

SALE AND PURCHASE AGREEMENT

(Hassan/Wicht, Jr.)

THIS SALE AND PURCHASE AGREEMENT (this "Agreement") is made as of January 16, 2006 (the "Effective Date"), by and between JOHN WICHT, JR. and DENELLE WICHT (collectively hereinafter referred to as "Seller"), and THE BEARD GROUP, INC., a Minnesota corporation ("Buyer"). In consideration of the mutual promises made in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer hereby agree as follows:

1.) Sale of Property. Seller shall sell and Buyer shall buy that certain real property located in Hassan Township (the "Township"), Hennepin County, Minnesota, consisting of approximately 252.98 acres and legally described on Exhibit 1 attached hereto (the "Property").

2.) Purchase Price and Manner of Payment. The total purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be calculated as follows: the total number of gross acres, including rights-of-way, wetlands and easement areas (as determined by a registered surveyor by survey obtained by Buyer), multiplied by \$64,044.17. The Purchase Price shall be paid as follows:

(a) \$50,000.00 as earnest money ("Initial Deposit"), which shall be paid by Buyer to Seller on or before March 10, 2006;

(b) \$25,000.00 as earnest money ("Second Deposit"), which shall be paid by Buyer to Seller on or before April 10, 2006;

(c) \$25,000.00 as earnest money ("Third Deposit"), which shall be paid by Buyer to Seller on or before May 10, 2006; and

(d) The balance to be paid at the Closing (as defined in Section 6 hereof) in cash or by wire transfer of U.S. Federal Funds on the Closing Date.

The Initial Deposit, Second Deposit and Third Deposit shall collectively hereinafter be referred to as the "Earnest Money." The Earnest Money shall be credited toward the Purchase Price at the Closing. The Earnest Money shall only be refundable to Buyer if Seller refuses to: (i) timely close; (ii) deliver marketable title; or (iii) fulfill their obligations under this Agreement.

3.) Conditions. The obligations of Buyer under this Agreement are conditioned upon satisfaction or waiver by Buyer of the following by the respective dates indicated:

(a) Representations and Warranties. The representations and warranties of Seller contained in this Agreement will be true now and on the Closing Date as if made on the Closing Date;

(b) Title. Title shall have been found or made acceptable by Buyer (subject to the permitted encumbrances, such as current zoning and easements), in its sole discretion, by Closing;

(c) Performance of Seller's Obligations. Seller shall have performed all of its obligations under this Agreement, as and when required.

(d) Environmental. Buyer shall have determined by within sixty (60) days of the Effective Date that it is satisfied with the results of hazardous waste and environmental reviews, inspections and studies.

(e) Feasibility. Buyer shall have determined by the Closing that it is satisfied with the results of soil tests, engineering inspections, feasibility tests and studies, code and other legal compliance analyses and other tests and inspections, evaluations, assessments, surveys and reviews of the Property. Buyer shall promptly pay the charges for any such studies and investigations commissioned by Buyer and shall also restore the Property to the extent reasonable.

If any condition set forth in this Section 3 has not been satisfied or waived by Buyer before its respective date, then Buyer may terminate this Agreement at any time on or before the Closing Date and neither Seller nor Buyer shall have any further rights or obligations under this Agreement. Seller and Buyer specifically state and acknowledge that all of the conditions set forth in this Agreement are for the sole and exclusive benefit of Buyer, and Buyer shall have the unilateral right to waive any condition by notice to Seller.

4.) Additional Covenants of Seller. Seller covenants and agrees as follows:

(a) Seller shall allow Buyer and Buyer's agents access to the Real Property without charge and at all reasonable times for the purpose of investigation and testing. Buyer must notify Seller 48 hours in advance prior to entering the Property.

(b) Seller shall reasonably cooperate in Buyer's attempts to obtain all governmental approvals and permits necessary or desirable in Buyer's judgment in order to allow lawful development and use of the Property for the Proposed Use. Seller shall execute such applications, plats, and other documents as may be requested in order to obtain such approvals and issue such permits.

5.) Closing. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on or before July 30, 2006 (the "Closing Date").

(a) Seller's Closing Documents. On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, the "Seller's Closing Documents"):

- (1) Warranty Deed. A standard form warranty deed conveying fee simple title to the Real Property to Buyer, free and clear of all encumbrances except the permitted encumbrances, such as current zoning and easements and covenants, restrictions of record, if any, that existed as of the Effective Date;

- (2) Other Documents. All other documents reasonably determined by Buyer to be necessary to transfer the Property to Buyer free and clear of all encumbrances.
- (b) Buyer's Closing Documents. On the Closing Date, Buyer will execute and/or deliver the following (collectively, "Buyer's Closing Documents"):
 - (1) Purchase Price. The cash payment required by Section 2(d) hereof; and
 - (2) Title Documents. Affidavits of Buyer as may be required by the Title Insurer to record the Seller's Closing Documents and issue the Title Policy.
- 6.) Prorations. Seller and Buyer shall make the following prorations and allocations of taxes, assessments, rents, costs, and other expenses at Closing:
 - (a) Title Insurance and Closing Fee. Buyer shall pay the cost of the issuance of a title commitment and title insurance premium. Buyer and Seller shall each pay the standard closing fee or charge imposed by the Title Insurer.
 - (b) Deed Tax. Seller shall pay all state deed tax due on the warranty deed.
 - (c) Real Estate Taxes and Special Assessments. Seller shall pay all general real estate taxes ("Taxes") payable as of the Effective Date and all prior years. Seller and Buyer shall prorate the Taxes payable and all special assessments levied, "pending," or constituting a lien against the Real Property as of the Effective Date based upon the calendar year. Buyer shall pay any proposed or future special assessments that are not levied or pending as of the Effective Date. Seller shall be responsible for payment of any deferred Taxes or deferred Assessments, such as "green acres" taxes.
 - (d) Recording Costs. Seller shall pay the cost of recording all documents necessary to place record title in Seller. Buyer will pay the cost of recording all other documents, including the Warranty Deed.
- 7.) Representations, Warranties and Indemnity by Seller. Seller represents and warrants to Buyer as follows:
 - (a) Authority. Seller has the requisite authority to execute this Agreement.
 - (b) Title to Real Property. Seller owns the Real Property, free and clear of all encumbrances.
 - (c) Environmental Laws. To the best of Seller's knowledge, no toxic or hazardous substances or wastes, pollutants, or contaminants have been generated, treated, stored, released, or disposed of, or otherwise placed, deposited in, or located on the Property.
 - (d) Wells and Septic. Seller shall provide Buyer with private septic system and well disclosure statement prior to closing.

(e) Rights of Others to Purchase Property. Seller has not executed any other contracts for the sale of the Property, and there are no existing rights of first refusal or options to purchase the Property or any other rights of others that might prevent the consummation of this Agreement.

(f) Confirmation of Representations. No statement contained in this Agreement contains any untrue statement of any material fact. There are no conditions, facts or circumstances that are not expressly and fully disclosed in this Agreement that would reduce the value of the Property.

8.) Representations by Buyer. Buyer represents and warrants that Buyer is duly organized and in good standing under the laws of the State of Minnesota, has the authority to execute this Agreement and any Buyer's Closing Documents signed by it and the execution, delivery, and performance by Buyer of such closing documents does not conflict with Buyer's organizational documents.

9.) Condemnation. If, prior to the Closing Date, any governmental entity commences any eminent domain proceedings ("Proceedings") against all or any part of the Property, Seller shall immediately give notice to Buyer, and, at Buyer's option, this Agreement shall terminate, in which event the Escrow Agent shall return the Earnest Money, which has not been previously released to Seller, to Buyer. Upon such return, neither Seller nor Buyer shall have any further rights or obligations under this Agreement. If Buyer does not terminate this Agreement, then there shall be no reduction in the Purchase Price, and Seller shall assign to Buyer at the Closing Date all of Seller's right in and to any award made or to be made in the Proceedings.

10.) Removal of Personal Property. Seller shall, at Seller's sole cost and expense, and prior to the Closing, remove any of his personal property from the Property. Seller shall not be responsible to remove any debris from the property and Buyer accepts the condition of the property in its "as is" condition.

11.) Confidentiality. Seller, Seller's counsel and Seller's agents agree to maintain confidentiality with respect to the terms and conditions of this Agreement.

12.) Further Assurances. Seller shall cooperate with all of Buyer's applications for governmental approvals. Said cooperation includes, but is not limited to, execution all applications by Seller, if needed.

13.) Broker's Commissions. If the transaction contemplated by this Agreement is closed within the time and in the manner contemplated hereby, Seller shall pay all real estate commissions owed to any brokers, including but not limited to CB Richard Ellis, Legacy Marketing, Inc. and Edina Realty. Seller shall indemnify and hold Buyer harmless against all claims, damages, costs, or expenses of or for any fees or commissions resulting from the execution or performance of this Agreement, and shall pay all costs of defending any legal action brought against the Buyer to recover any such fees or commissions, including reasonable attorneys' fees.

14.) Notices. Any notice required or permitted to be given hereunder will be properly given in accordance with this Agreement, if it is mailed, by United States certified mail, return receipt

requested, postage prepaid; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Seller: Mr. and Mrs. John Wicht, Jr.
17515 Territorial Road
Osseo, Minnesota 55369
(763) 420-6100
john@thunderbullets.com

Copy to: John J. Berglund
Berglund & Baumgartner, Ltd.
2140 Fourth Avenue North
Anoka, Minnesota 55303
(763) 427-5950
johnberglund@berglund-law.net

If to Buyer: The Beard Group, Inc.
750 2nd Street NE, Suite 100
Hopkins, Minnesota 55343
Attention: Thomas A. Gump

Notice shall be effective, and the time for response to any notice by the other party shall commence to run, one (1) business day after any such deposit. Either Seller or Buyer may change its address for the service of notice by giving notice of such change to the other party, in any manner above specified, ten (10) days prior to the effective date of such change.

15.) Captions. The Section and paragraph headings or captions appearing in this Agreement are for convenience only and are not a part of this Agreement.

16.) Entire Agreement; Modification. This written Agreement constitutes the complete agreement between Seller and Buyer and supersedes any prior oral or written agreements between them regarding the Property.

17.) Binding Effect. This Agreement binds and benefits the Seller and Buyer and their respective successors and assigns.

18.) Controlling Law. This Agreement has been made under, and will be interpreted and controlled by, the laws of the State of Minnesota.

19.) Remedies. Time is of the essence of this Agreement. If Buyer defaults, Seller's sole right will be to terminate this Agreement (under Minn. Stat. Sec. 559.21) and to obtain the Earnest Money as liquidated damages, and Buyer will not be liable for damages or specific performance. If Seller defaults in performance of its obligations under this Agreement, Buyer may seek and recover from Seller damages for specific performance of this Agreement, so long as the suit for same is brought within six (6) months of the alleged default.

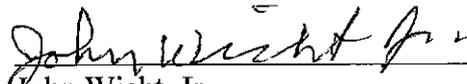
20.) Assignment. Buyer may assign its rights under this Agreement, without the prior consent of the Seller, before or after the Closing.

21.) Deferred Exchange. Either party may decide that the contemplated transaction will be part of an exchange transaction that complies with and qualifies under Section 1031 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The parties agree to cooperate with each other to effectuate such a Section 1031 exchange.

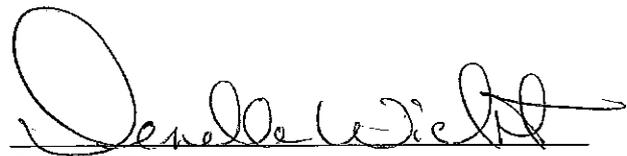
22.) Purchase of John Wicht, III's Property. If the transaction contemplated by this Agreement is closed within the time and in the manner contemplated hereby, Buyer shall be obligated to purchase the 39.95-acre Hassan Township Property, identified by Hennepin County Property Identification Number: 36-120-23-33-0001; pursuant to the terms of that certain Letter of Intent, dated January 17, 2006, by and among Buyer and John Wicht, III and JoEllyn Wicht. That is, Sellers obligation under this Purchase Agreement to sell the property to Buyer is specifically contingent upon Buyer purchasing the 39.95 acre Hassan Township property identified above pursuant to the terms of that certain Letter of Intent dated January 17, 2006, by and among Buyer and John Wicht, III, and JoEllyn Wicht.

Seller and Buyer have executed this Agreement as of the date set forth on page 1 hereof.

SELLER:



John Wicht, Jr.



Denelle Wicht

BUYER:
THE BEARD GROUP, INC.

By: 

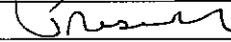
Its: 

EXHIBIT 1
to
SALE AND PURCHASE AGREEMENT

Legal description of Land:

Parcel A:

The East Half of the Southeast Quarter; the Northwest Quarter of the Southeast Quarter; and the Southeast Quarter of the Northeast Quarter, all in Section 36, Township 120, Range 23, Except that part of said Southeast Quarter of the Northeast Quarter described as follows: Commencing at the Southeast corner of said Southeast Quarter of the Northeast Quarter; thence northerly along the East line thereof a distance of 465.0 feet to the actual point of beginning of the tract to be described; thence continue northerly along said East line a distance of 210.0 feet; thence westerly deflecting to the left 90 degrees a distance of 265.0 feet; thence southerly deflecting to the left 90 degrees a distance of 210.0 feet; thence easterly deflecting to the left 90 degrees a distance of 265.0 feet to the point of beginning, and also Except that part thereof acquired by the State of Minnesota in the Final Certificate dated April 12, 1974, recorded May 28, 1976 in the office of the Hennepin County Recorder as Doc. No. 4209521.

Parcel B:

The Northeast Quarter of the Southwest Quarter; the South Half of the Southwest Quarter of the Northeast Quarter; and the Southeast Quarter of the Northwest Quarter, all in Section 36, Township 120, Range 23.

Property Identification Numbers: 36-120-23-24-0001; 36-120-23-41-0002