. CONCLUSION

For the reasons stated above, Plaintiff, Seven Development Group Incorporated, respectfully requests that this Honorable Court deny and dismiss Defendant, Exeter Township's preliminary objections.

Respectfully submitted,

**STOCK ALFIERI**

Date: 11/25/25

By:



Alex V. Alfieri, Esquire  
*Attorneys for Plaintiff*