

BROADWIND ENERGY, INC.

FORM 10KSB (Annual Report (Small Business Issuers))

Filed 05/11/06 for the Period Ending 12/31/05

Address	3240 S. CENTRAL AVENUE CICERO, IL 60804
Telephone	708-780-4800
CIK	0001120370
Symbol	BWEN
SIC Code	3360 - Nonferrous Foundries (castings)
Industry	Misc. Capital Goods
Sector	Capital Goods
Fiscal Year	12/31

TOWER TECH HOLDINGS INC.

FORM 10KSB

(Annual Report (Small Business Issuers))

Filed 5/11/2006 For Period Ending 12/31/2005

Address	980 MARITIME DRIVE SUITE 6 MANITOWOC, Wisconsin 54220
Telephone	(920) 684-5531
CIK	0001120370
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 2005

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 0-31313

TOWER TECH HOLDINGS INC.
(Name of small business issuer in its charter)

NEVADA 88-0409160
(State or other jurisdiction of (I.R.S. Employer Identification No.))

incorporation or organization)

980 MARITIME DRIVE, SUITE 6, MANITOWOC, WISCONSIN 54220
(Address of principal executive offices) (Zip Code)

Issuer's telephone number: (920) 684-5531

Securities registered under Section 12(b) of the Exchange Act: NONE

Securities registered under Section 12(g) of the Exchange Act:
COMMON STOCK, \$0.001 PAR VALUE
(Title of class)

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

State issuer's revenues for its most recent fiscal year: \$-0-

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days: \$1,339,838.88 AS OF MARCH 28, 2006

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 35,000,000 AS OF APRIL 30, 2006

Transitional Small Business Disclosure Format (Check one): Yes ; No X

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

CORPORATE HISTORY

Tower Tech Holdings Inc. (sometimes the "Company") was incorporated on July 10, 1996 under the laws of the State of Nevada to engage in any lawful corporate activity. We originally intended to engage in the sale of reproduced full size cigar store Indians and reproduced totem poles. As at December 31, 1996, all funds raised by the sale of shares of our common stock in order to fulfill our initial objective had been expended and we, thereafter, become dormant.

From January 1, 1997 to February 6, 2006, we were in the developmental stage and had no operations. We became a reporting company on a voluntary basis because the primary attraction of the Company as a merger partner or acquisition vehicle would be its status as a public company. In addition, we became a reporting company to enhance investor protection and to provide information if a trading market were to commence.

On August 24, 2005, our board of directors declared a 14 for 1 stock dividend to our stockholders of record as of September 6, 2005. Prior to the record date, certain stockholders agreed to surrender for cancellation 1,450,000 shares of common stock. After the surrender for cancellation of 1,450,000 shares and giving effect to the 14 for 1 stock dividend, there were 9,750,000 shares issued and outstanding.

On November 18, 2005, we entered into a Share Exchange Agreement with Tower Tech Systems, Inc. ("Tower Tech") and its shareholders, providing for the acquisition of the issued and outstanding capital stock of Tower Tech in exchange for 25,250,000 of our newly issued shares (the "Acquisition"). On February 6, 2006 (the "Closing Date"), the transaction closed and Tower Tech became our wholly owned subsidiary. Accordingly, the former Tower Tech shareholders now own 72.1% of our 35,000,000 outstanding shares. Upon closing, we were no longer deemed to be a "shell company" as defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act").

Also upon closing, all of the then existing members of the Board of Directors of the Company resigned, expanded the board to five members, and appointed the management of Tower Tech as the new management of the Company.

We filed a Certificate of Amendment with the Nevada Secretary of State with an effective date of February 7, 2006, changing our name from Blackfoot Enterprises, Inc. to Tower Tech Holdings Inc. and increasing our authorized capital stock to consist of 100,000,000 shares of common stock, \$0.001 par value per share, and 10,000,000 shares of preferred stock, \$0.001 par value per share.

From and after the Closing Date, the operations of Tower Tech are the only operations of the Company.

PRINCIPAL PRODUCTS

Tower Tech was incorporated in Wisconsin on October 13, 2003. Tower Tech engineers and manufactures wind turbine extension towers. It has already manufactured the country's tallest tower, erected in the State of Wyoming.

Tower Tech currently has a Tower Production Agreement with Vestas Towers Inc. dated May 11, 2005, pursuant to which Tower Tech has become a preferred tower supplier to Vestas. Vestas Towers

Inc. is part of Vestas Wind Systems A/S, a company based in Denmark whose stock is traded on the Copenhagen Stock Exchange. Under the terms of the agreement, Vestas supplies Tower Tech with certain fabrication and production support and a minimum number of towers to construct for each year of the agreement at agreed upon prices for labor and materials. Tower Tech has agreed to furnish the towers on a preferred basis, providing Vestas with the first right to fill the Tower Tech order book during the agreement's two year term through the signing of Tower Purchase Agreements. For the first year of the agreement, Vestas is to order, accept delivery of and pay for a minimum of 72 towers. For the second year of the agreement, Vestas is to order, accept delivery of and pay for a minimum of 75 towers. The Vestas towers consist of four sections each, and the Tower Production Agreement envisions a minimum of 12 sections per month.

On July 11, 2005, Vestas Towers Canada, Inc. entered into its first Tower Purchase Agreement for the manufacture of twenty-two 78-meter towers for \$2,970,000 (the "Kingsbridge Order"), and on July 12, 2005, Vestas Towers America, Inc. entered into a Tower Purchase Agreement for the manufacture of eighteen 80-meter towers for \$2,034,720 (the "Flatrock Order"). In both cases, Vestas agreed to provide steel and other inputs to the production process. On August 22, 2005, Vestas reassessed its ability to provide the inputs on schedule and, in cooperation with Tower Tech, adjusted the Kingsbridge Order to sixteen towers and cancelled the Flatrock Order. Tower Tech completed work on the modified Kingsbridge Order in March 2006.

Tower Tech leases, or has options to lease, more than 700,000 square feet of heavy manufacturing under roof. It currently occupies 163,400 square feet, with an additional 40,000 square feet of administrative and engineering space available above its current offices. The manufacturing facility has direct rail and highway access, as well as a deep water shipping channel with direct access to Lake Michigan. Tower Tech can uniquely offer wind tower support structure, monopile, and turbine structure fabrication and assembly all in one location. The production plant features high definition plasma and oxy-fuel contour plate beveling by ALLtra Corporation, automated plate rolling by FACCIN USA, and tandem wire submerged welding units by Miller Electric Mfg. Co. Tower Tech currently has a production capacity of 50 towers per year and plans to expand to 400-500 towers per year by 2009.

Tower Tech's manufacturing process starts with the delivery of raw materials. Such delivery is verified to comply with customer requirements by inspectors upon receipt. The materials proceed to a processing area where they are burned to proper shape and size. The materials are then prepared for rolling, in which they are transformed into various cylindrical shapes. Cylinders are then welded according to customer specifications and inspected for compliance. The end cylinders are then joined to mating flanges, which are then joined to other cylinders, which make a tower section. Towers generally range from three to four sections. After welding and inspection of tower sections are completed, the sections are moved to the blast/paint area, where the sections receive the proper blast, prime and finish paint process according to the customer specifications. The finish is then inspected and released for final assembly, where section internals are installed. These include ladders, platforms and any electrical components specified by the customer. After assembly, sections are again inspected, released, and prepared for shipping.

SOURCES AND AVAILABILITY OF RAW MATERIALS

During 2005, Tower Tech was supplied with all raw materials by Clipper Windpower, Inc. and Vestas Wind Systems. Tower Tech began to prepare during the period to market an "all-in" production service, under which Tower Tech would procure raw materials, manufacture and deliver finished towers for Clipper Windpower, Vestas Wind Systems, and Gamesa Wind, among others. Raw materials suppliers are situated both in the United States and abroad and will be used as sources according to material availabilities. Some suppliers of steel plate include Mittal Steel USA, IPSCO Inc., Nucor

Corporation, and Algoma Steel Inc. Flange suppliers include CAB Incorporated, Frisa Forjados S.A. de C.V., and Scot Forge. Paint suppliers include Hempel USA, Sherwin-Williams, and International Paint Limited. As wind generation prospects increase, the availability of certain raw materials has tightened due to rising demand.

DISTRIBUTION

Tower Tech management believes that there is a substantial gap between demand for wind towers in North America and the capacity to supply those towers. Because of this supply deficit, customers come to Tower Tech to negotiate for access to Tower Tech's production capacity. Tower Tech generates sales through negotiations with these customers.

COMPETITION

Tower Tech believes that there are roughly six other tower manufacturers in the United States. All of these manufacturers, including Tower Tech, enjoy a favorable imbalance between supply and demand of wind towers. This imbalanced market has not yet injected competitive discipline into the wind tower production sector. Management believes that it is only a matter of time before competitive pressures hit Tower Tech and that companies will compete on the basis of price, turn-around time, costs of transportation for delivery of the towers, and location of the manufacturing facility with respect to the location of the wind farm.

Tower Tech's business plan calls for targeted capital expenditure and production processes improvements that hopefully will make Tower Tech one of the low-cost leaders in the industry. Management believes that Tower Tech's proximity to a majority of the identified wind farm sites in North America, coupled with its access to the Great Lakes and to convenient land transportation systems, will provide additional pricing, delivery, and other competitive advantages.

CUSTOMERS

During 2005, Tower Tech was dependent on two customers, Vestas and Clipper Windpower. For the fiscal year ended December 31, 2005, these two customers accounted for 99% of its revenues.

Tower Tech has engaged in preliminary discussions with several other global providers of wind energy systems, and expects to enter into letters of intent with some of these providers to produce wind towers for their energy projects.

INTELLECTUAL PROPERTY AND SIGNIFICANT ARRANGEMENTS

Tower Tech does not have any patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts.

GOVERNMENT REGULATION AND COMPLIANCE WITH ENVIRONMENTAL LAWS

Tower Tech's operations are subject to numerous federal, state and local environmental and worker health and safety laws and regulations. Tower Tech believes that it is in substantial compliance with such laws and regulations and has not budgeted any material capital expenditures for environmental control facilities.

RESEARCH AND DEVELOPMENT

During the 2005 and 2004 fiscal years, Tower Tech spent \$62,732 and \$176,431, respectively, on research and development activities. None of these amounts were borne by any customers.

EMPLOYEES

At December 31, 2005, Tower Tech employed 65 employees of which 64 were full-time. Tower Tech believes that its relationship with its employees is good. After completion of the modified Kingsbridge Order for Vestas in March 2006, we had 7 employees. A total of 53 employees were laid off in late January and February 2006 as the bulk of the work on the Kingsbridge Order had been done by that time. An additional 5 more employees were laid off in March 2006.

RISK FACTORS

The actual results of the combined company may differ materially from those anticipated in these forward-looking statements. The Company and Tower Tech will operate as a combined company in a market environment that is difficult to predict and that involves significant risks and uncertainties, many of which will be beyond the combined company's control. Additional risks and uncertainties not presently known to us, or that are not currently believed to be important to you, if they materialize, also may adversely affect the combined company.

RISKS RELATED TO TOWER TECH

TOWER TECH IS A DEVELOPMENT STAGE COMPANY WITH A LIMITED OPERATING HISTORY THAT MAKES IT IMPOSSIBLE TO RELIABLY PREDICT FUTURE GROWTH AND OPERATING RESULTS.

Tower Tech has not demonstrated that it can:

- o manufacture products in a manner that will enable it to be profitable;
- o establish many of the business functions necessary to operate, including sales, marketing, administrative and financial functions, and establish appropriate financial controls; or
- o respond effectively to competitive pressures.

TOWER TECH HAS INCURRED OPERATING LOSSES SINCE INCEPTION.

Since its inception in 2003, Tower Tech has incurred losses every quarter. The extent of Tower Tech's future operating losses and the timing of profitability are highly uncertain, and it may never achieve or sustain profitability. Tower Tech has incurred a significant net loss for the year ended December 31, 2005 of \$3,122,684. At December 31, 2005, Tower Tech had an accumulated deficit of \$3,875,383. Tower Tech anticipates that it will continue to incur operating losses for the foreseeable future and it is possible that Tower Tech will never generate substantial revenues from product sales.

TOWER TECH'S FUTURE CAPITAL NEEDS ARE UNCERTAIN. WE WILL NEED TO RAISE ADDITIONAL FUNDS IN THE FUTURE AND THESE FUNDS MAY NOT BE AVAILABLE ON ACCEPTABLE TERMS OR AT ALL.

We believe that Tower Tech's current cash will not be sufficient to meet projected operating requirements for at least the next 12 months. It is likely that we and/or Tower Tech may seek additional funds from public and private stock offerings, borrowings under credit lines or other sources. Tower Tech's capital requirements will depend on many factors, including:

- o the revenues generated by sales of products that it manufactures;
- o the costs required to develop its manufacturing processes;
- o the expenses it incurs in manufacturing and selling its products;
- o the costs associated with any expansion;
- o the costs associated with capital expenditures; and
- o the number and timing of any acquisitions or other strategic transactions.

As a result of these factors, we may need to raise additional funds, and these funds may not be available on favorable terms, or at all. Furthermore, if we issue equity or debt securities to raise additional funds, our existing shareholders may experience dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of its existing shareholders. If we cannot raise funds on acceptable terms, we may not be able to develop or enhance Tower Tech's products, execute our business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated customer requirements.

TOWER TECH IS DEPENDENT UPON A SINGLE CUSTOMER, THE LOSS OF WHICH COULD HAVE AN ADVERSE EFFECT ON OUR REVENUES.

For the year ended December 31, 2005, Vestas accounted for the overwhelming majority of Tower Tech's revenue. Accordingly, the loss of Vestas would cause revenue to decline and could have a material adverse effect on Tower Tech's business.

TOWER TECH HAS BEEN DEPENDENT UPON ITS OFFICERS, DIRECTORS, AND SHAREHOLDERS TO PROVIDE ITS FUNDING.

Tower Tech has financed its operations since inception primarily through capital contributed by shareholders and borrowing from both shareholders and financial institutions. During 2004, shareholders contributed capital of \$227,925 in the form of free rent and loaned \$1,633,700 to Tower Tech. During 2005, shareholders contributed capital of \$208,000 in the form of management salaries and loaned \$1,456,925 to Tower Tech. Borrowing from financial institutions, with personal guarantees being provided by the shareholders, provided cash of \$2,674,000 in 2005, of which \$1,679,173 was used to pay off old financial institution loans. If these persons were to withdraw their personal guarantees, Tower Tech would not be able to obtain loans from financial institutions and have the capital necessary to operate.

TOWER TECH'S SUCCESS WILL DEPEND ON ITS ABILITY TO ATTRACT AND RETAIN KEY PERSONNEL AND SCIENTIFIC STAFF.

Tower Tech believes future success will depend on its ability to manage its growth successfully, including attracting and retaining skilled personnel for its manufacturing operations. Hiring qualified management and technical personnel may be difficult due to the limited population base surrounding Manitowoc, Wisconsin. If Tower Tech fails to attract and retain personnel, particularly management and technical personnel, it may not be able to continue to succeed in its planned operations.

IF TOWER TECH DOES NOT EFFECTIVELY MANAGE ITS GROWTH, ITS BUSINESS RESOURCES MAY BECOME STRAINED AND ITS RESULTS OF OPERATIONS MAY BE ADVERSELY AFFECTED.

As stated above, Tower Tech had 65 employees at December 31, 2005, but subsequently laid off 58 of them once it completed its Kingsbridge Order for Vestas. Tower Tech expects to hire most of these people back once it obtains purchase orders for more towers. Managing this growth may provide challenges to Tower Tech's organization and may strain its management and operations. Tower Tech

may misjudge the amount of time or resources that will be required to effectively manage any anticipated or unanticipated growth in its business or it may not be able to attract, hire and retain sufficient personnel to meet its needs. If Tower Tech cannot scale its business appropriately, maintain control over expenses or otherwise adapt to anticipated and unanticipated growth, its business resources may become strained, it may not be able to deliver proposed products in a timely manner and its results of operations may be adversely affected.

TOWER TECH IS SUBJECT TO POTENTIAL PRODUCT LIABILITY AND OTHER CLAIMS AND IT MAY NOT HAVE THE INSURANCE OR OTHER RESOURCES TO COVER THE COSTS OF ANY SUCCESSFUL CLAIM.

Defects in Tower Tech's products could subject it to potential product liability claims that its products caused some harm to the human body. Tower Tech's product liability insurance may not be adequate to cover future claims. Product liability insurance is expensive and, in the future, may not be available on terms that are acceptable to Tower Tech, if it is available to it at all. Plaintiffs may also advance other legal theories supporting their claims that Tower Tech's products or actions resulted in some harm. A successful claim brought against Tower Tech in excess of its insurance coverage could significantly harm its business and financial condition.

RISKS RELATED TO CAPITAL STRUCTURE

THERE IS NO ASSURANCE OF AN ESTABLISHED PUBLIC TRADING MARKET.

Although our common stock trades on the OTC Bulletin Board, a regular trading market for the securities may not be sustained in the future. The NASD has enacted recent changes that limit quotations on the OTC Bulletin Board to securities of issuers that are current in their reports filed with the Securities and Exchange Commission. The effect on the OTC Bulletin Board of these rule changes and other proposed changes cannot be determined at this time. The OTC Bulletin Board is an inter-dealer, over-the-counter market that provides significantly less liquidity than the NASD's automated quotation system (the "NASDAQ Stock Market"). Quotes for stocks included on the OTC Bulletin Board are not listed in the financial sections of newspapers as are those for the NASDAQ Stock Market. Therefore, prices for securities traded solely on the OTC Bulletin Board may be difficult to obtain and holders of common stock may be unable to resell their securities at or near their original offering price or at any price. Market prices for our common stock will be influenced by a number of factors, including:

- o the issuance of new equity securities pursuant to the Acquisition, or a future offering;
- o changes in interest rates;
- o competitive developments, including announcements by competitors of new products or services or significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- o variations in quarterly operating results;
- o change in financial estimates by securities analysts;
- o the depth and liquidity of the market for the Company's common stock;
- o investor perceptions of the Company and the technologies industries generally; and
- o general economic and other national conditions.

OUR COMMON STOCK COULD BE CONSIDERED A "PENNY STOCK."

Our common stock could be considered to be a "penny stock" if it meets one or more of the definitions in Rules 15g-2 through 15g-6 promulgated under Section 15(g) of the Exchange Act. These include but are not limited to the following: (i) the stock trades at a price less than \$5.00 per share; (ii) it

is NOT traded on a "recognized" national exchange; (iii) it is NOT quoted on the NASDAQ Stock Market, or even if so, has a price less than \$5.00 per share; or

(iv) is issued by a company with net tangible assets less than \$2.0 million, if in business more than a continuous three years, or with average revenues of less than \$6.0 million for the past three years. The principal result or effect of being designated a "penny stock" is that securities broker-dealers cannot recommend the stock but must trade in it on an unsolicited basis.

BROKER-DEALER REQUIREMENTS MAY AFFECT TRADING AND LIQUIDITY.

Section 15(g) of the Exchange Act and Rule 15g-2 promulgated thereunder by the SEC require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor's account.

Potential investors in our common stock are urged to obtain and read such disclosure carefully before purchasing any shares that are deemed to be "penny stock." Moreover, Rule 15g-9 requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult for holders of our common stock to resell their shares to third parties or to otherwise dispose of them in the market or otherwise.

AS A RESULT OF THE ACQUISITION, THE FORMER PRINCIPAL SHAREHOLDERS OF TOWER TECH HAVE SIGNIFICANT INFLUENCE OVER THE COMPANY.

The officers and directors of Tower Tech beneficially own, in the aggregate, 65% of our outstanding voting stock as a result of the Acquisition. These former principal shareholders of Tower Tech possess significant influence over the Company, giving them the ability, among other things, to elect a majority of our Board of Directors and to approve significant corporate transactions. Such stock ownership and control may also have the effect of delaying or preventing a future change in control of the Company, impeding an acquisition, consolidation, takeover or other business combination or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company.

WE DO NOT FORESEE PAYING CASH DIVIDENDS IN THE FORESEEABLE FUTURE.

We have not paid cash dividends on our stock and do not plan to pay cash dividends on our stock in the foreseeable future.

ITEM 2. DESCRIPTION OF PROPERTY.

Tower Tech's headquarters and manufacturing facility are located in Manitowoc, Wisconsin. Tower Tech leases approximately 6,900 square feet of office space and 156,500 square feet of manufacturing space, as well as 40,000 square feet that is currently not being used. This space is adequate for its purposes for the next 12 months. The lease expires on December 31, 2009, with five 5-

year options to renew. Tower Tech has the option to lease additional space adjacent to its current facilities.

ITEM 3. LEGAL PROCEEDINGS.

From time to time, Tower Tech anticipates that it may be involved in litigation relating to claims arising out of its operations in the normal course of business. Tower Tech currently is not a party to any legal proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

MARKET INFORMATION

Our common stock has been listed for quotation on the OTC Bulletin Board since June 6, 2005 under the symbol "BLFT". As of February 7, 2006, it has been listed under the symbol "TWRT." The following table sets forth the range of high and low bid quotations for each fiscal quarter since it began trading in July 2005. These quotations reflect inter-dealer prices without retail mark-up, markdown, or commissions and may not necessarily represent actual transactions.

2005 FISCAL YEAR	HIGH	BID PRICES (1)	LOW
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Quarter ending 9/30/05	\$1.01		\$0.07
Quarter ending 12/31/05	\$3.80		\$0.20
2006 FISCAL YEAR			

Quarter ending 3/31/06	\$3.20		\$1.70

(1) The above prices reflect a 14-for-1 stock dividend declared on August 24, 2005 to our shareholders of record as of September 6, 2005.

On May 1, 2006, the closing bid price for the common stock on the OTC Bulletin Board was \$2.00.

HOLDERS

As of April 19, 2006, there were 21 record holders of the Company's common stock. Since the Company's inception, no cash dividends have been declared on the Company's common stock.

DIVIDENDS

We have not paid any dividends on any of our shares. We have no present intention of paying dividends on any of our shares, as we anticipate that all available funds will be invested to finance the growth of our business.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

From January 1, 1997 to February 6, 2006, we were in the developmental stage and had no operations.

We have included the audited financial statements of Tower Tech, as we acquired Tower Tech in February 2006, as well as pro forma combined financial information. Due to the structure of the Acquisition, Tower Tech will be the accounting survivor of that business combination transaction. The following discussion of Tower Tech's financial condition and results of operations should be read in conjunction with its financial statements and the related notes, and the other financial information included herein.

OVERVIEW

Tower Tech engineers and manufactures wind turbine extension towers. Since its inception in October 2003, it has become a fully functioning manufacturer of wind towers and monopiles. In February 2005, Tower Tech built for Clipper Windpower the largest wind tower in the country to specifications, erected in Wyoming. Tower Tech entered into a Tower Production Agreement in May 2005 with Vestas Towers Inc., pursuant to which Tower Tech has become a preferred tower supplier to Vestas. Vestas Towers Inc. is part of Vestas Wind Systems A/S, a company based in Denmark whose stock is traded on the Copenhagen Stock Exchange. Under the terms of the agreement, Vestas supplies Tower Tech with certain fabrication and production support and a minimum number of towers to construct for each year of the agreement at agreed upon prices for labor and materials. Tower Tech has agreed to furnish the towers to Vestas on a preferred basis, providing Vestas with first right to fill the Tower Tech order book during the agreement's two-year term through the signing of Tower Purchase Agreements.

Tower Tech has a limited history of operations and, through December 31, 2005, it had generated limited revenues from its manufacturing operations. However, management believes that the chances for success are good, as wind energy is the fastest growing electricity-generating technology in the world, according to the Department of Energy's National Renewable Energy Laboratory in December 2004.

Tower Tech has been unprofitable since its inception in October 2003 and expects to incur substantial additional operating losses for at least the foreseeable future as it continues to refine its manufacturing processes. Accordingly, its activities to date are not as broad in depth or scope as the activities it may undertake in the future, and its historical operations and financial information are not necessarily indicative of its future operating results. It has incurred net losses since inception. As of December 31, 2005, its accumulated deficit was \$3,875,383.

The report of Tower Tech's independent registered public accounting firm on the financial statements for the year ended December 31, 2005, includes an explanatory paragraph relating to the uncertainty of Tower Tech's ability to continue as a going concern. Tower Tech incurred a significant operating loss during its year of operations. At December 31, 2005, Tower Tech reported a negative working capital position of \$5,220,309 and had a shareholders' deficit of \$3,424,906. Furthermore, Tower Tech is highly leveraged with debt. These factors raise substantial doubt about Tower Tech's ability to continue as a going concern without additional debt or equity financing. There can be no assurance that it will be able to reach a level of operations that would finance its day-to-day activities.

Tower Tech has financed its operations and internal growth primarily through capital contributed by shareholders and borrowings from both shareholders and financial institutions. Management believes that Tower Tech has exhausted its ability to borrow additional funds and that additional capital for its operations would have to be raised through the sale of equity. Accordingly, management sought the proposed Acquisition, as management believes it will enhance its ability to raise additional capital.

CRITICAL ACCOUNTING POLICIES

The discussion and analysis of Tower Tech's financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities. Management reviews its estimates on an on going basis. Management bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these

estimates under different assumptions or conditions. While Tower Tech's significant accounting policies are described in more detail in Note 1 to its financial statements, management believes the following accounting policies to be critical to the judgments and estimates used in the preparation of its financial statements:

REVENUE RECOGNITION. Tower Tech recognizes revenue when persuasive evidence of an arrangement exists, transfer of title has occurred or services rendered, the selling price is fixed or determinable, collectibility is reasonably assured and delivery has occurred per the contract terms. Customer deposits and other receipts are generally deferred and recognized when earned. Revenue is recognized on a contract-by-contract basis. Depending on the terms of the contract, revenue may be earned by the building of tower sections, building a complete tower, or modification to existing towers or sections. Warranty costs are estimated and accrued based on historical rates or known costs of corrections.

INVENTORIES. Inventories are stated at the lower of cost or market, with cost determined using the first-in, first-out (FIFO) basis. Market value encompasses consideration of all business factors including price, contract terms and usefulness.

PROPERTY AND EQUIPMENT. Property and equipment are stated at cost. Expenditures for additions and improvements are capitalized while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed currently as incurred. Properties sold or otherwise disposed of are removed from the property accounts, with gains or losses on disposal credited or charged to operations.

Depreciation, for financial reporting purposes, is provided over the estimated useful lives of the respective assets, which range from 5 to 15 years, using the straight-line method.

RESEARCH AND DEVELOPMENT. Research and development costs in the product development process are expensed as incurred. Assets that are acquired for research and development activities and have alternative future uses in addition to a current use are included in equipment and depreciated over the assets' estimated useful lives. Research and development costs consist primarily of contract engineering costs for outsourced design or development, equipment and material costs relating to all design and prototype development activities.

RECENTLY ISSUED ACCOUNTING STANDARDS

In November 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 151, INVENTORY COSTS (SFAS No. 151), which amends the guidance in ARB No. 43, Chapter 4, INVENTORY PRICING to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material. SFAS No. 151 requires that those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal." In addition, SFAS No. 151 requires that the allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. Tower Tech is currently evaluating the provisions of SFAS No. 151 and will adopt it on January 1, 2006 as required. Tower Tech does not expect that the adoption of SFAS No. 151 will have a material impact on its future fiscal year results.

RESULTS OF OPERATIONS

Tower Tech had no activity during the period from inception (October 17, 2003) to December 31, 2003. In 2004, it undertook the retrofitting of its physical plant, addition of equipment, and manufacture

of prototype tower sections. Accordingly, it incurred product development expenses of \$176,431, selling, general and administrative expenses of \$520,731, and interest expense of \$52,200, resulting in a net loss of \$752,699.

REVENUES. Tower Tech recognized its first revenue from sales in March 2005. For the year ended December 31, 2005, net sales were \$1,966,974. Cost of sales (\$4,009,338) exceeded revenues due to extraordinary start-up and ramp-up costs.

PRODUCT DEVELOPMENT EXPENSES. Product development expenses consist primarily of contract engineering costs for outsourced design or development, equipment and material costs relating to all design and prototype development activities. For the year ended December 31, 2005, these expenses were \$62,732, as compared to \$176,431 for the comparable period in 2004. Management expects these costs to vary in direct proportion to sales until such time as Tower Tech is operating at full capacity.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses increased from \$520,731 in 2004 to \$782,357 in 2005. This increase is primarily the result of ramp-up activities in association with the Vestas contract, as well as legal and accounting expenses directly related to the Acquisition transaction with the Company. As a result of the planned business combination with the Company and the process of becoming a public company, we anticipate that our general and administrative expenses will substantially increase.

INTEREST EXPENSE. Interest expense was \$221,955 in 2005, compared to \$52,200 for the comparable 2004 period. The increase was due to increases in corporate debt incurred to fund ramp-up and administrative costs as explained above.

NET LOSS. Net loss increased by \$2,369,985 to \$3,122,684 for the year ended December 31, 2005 from a net loss of \$752,699 for the comparable 2004 period. The larger net loss is largely a result of what management believes are one-time costs incurred in the ramp-up process and administrative costs associated with the contemplated Acquisition transaction.

LIQUIDITY AND CAPITAL RESOURCES

Tower Tech has financed its operations since inception primarily through capital contributed by shareholders and borrowing from both shareholders and financial institutions. During 2004, shareholders contributed capital of \$227,925 in the form of free rent and loaned \$1,633,700 to Tower Tech. During 2005, shareholders contributed capital of \$208,000 in the form of management salaries and loaned \$1,456,925 to Tower Tech. Borrowings from financial institutions, with personal guarantees being provided by the shareholders, provided cash of \$2,674,000 in 2005, of which \$1,679,173 was used to pay off old financial institution loans.

At December 31, 2005, Tower Tech had cash of \$166,023 and a working capital deficiency of \$5,220,309, as compared to no cash and a working capital deficiency of \$2,283,054 at December 31, 2004.

PLAN OF OPERATION

Tower Tech expects to continue to incur negative cash flows and net losses for at least the foreseeable future. Based upon our current plans, management believes that it will need external funding of approximately \$7,000,000 to cover its operational and capital expenses through the end of the current fiscal year. However, changes in Tower Tech's business strategy, relationship with Vestas, or marketing plans or other events affecting its operating plans and expenses may result in the expenditure of existing

cash before that time. If this occurs, Tower Tech's ability to meet its cash obligations as they become due and payable will depend on our ability to sell securities, borrow funds or some combination thereof. We may not be successful in raising necessary funds on acceptable terms, or at all.

Tower Tech will remain focused on manufacturing and selling wind towers and monopiles to the wind energy industry over the next twelve months. Tower Tech will improve its manufacturing production process through the acquisition of additional efficiency-enhancing equipment as well as the implementation of throughput-enhancing production methodologies. We do not anticipate that Tower Tech will add a significant number of new employees as it increases its plant capacity from 50 towers per year to 150, as it should achieve most of this expansion through the addition of this labor-saving equipment and these process improvements. Tower Tech has also applied to become a "Port-of-Entry" in order to secure further improvements in efficiency and to make the plant more competitive in the future.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2005, neither we nor Tower Tech had any off-balance sheet arrangements.

FORWARD-LOOKING STATEMENTS

The forward-looking comments contained in this discussion involve risks and uncertainties. Actual results may differ materially from those discussed here due to factors such as, among others, limited operating history, difficulty in developing and refining manufacturing operations, and competition. Additional factors that could cause or contribute to such differences can be found in the following discussion, as well as in "Risk Factors" set forth Item 1. Description of Business.

ITEM 7. FINANCIAL STATEMENTS.

See pages beginning with page F-1 for the audited financial statements of the Company. Audited financial statements of Tower Tech and unaudited pro forma combined financial statements are also included.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 8A. CONTROLS AND PROCEDURES.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Management, with the participation of our chief executive officer and the chief financial officer, carried out an evaluation of the effectiveness of our "disclosure controls and procedures" (as defined in the Exchange Act, Rules 13a-15(e) and 15-d-15(e)) as of the end of the period covered by this report (the "Evaluation Date"). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to our management, including its chief executive and chief financial officers, as appropriate to allow timely decisions regarding required disclosure.

The delay in filing this report has been due primarily to Tower Tech's disclosure controls and procedures. At December 31, 2005, Tower Tech was still a private company and had not established adequate disclosure controls and procedures. Management believes, however, that Tower Tech is making progress in this regard.

Since the Company does not have a formal audit committee, its board of directors oversees the responsibilities of the audit committee. The board is fully aware that there is a lack of segregation of duties due to the small number of employees dealing with general administrative and financial matters. However, the board has determined that considering the employees involved and the control procedures in place, risks associated with such a lack of segregation are insignificant and the potential benefits of adding employees to clearly segregate duties does not justify the expenses associated with such increases at this time.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. As of the end of the most recent fiscal year, management found the internal control over financial reporting to be effective, with no material weaknesses. There were no changes in our internal controls over financial reporting, known to the Chief Executive Officer or the Chief Financial Officer, that occurred during our fiscal fourth quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

The Company's management is reviewing the Company's internal controls over financial reporting to determine the most suitable recognized control framework. The Company will give great weight and deference to the product of the discussions of the SEC's Advisory Committee on Smaller Public Companies (the "Advisory Committee") and the Committee of Sponsoring Organizations' task force entitled Implementing the COSO Control Framework in Smaller Businesses (the "Task Force"). Both the Advisory Committee and the Task Force are expected to provide practical, needed guidance regarding the applicability of Section 404 of the Sarbanes-Oxley Act to small business issuers. The Company's management intends to perform the evaluation required by Section 404 of the Sarbanes-Oxley Act at such time as the Company adopts a framework. For the same reason, the Company's independent registered public accounting firm has not issued an "attestation report" on the Company management's assessment of internal controls.

ITEM 8B. OTHER INFORMATION.

None.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

DIRECTORS AND EXECUTIVE OFFICERS

Our executive officers, directors, and key employees are:

NAME	AGE	POSITION
Christopher C. Allie	57	President and Chairman of the Board of Directors
Samuel W. Fairchild	51	Interim Chief Executive Officer, Senior Advisor and Director
William McClellan	48	Vice President and Operations Manager
Terence P. Fox	50	Vice President, Secretary, General Counsel and Director
Daniel P. Wergin	64	Director
Raymond L. Brickner III	49	Director

Our shareholders elect our directors annually and our board of directors appoints our officers annually. Vacancies in our board are filled by the board itself. Set forth below are brief descriptions of the recent employment and business experience of our executive officers and directors.

CHRISTOPHER C. ALLIE - PRESIDENT AND CHAIRMAN OF THE BOARD OF DIRECTORS. Mr. Allie has served in these positions with Tower Tech since its inception in October 2003 and with the Company since February 2006. In addition, he has owned for more than 30 years a real estate development firm with commercial and industrial holdings throughout northeast Wisconsin. Mr. Allie received his bachelor's degree in economics from the University of Wisconsin. Mr. Allie also sits on the board of the Rahr West Art Museum and the Rahr West Foundation.

SAMUEL W. FAIRCHILD - DIRECTOR. Mr. Fairchild has served as a director of Tower Tech since November 2005 and with the Company since February 2006. He became the interim Chief Executive Officer and senior advisor to the Company in April 2006. He is a founder of inLine Technology, LLC, a company based in Morris Plains, New Jersey, whose mission is to identify, refine, and promote technologies that provide significant financial benefits to the end-user while improving the state of our environment. He has been a director and financial advisor to inLine Technology since October 2004. Mr. Fairchild has also been the President of the Tadpole Group, an investment portfolio holding company focused on harvesting value from transformation, since August 2004. He has also been Managing Director of Theseus Capital Partners, an investment advisory firm, since August 2004. Prior to founding Theseus in 2004, Mr. Fairchild was a leader in the Global Government, Transport & Infrastructure Group of PA Consulting Group, a role he assumed in 1999 as a result of PA's acquisition of GKMG Consulting Services, a strategic consulting firm he founded in 1992. He has also served in the White House as a senior advisor to President Reagan and Vice President Bush for Transportation Policy, and was George Bush's senior policy point person at the Department of Transportation. Following his government service, Mr. Fairchild was a senior official at the Carlyle Group's, BDM International unit, where he led

the establishment of the company's Transportation Division before BDM was sold to TRW, Inc. From 1992 through 2004, he served as strategy advisor to a number of governments and major corporations, including the Prime Minister of Japan; the Prime Minister of New Zealand; the Governments of China, Argentina, Germany, the Netherlands, Jamaica and Mexico; American Express, Ford, Honeywell, Weirton Steel, Teledyne, Motorola, Southwest Airlines and Boeing. Since May 1996, Mr. Fairchild has been the Chairman of the Board of Schiphol North America, the owner of JFK's \$1.4 billion Terminal Four and the international arm of Amsterdam Airport Schiphol's Schiphol Group.

WILLIAM MCCLELLAN - VICE PRESIDENT AND OPERATIONS MANAGER. Mr. McClellan joined Tower Tech in October 2003. Prior to that, he served as General Manager of RBA, Inc., a heavy fabrication, welding, and machining company located in Manitowoc, Wisconsin, from July 2000 to September 2003. He has nearly 30 years in the heavy manufacturing industry. Mr. McClellan has been an active member of the American Society of Mechanical Engineers for more than 15 years.

TERENCE P. FOX - VICE PRESIDENT, SECRETARY, GENERAL COUNSEL AND DIRECTOR. Mr. Fox has served in these positions with Tower Tech since its inception and with the Company since February 2006. He has been a partner in the law firm of Kummer, Lambert & Fox, LLP, and its predecessor, Dewane, Dewane, Kummer, Lambert & Fox, LLP, located in Manitowoc, Wisconsin, since June 1989. Mr. Fox graduated from the University of Wisconsin - Milwaukee and the Marquette University Law School. He has many business and real estate interests and sits on the board of directors of several non-profit and for-profit organizations in the Manitowoc, Wisconsin, area.

DANIEL P. WERGIN - DIRECTOR. He has served in this position with Tower Tech since June 2005 and with the Company since February 2006. He has also been the President of Choice, Inc., a real estate investment and development company based in Manitowoc, Wisconsin, since 1970. Mr. Wergin has specialized in real estate development, leasing, and 1031 exchanges. He has been a member of the National Association of Realtors and its Certified Commercial Investment Division since 1975.

RAYMOND L. BRICKNER III - DIRECTOR. Mr. Brickner has served as a director of Tower Tech since its inception and as a director of the Company since February 2006. He is also an on-site operations consultant for Tower Tech. He is the founder, owner, and president of RBA, Inc., which has been engaged in heavy metal fabrication since 1985. RBA, Inc. has been a direct supplier and fabricator for Manitowoc Crane Group, one of the world's largest producers and suppliers of heavy-duty construction "mega" cranes.

CODE OF ETHICS

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. The code of ethics was filed as an exhibit to our quarterly report on Form 10-QSB for the quarter ended September 30, 2003 and will be posted on the investor relations section of our web site if we establish a web site. We intend to satisfy the disclosure requirements under Form 8-K regarding any amendment to, or waiver from, a provision of the code of ethics by posting such information on our web site.

AUDIT COMMITTEE

The entire board of directors acts as our audit committee. We do not have an audit committee financial expert serving on our audit committee at this time. We propose to expand our board of directors in the near future to include a financial expert.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

We have checked the box provided on the cover page of this Form to indicate that there is no disclosure in this form of reporting person delinquencies in response to Item 405 of Regulation S-B.

ITEM 10. EXECUTIVE COMPENSATION.

None of the our officers and/or directors received any compensation for their respective services rendered to the Company, nor did they receive such compensation in the past. None of the directors accrued any compensation pursuant to any agreement with us. We have not adopted any retirement, pension, profit sharing, stock option or insurance programs or other similar programs for the benefit of our directors, officers and/or employees.

The following table sets forth information on the remuneration of Tower Tech's chief executive officers and four most highly compensated executive officers who served as executive officers at the end of December 31, 2005 and earned in excess of \$100,000 per annum during any part of our last three fiscal years:

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	FISCAL YEAR	ANNUAL COMPENSATION		LONG TERM COMPENSATION				
		SALARY (\$)	BONUS (\$)	OTHER ANNUAL COMPEN-SATION(\$)	AWARDS		PAYOUTS	
					RESTRICT-ED STOCK AWARD(S) (\$)	SECURITIES UNDER-LYING OPTIONS/SARS (#)	LTIP PAYOUTS (\$)	ALL OTHER COMPEN-SATION(\$)
Christopher C. Allie, President of Tower Tech	2005	-0- (1)<F1>	-0-	-0-	-0-	-0-	-0-	-0-

(1)<F1> During the year ended December 31, 2005, Tower Tech's shareholders provided managerial services to Tower Tech without charge. Tower Tech determined the fair value of these services to be \$208,000. This amount was recorded as selling, general and administrative expense and contributed capital.

EMPLOYMENT AGREEMENTS

There are no employment agreements with any of the officers.

COMPENSATION OF DIRECTORS

There are no compensation arrangements in place.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth certain information, as of April 19, 2006, concerning shares of our common stock, the only class of our securities that are issued and outstanding, held by (1) each stockholder known by us to own beneficially more than five percent of the common stock, (2) each of our directors, (3) each of our executive officers, and (4) all of our directors and executive officers as a group:

NAME AND ADDRESS OF BENEFICIAL OWNER (1)<F1>	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS (2) PERCENT OF CLASS (2)<F2>
Christopher C. Allie 3109 Waldo Blvd. Manitowoc, WI 54220	5,687,500 (3)<F3>	16.25%
Raymond L. Brickner III 936 Lakeshore Drive Cleveland, WI 53015	5,687,500 (4)<F4>	16.25%
Terence P. Fox 528 North 7th Street Manitowoc, WI 54220	5,687,500 (5)<F5>	16.25%
Daniel P. Wergin 1016 North 40th Street Manitowoc, WI 54220	5,687,500 (6)<F6>	16.25%
Integritas, Inc. 1135 Terminal Way Reno, NV 89502	2,500,000	7.14%
Samuel W. Fairchild	-0-	--
William McClellan	-0-	--
Officers and directors as a group (6 persons)	22,750,000	65.00%

(1)<F1> To our knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the shares set forth opposite such person's name.

(2)<F2> This table is based on 35,000,000 shares of Common Stock outstanding as of April 19, 2006. If a person listed on this table has the right to obtain additional shares of Common Stock within sixty (60) days from April 19, 2006, the additional shares are deemed to be outstanding for the purpose of computing the percentage of class owned by such person, but are not deemed to be outstanding for the purpose of computing the percentage of any other person.

(3)<F3> Includes 1,000,000 shares held by Peter C. Allie, 1,000,000 shares held by Alex C. Allie and 1,000,000 shares held by Stacey C. Culligan, all of whom are the children of Christopher C. Allie.

(4)<F4> Includes 4,687,500 shares held by Raymond L. Brickner III and Debra L. Brickner Irrevocable Trust Dated May 1, 2005, of which Raymond Brickner has the full authority to vote and/or dispose of the shares.

(5)<F5> Includes 2,000,000 shares held by Wergin Family Dynasty Trust 2005, of which Terence P. Fox is the trustee with full authority to vote and/or dispose of the shares.

(6)<F6> Includes 2,000,000 shares held by Terence P. Fox & Paula L. Fox Irrevocable Trust 2005, of which Daniel P. Wergin is the trustee with full authority to vote and/or dispose of the shares.

Christopher C. Allie, Raymond L. Brickner III, Terence P. Fox, and Daniel P. Wergin may be deemed to be the "parents" of our company within the meaning of the rules and regulations of the Securities and Exchange Commission.

EQUITY COMPENSATION PLANS

As of December 31, 2005, we did not have any equity compensation plans.

CHANGES IN CONTROL

We are not aware of any arrangements which may result in a change in control of the Company.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Other than as disclosed below, none of our present directors, officers or principal shareholders, nor any family member of the foregoing, nor, to the best of our information and belief, any of our former directors, senior officers or principal shareholders, nor any family member of such former directors, officers or principal shareholders, has or had any material interest, direct or indirect, in any transaction, or in any proposed transaction which has materially affected or will materially affect us.

BANK GUARANTEES. Christopher C. Allie, Terence P. Fox, Daniel P. Wergin, and Raymond L. Brickner III, who are officers and/or directors of Tower Tech and were the controlling shareholders of Tower Tech at the time funds were borrowed, have provided their personal guarantees on loans made by financial institutions to Tower Tech as described below.

On September 15, 2005, Tower Tech borrowed \$580,000 from Associated Bank, Green Bay, Wisconsin, at an interest rate of prime plus 0.5%. The loan requires monthly installments of \$8,710, including interest, and is due September 15, 2012. In addition to the personal guarantees, the loan is secured by substantially all of the assets of Tower Tech. At December 31, 2005, the outstanding principal balance of this loan was \$569,621.

Tower Tech borrowed \$90,000 from Associated Bank on March 31, 2005 at an interest rate of prime plus 1.0%. The loan was due October 15, 2005 but was extended to January 15, 2006. Tower Tech has been paying the interest only on this loan on a month-to-month basis and plans to either pay the loan in full or refinance the loan once financing is obtained. At December 31, 2005, the outstanding principal balance of this loan was \$90,000.

Tower Tech borrowed \$250,000 from Associated Bank on July 20, 2005 at an interest rate of prime plus 2.5%. The loan was due October 15, 2005 but was extended to January 20, 2006. Tower Tech has been paying the interest only on this loan on a month-to-month basis and plans to either pay the loan in full or refinance the loan once financing is obtained. At December 31, 2005, the outstanding principal balance of this loan was \$250,000.

Also on September 15, 2005, Tower Tech borrowed \$434,000 from Wisconsin Business Development Finance Corporation, Madison, Wisconsin, at an interest rate of 6.796% per annum. The loan requires monthly installments of \$4,982, including interest, and is due September 1, 2015. In addition to the personal guarantees, the loan is secured by substantially all of the assets of Tower Tech. At December 31, 2005, the outstanding principal balance of this loan was \$425,206.

SHAREHOLDER LOANS. Christopher C. Allie, Terence P. Fox, Daniel P. Wergin, and Raymond L. Brickner III have made unsecured loans to Tower Tech as set forth below. The notes evidencing the loans are due upon demand and accrue interest at 5% per annum.

LENDER	AMOUNT LOANED	DATE OF LOAN	AMOUNT OUTSTANDING AT 12/31/05
BFM LLC (owned by Christopher C. Allie and Daniel P. Wergin)	\$50,000	01/28/05	\$48,000
Choice Inc. (owned by Daniel P. Wergin)	\$65,000	05/25/05	\$65,000
43 Enterprises (owned in part by Christopher C. Allie and Daniel P. Wergin)	\$10,000	10/20/05	\$10,000
Choice Inc. (owned by Daniel P. Wergin)	\$8,000	10/21/05	\$8,000
City Centre LLC (owned indirectly by Raymond L. Brickner III, Daniel P. Wergin and Christopher C. Allie)	\$10,000	11/11/05	\$10,000
City Centre LLC (owned indirectly by Raymond L. Brickner III, Daniel P. Wergin and Christopher C. Allie)	\$125,000	12/30/05	\$125,000

LETTER OF CREDIT. In 2005, Whitehorse, LLC issued a letter of credit to back up Tower Tech's agreement to perform under the Tower Purchase Agreements and induce Vestas to pay its down payment to Tower Tech. Whitehorse, LLC operates the Wergin family limited partnership, which is owned beneficially by Daniel P. Wergin.

LINES OF CREDIT. On December 31, 2005, each of Messrs. Allie, Fox, Wergin, and Brickner agreed to maintain a line of credit for the benefit of Tower Tech through December 31, 2006 in the following amounts indicated in the table below. Tower Tech drew down against the lines of credit and at December 31, 2005, the amounts set forth in the table were owed to these persons. Tower Tech will pay interest at a fixed rate of 8% per annum.

LENDER	AMOUNT AVAILABLE	AMOUNT OWED TO LENDER AT 12/31/05
Christopher C. Allie	\$ 775,000	\$ 712,533
Terence P. Fox	\$ 1,015,000	\$ 1,009,833
Daniel P. Wergin	\$ 775,000	\$ 755,759
Raymond L. Brickner III	\$ 650,000	\$ 612,500

OPERATING LEASE. On January 1, 2005, Tower Tech entered into an agreement to lease its facilities under an operating lease from City Centre, LLC, a limited liability company owned 25% by Brickner Family Partnership and 75% by Peninsula Investments, LLC. Brickner Family Partnership is owned and controlled by Raymond L. Brickner III. Peninsula Investments, LLC is comprised of two members each owning 50%: White Horse, Ltd., LLC, of which Daniel Wergin owns 25%, and Stone House, LLC, of which Christopher Allie is the managing member.

The lease calls for monthly rent of \$33,320 and expires on December 31, 2009. The lease also grants Tower Tech five options to renew the lease for an additional five years beginning at the end of the lease period just ended. In addition, the lease includes contingent payments based on whether the level of production exceeds certain amounts of wind turbine extension towers. No contingent payments were required to be made in 2005. Prior to entering a formal lease agreement with City Centre, LLC on January 1, 2005, Tower Tech was not obligated to pay for the use of the property it had occupied during 2004. As a result, Tower Tech determined the fair value of the rent to be \$227,925 and recorded the receipt of the free rent as contributed capital. Rent expense for the year ended December 31, 2005 and 2004 was \$343,874 and \$227,925, respectively. Accrued rent payable to City Centre, LLC totaled \$210,225 at December 31, 2005.

SUBCONTRACTED LABOR. Tower Tech subcontracts a portion of its labor from RBA, Inc., a corporation controlled by Raymond L. Brickner III, a director and significant shareholder. Tower Tech's billings from RBA, Inc. for the years ended December 31, 2005 and 2004 were \$653,538 and \$378,811, respectively, for contracted labor, equipment set up, and general maintenance. At December 31, 2005 and 2004, \$286,872 and \$71,579 was owed to RBA, Inc. and was included in accounts payable, respectively.

MANAGERIAL SERVICES. During the year ended December 31, 2005, Tower Tech's shareholders provided managerial services to Tower Tech without charge. Tower Tech determined the fair value of these services to be \$208,000. This amount was recorded as selling, general and administrative expense and contributed capital.

FUTURE TRANSACTIONS. All future affiliated transactions will be made or entered into on terms that are no less favorable to us than those that can be obtained from any unaffiliated third party. A majority of the independent, disinterested members of our board of directors will approve future affiliated transactions. We believe that the transactions described above have been on terms as favorable to us as could have been obtained from unaffiliated third parties as a result of arm's length negotiations.

CONFLICTS OF INTEREST. In accordance with the laws applicable to us, our directors are required to act honestly and in good faith with a view to our best interests. In the event that a conflict of interest arises at a meeting of the board of directors, a director who has such a conflict will disclose the nature and extent of his interest to the meeting and abstain from voting for or against the approval of the matter in which he has a conflict.

ITEM 13. EXHIBITS.

REGULATION S-B NUMBER	EXHIBIT
2.1	Share Exchange Agreement by and among Blackfoot Enterprises, Inc. and the shareholders of Tower Tech Systems, Inc. and Tower Tech Systems, Inc. dated as of November 7, 2005 (1)
3.1	Articles of Incorporation (2)
3.2	Certificate of Amendment to Articles of Incorporation (3)
3.3	Bylaws (2)
10.1	Tower Production Agreement
10.2	Associated Bank loan documents
10.3	Wisconsin Business Development Finance Corporation loan documents
10.4	Lease agreement with City Centre, LLC
10.5	Promissory note to BFM LLC dated January 28, 2005
10.6	Promissory note to Choice Inc dated May 25, 2005
10.7	Promissory note to 43 Enterprises dated October 20, 2005
10.8	Promissory note to Choice Inc. dated October 21, 2005

REGULATION S-B NUMBER	EXHIBIT
10.9	Promissory note to City Centre LLC dated November 11, 2005
10.10	Promissory note to City Centre LLC dated December 30, 2005
10.11	Line of credit agreements with related parties
14.1	Code of Ethics (4)
21.1	Subsidiaries of Tower Tech Holdings Inc.
31.1	Rule 13a-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a) Certification of Chief Financial Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Chief Executive Officer
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Chief Financial Officer

- (1) Incorporated by reference to the exhibits to the registrant's current report on Form 8-K, filed November 21, 2005.
(2) Incorporated by reference to the exhibits to the registrant's registration statement on Form 10-SB filed August 11, 2000.
(3) Incorporated by reference to the exhibits to the registrant's current report on Form 8-K, filed February 10, 2006.
(4) Incorporated by reference to the exhibits to the registrant's quarterly report for the quarter ended September 30, 2003.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

AUDIT FEES

Audit fees consist of fees billed for professional services rendered for the audit of our financial statements and the review or audit of the interim statements. The total fees billed for Kyle L. Tingle for the fiscal year ended December 31, 2004 was \$1,500 and the total billed for the fiscal year ended December 31, 2005 was \$3,500.

AUDIT-RELATED FEES

There were no fees billed for services reasonably related to the performance of the audit or review of our financial statements outside of those fees disclosed above under "Audit Fees" for fiscal years 2004 and 2005.

TAX FEES

There were no fees billed for tax compliance, tax advice, and tax planning services for the fiscal years ended December 31, 2004 and 2005.

ALL OTHER FEES

There were no fees billed for other services for the fiscal years ended December 31, 2004 and 2005.

PRE-APPROVAL POLICIES AND PROCEDURES

Prior to engaging our accountants to perform a particular service, our board of directors obtains an estimate for the service to be performed. The board in accordance with procedures for the company approved all of the services described above.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TOWER TECH HOLDINGS INC.

Date: May 10, 2006

By: /s/ SAMUEL W. FAIRCHILD

Samuel W. Fairchild
Interim Chief Executive Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ SAMUEL W. FAIRCHILD ----- Samuel W. Fairchild	Interim Chief Executive Officer and Director (Principal Executive Officer)	May 10, 2006
/s/ CHRISTOPHER C. ALLIE ----- Christopher C. Allie	President and Chairman of the Board of Directors	May 10, 2006
/s/ TERENCE P. FOX ----- Terence P. Fox	Vice President, Secretary, General Counsel and Director	May 10, 2006
/s/ DANIEL P. WERGIN ----- Daniel P. Wergin	(Principal Financial and Accounting Officer) Director	May 10, 2006
/s/ RAYMOND L. BRICKNER III ----- Raymond L. Brickner III	Director	May 10, 2006

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

FINANCIAL REPORTS

DECEMBER 31, 2005
DECEMBER 31, 2004

F-1

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Blackfoot Enterprises, Inc.
Las Vegas, Nevada

We have audited the accompanying balance sheets of Blackfoot Enterprises, Inc. (A Development Stage Enterprise) as of December 31, 2005 and 2004, and the related statements of operations, stockholders' deficit, and cash flows for the years then ended, and the period July 10, 1996 (inception) through December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blackfoot Enterprises, Inc. (A Development Stage Enterprise) as of December 31, 2005 and 2004 and the results of its operations and cash flows for the years then ended, and the period July 10, 1996 (inception) through December 31, 2005, in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has no operations and has no established source of revenue. This raises substantial doubt about its ability to continue as a going concern. Management's plan in regard to these matters is also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Kyle L. Tingle, CPA, LLC

/s/ KYLE L. TINGLE, CPA, LLC

*May 4, 2006
Las Vegas, Nevada*

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

BALANCE SHEETS

	December 31, 2005	December 31, 2004
	-----	-----
ASSETS		
CURRENT ASSETS	\$ 0	\$ 0
Total current assets	0	0
Total assets	\$ 0	\$ 0
	=====	=====
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	\$ 1,637	\$ 0
Officers advances	46,347	40,130
	-----	-----
Total current liabilities	47,984	40,130
	-----	-----
STOCKHOLDERS' DEFICIT		
Common stock: \$.001 par value; authorized 25,000,000 shares; issued and outstanding: 9,750,000 at December 31, 2005; 31,500,000 at December 31, 2004	\$ 9,750	\$ 31,500
Additional paid-in capital	(7,650)	(29,400)
Accumulated deficit during development stage	(50,084)	(42,230)
	-----	-----
Total stockholders' deficit	(47,984)	(40,130)
	-----	-----
Total liabilities and stockholders' deficit	\$ 0	\$ 0
	=====	=====

See Accompanying Notes to Financial Statements.

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENTS OF OPERATIONS

	Years Ended		July 10, 1996
	December 31, 2005	December 31, 2004	(inception) to December 31, 2005
Revenues	\$ 0	\$ 0	\$ 0
Cost of revenue	0	0	0
Gross profit	0	0	0
General, selling and administrative expenses	7,854	7,303	50,084
Operating loss	(7,854)	(7,303)	(50,084)
Nonoperating income (expense)	0	0	0
Net loss	\$ (7,854)	\$ (7,303)	\$ (50,084)
Net loss per share, basic and diluted	\$ (0.00)	\$ (0.00)	
Average number of shares of common stock outstanding	24,230,137	31,500,000	

See Accompanying Notes to Financial Statements.

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENTS OF STOCKHOLDERS' DEFICIT

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED (DEFICIT) DURING DEVELOPMENT STAGE	TOTAL
	SHARES	AMOUNT			
July 6, 1996	31,500,000	\$ 31,500	\$ (29,400)	\$	\$ 2,100
Net loss, December 31, 1996				(2,100)	(2,100)
Balance, December 31, 1996	31,500,000	31,500	(29,400)	(2,100)	0
Net loss, December 31, 1997				0	0
Balance, December 31, 1997	31,500,000	31,500	(29,400)	(2,000)	0
Net loss, December 31, 1998				0	0
Balance, December 31, 1998	31,500,000	31,500	(29,400)	(2,100)	0
Net loss, December 31, 1999				0	0
Balance, December 31, 1999	31,500,000	31,500	(29,400)	(2,100)	0
April 24, 2000, changed from no par value to \$.001		(31,185)	31,185		
April 24, 2000, forward stock 100:1		31,185	(31,185)		
Net loss, December 31, 2000				(24,662)	(24,662)
Balance, December 31, 2000	31,500,000	31,500	(29,400)	(26,762)	(24,662)
Net loss December 31, 2001				(5,677)	(5,677)
Balance, December 31, 2001	31,500,000	31,500	(29,400)	(32,439)	(30,339)
Net loss, December 31, 2002				(1,873)	(1,873)
Balance, December 31, 2002	31,500,000	31,500	(29,400)	(34,312)	(32,212)
Net loss, December 31, 2003				(615)	(615)
Balance, December 31, 2003	31,500,000	31,500	(29,400)	(34,927)	(32,827)
Net loss, December 31, 2004				(7,303)	(7,303)
Balance, December 31, 2004	31,500,000	31,500	(29,400)	(42,230)	(40,130)
August 24, 2005, surrender and cancellation of shares	(21,750,000)	(21,750)	21,750		
September 6, 2005 stock dividend 14:1 (Note 2)				(7,854)	(7,854)
Net loss, December 31, 2005					
Balance, December 31, 2005	9,750,000	\$ 9,750	\$ (7,650)	\$ (50,084)	\$ (47,984)

See Accompanying Notes to Financial Statements.

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENTS OF CASH FLOWS

	Years Ended		July 10, 1996 (inception) to December 31, 2005
	December 31, 2005	December 31, 2004	
Cash Flows From			
Operating Activities			
Net (loss)	\$ (7,854)	\$ (7,303)	\$ (50,084)
Adjustments to reconcile net (loss) to cash (used in) operating activities:			
Changes in assets and liabilities			
Increase (decrease) in accounts payable	1,637	(700)	1,637
	(6,217)	(8,003)	(48,447)
Cash Flows From Investing Activities	0	0	0
Cash Flows From Financing Activities			
Issuance of common stock	0	0	2,100
Increase in officer advances	6,217	8,003	46,347
	6,217	8,003	48,447
Net increase (decrease) in cash	0	0	0
Cash, beginning of period	0	0	0
Cash, end of period	\$ 0	\$ 0	\$ 0
SUPPLEMENTAL INFORMATION			
Interest paid	\$ 0	\$ 0	\$ 0
Income taxes paid	\$ 0	\$ 0	\$ 0

See Accompanying Notes to Financial Statements.

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS:

Blackfoot Enterprises, Inc. ("Company") was organized July 10, 1996 under the laws of the State of Nevada. The Company currently has no operations and, in accordance with Statement of Financial Accounting Standard (SFAS) No. 7, "ACCOUNTING AND REPORTING BY DEVELOPMENT STAGE ENTERPRISES," is considered a Development Stage Enterprise.

A SUMMARY OF THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES IS AS FOLLOWS:

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH

For the Statements of Cash Flows, all highly liquid investments with maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of December 31, 2005 and 2004.

INCOME TAXES

Income taxes are provided for using the liability method of accounting in accordance with SFAS No. 109 "ACCOUNTING FOR INCOME TAXES." A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment.

GOING CONCERN

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Currently, the Company does not have significant cash or other material assets, nor does it have operations or a source of revenue sufficient to cover its operation costs and allow it to continue as a going concern. Until the Company has sufficient operations, the stockholders, officers, and directors have committed to advancing the operating costs of the company.

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENT ACCOUNTING PRONOUNCEMENTS

In November 2004, the FASB issued SFAS No. 151, "INVENTORY COSTS (AN AMENDMENT OF ACCOUNTING RESEARCH BULLETIN NO. 43, CHAPTER 4)." SFAS No. 151 seeks to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage) in the determination of inventory carrying costs. The statement requires such costs to be treated as a current period expense and is effective for fiscal years beginning after July 15, 2005. The Company does not believe the adoption of SFAS No. 151 will have a significant impact on its financial position or results of operations.

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based SFAS No. 123R replaced SFAS No. 123 and superseded Accounting Principles Board Opinion No. 25. SFAS No. 123R will require compensation costs related to share-based payment transactions to be recognized in the financial statements. The effective date of SFAS No. 123R is the first reporting period beginning after June 15, 2005. The adoption of SFAS No. 123 (revised 2004) should not have a significant impact on the Company's financial position or results of operations until such time the Company has share-based payments.

On April 14, 2005, the Securities and Exchange Commission issued an announcement amending the compliance dates for the FASB's SFAS 123R that addresses accounting for equity based compensation arrangements. Under SFAS 123R registrants would have been required to implement the standard as of the beginning of the first interim or annual period that begins after June 15, 2005. The Commission's new rule will allow companies to implement SFAS 123R at the beginning of the next fiscal year after June 15, 2005. The Company anticipates adopting SFAS 123R in the first quarter 2006.

In March 2005, the FASB issued FASB Interpretation ("FIN") No. 47 "Accounting for Conditional Asset Retirement Obligations--an Interpretation of FASB Statement No. 143" ("FIN No. 47"). FIN No. 47 clarifies the timing of liability recognition for legal obligations associated with the retirement of a tangible long-lived asset when the timing and/or method of settlement are conditional on a future event. FIN No. 47 is effective for us no later than December 31, 2005. We do not expect that the adoption of FIN No. 47 will have a material impact on our consolidated financial condition or results of operations.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets--an amendment of APB Opinion No. 29" ("SFAS No. 153"). The guidance in APB Opinion No. 29, "Accounting for Nonmonetary Transactions" ("APB No. 29"), is based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. The guidance in APB Opinion No. 29, however, included certain exceptions to that principle. SFAS No. 153 amends APB Opinion No. 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. SFAS No. 153 is effective for such exchange transactions occurring in fiscal periods beginning after June 15, 2005.

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENT ACCOUNTING PRONOUNCEMENTS

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections--a replacement of APB Opinion No. 20 and FASB Statement No. 3" ("SFAS No. 154"). This Statement replaces APB Opinion No. 20, "Accounting Changes" and FASB Statement No. 3, "Reporting Accounting Changes in Interim Financial Statements," and changes the requirements for the accounting for and reporting of a change in accounting principle. SFAS No. 154 applies to all voluntary changes in an accounting principle. It also applies to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. When a pronouncement includes specific transition provisions, those provisions should be followed. SFAS No. 154 is effective for accounting changes and error corrections occurring in fiscal years beginning after December 15, 2005.

In November 2005, the FASB issued FASB Staff Position FAS 115-1 and FAS 124-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments" ("FSP 115-1"), which provides guidance on determining when investments in certain debt and equity securities are considered impaired, whether that impairment is other-than-temporary, and on measuring such impairment loss. FSP 115-1 also includes accounting considerations subsequent to the recognition of an other-than temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. FSP 115-1 is required to be applied to reporting periods beginning after December 15, 2005. We do not expect the adoption of FSP 115-1 will have a material impact on our consolidated financial condition or results of operations.

NOTE 2. STOCKHOLDERS' EQUITY

COMMON STOCK

The authorized common stock of the Company consists of 25,000,000 shares with par value of \$0.001. On July 30, 1996, the Company authorized and issued 21,000 shares of its no par value common stock in consideration of \$2,100 in cash.

On April 24, 2000, the State of Nevada approved the Company's restated Articles of Incorporation, which increased its capitalization from 25,000 common shares to 25,000,000 common shares. The no par value was changed to \$0.001 per share.

On April 24, 2000, the Company's shareholders approved a forward split of its common stock at one hundred shares for one share of the existing shares. The number of common stock shares outstanding increased from 21,000 to 2,100,000. Prior period information has been restated to reflect the stock split

On August 31, 2005, the officers and directors of the Company surrendered for cancellation 1,450,000 shares of common stock, leaving 650,000 shares outstanding.

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STOCKHOLDERS' EQUITY (CONTINUED)

Subsequent to the cancellation of the common stock of the officers and directors, the Company issued a stock dividend of 14 shares for each share outstanding on September 6, 2005. This resulted in common stock outstanding of 9,750,000 after the stock dividend. All prior year information has been adjusted to reflect the stock dividend.

The Company has not authorized any preferred stock.

NET LOSS PER COMMON SHARE

Net loss per share is calculated in accordance with SFAS No. 128, "EARNINGS PER SHARE." The weighted-average number of common shares outstanding during each period is used to compute basic loss per share. Diluted loss per share is computed using the weighted averaged number of shares and dilutive potential common shares outstanding. Dilutive potential common shares are additional common shares assumed to be exercised.

Basic net loss per common share is based on the weighted average number of shares of common stock outstanding of 24,230,137 and 31,500,000 for December 31, 2005 and 2004, respectively. As of December 31, 2005, 2004, and since inception, the Company had no dilutive potential common shares.

NOTE 3. INCOME TAXES

We did not provide any current or deferred U.S. federal income tax provision or benefit for any of the periods presented because we have experienced operating losses since inception. We provided a full valuation allowance on the net deferred tax asset, consisting of net operating loss carryforwards, because management has determined that it is more likely than not that we will not earn income sufficient to realize the deferred tax assets during the carryforward period.

The components of the Company's deferred tax asset as of December 31, 2005 and 2004 is as follows:

	2005	2004
Net operating loss carryforward	\$ 17,529	\$ 14,781
Valuation allowance	(17,529)	(14,781)
Net deferred tax asset	\$ 0	\$ 0

A reconciliation of income taxes computed at the statutory rate to the income tax amount recorded is as follows:

	2005	2004	SINCE INCEPTION
Tax at statutory rate (35%)	\$ 2,749	\$ 2,556	\$ 17,529
Increase in valuation allowance	(2,749)	(2,556)	(17,529)
Net deferred tax asset	\$ 0	\$ 0	\$ 0

The net federal operating loss carry forward will expire between 2016 and 2025. This carry forward may be limited upon the consummation of a business combination under IRC Section 381.

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RELATED PARTY TRANSACTIONS

The Company neither owns nor leases any real or personal property. The registered agent of the corporation provides office services without charge. Such costs are immaterial to the financial statements and accordingly, have not been reflected therein. The officers and directors for the Company are involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between the Company and their other business interest. The Company has not formulated a policy for the resolution of such conflicts.

NOTE 5. WARRANTS AND OPTIONS

There are no warrants or options outstanding to acquire any additional shares of common stock of the Company.

NOTE 6. OFFICERS' ADVANCES

The Company has incurred costs while seeking additional capital through a merger with an existing company. An officer of the Company has advanced funds on behalf of the Company to pay for these costs. These funds have been advanced interest free.

NOTE 7. SUBSEQUENT EVENTS

On January 19, 2006, the State of Nevada approved the Company's Certificate of Amendment to Articles of Incorporation, which increased its capitalization from 25,000,000 common shares to 100,000,000 common shares and 10,000,000 preferred shares. The par value was unchanged at \$0.001 per share. The Certificate of Amendment also amended the name of the Company to Tower Tech Holdings, Inc. The amendments were effective February 7, 2006.

On February 6, 2006, the Company closed the "Share Exchange Agreement ("Share Exchange") with the Shareholders of Tower Tech Systems, Inc. ("Tower Tech") and Tower Tech Systems, Inc. In the Share Exchange, dated November 7, 2005, the shareholders of Tower Tech received 25,250,000 shares of the Company in exchange for their shares of Tower Tech. The Share Exchange was able to close after the Company increased its capitalization to more than 35,000,000 shares. The former shareholders of Tower Tech hold 72.14% of the shares of the Company resulting in a change in control. Upon closing, Tower Tech became a wholly owned subsidiary of the Company.

TOWER TECH SYSTEMS, INC.
(A DEVELOPMENT STAGE COMPANY)

Financial Statements
December 31, 2005 and 2004

Together With Report of Independent
Registered Public Accounting Firm

TOWER TECH SYSTEMS, INC.
(A DEVELOPMENT STAGE COMPANY)
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**REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

To the Board of Directors and
Shareholders of Tower Tech Systems, Inc.:

We have audited the accompanying balance sheets of Tower Tech Systems, Inc. (a development stage company) as of December 31, 2005 and 2004, and the related statements of operations, shareholders' deficit and cash flows for the years ended December 31, 2005 and 2004 and the period from October 17, 2003 (inception) to December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tower Tech Systems, Inc. as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years ended December 31, 2005 and 2004 and the period from October 17, 2003 (inception) to December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 2, the Company has incurred an accumulated deficit of \$3,875,383 as of December 31, 2005, and as of December 31, 2005 has a shareholders' deficit of \$3,424,906. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this matter.

/s/ CARVER MOQUIST & O'CONNOR, LLC

*Plymouth, Minnesota
April 17, 2006*

TOWER TECH SYSTEMS, INC.
(A Development Stage Company)

Balance Sheets
December 31, 2005 and 2004

ASSETS	2005	2004
	----	----
Current assets:		
Cash	\$ 166,023	\$ -
Accounts receivable	179,842	-
Inventories	283,428	332,387
Prepaid expenses	8,362	-
	-----	-----
Total current assets	637,655	332,387
	-----	-----
Property and equipment:		
Machinery and equipment	2,640,188	1,622,399
Office equipment	30,584	16,125
Leasehold improvements	314,759	190,609
	-----	-----
	2,985,531	1,829,133
Less accumulated depreciation and amortization	309,614	65,501
	-----	-----
Net property and equipment	2,675,917	1,763,632
	-----	-----
Bond issuance fees, net of amortization of \$418 and \$0, respectively	16,313	9,200
	-----	-----
TOTAL ASSETS	\$ 3,329,885	\$ 2,105,219
	=====	=====
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Bank overdraft	\$ -	\$ 5,775
Notes payable	440,000	346,000
Notes payable - related party	3,356,625	1,633,700
Current maturities of long-term debt	98,000	-
Accounts payable	1,169,299	303,186
Accrued liabilities	585,174	52,200
Customer deposits	208,866	274,580
	-----	-----
Total current liabilities	5,857,964	2,615,441
	-----	-----
Long-term debt less current maturities	896,827	-
	-----	-----
Commitments and contingencies		
Shareholders' deficit:		
Common stock, no par value:		
9,000 shares authorized;		
500 shares issued and outstanding	450,477	242,477
Accumulated deficit in the development stage	(3,875,383)	(752,699)
	-----	-----
Total shareholders' deficit	(3,424,906)	(510,222)
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	\$ 3,329,885	\$ 2,105,219
	=====	=====

The accompanying notes are an integral part of the financial statements.

TOWER TECH SYSTEMS, INC.
(A Development Stage Company)

Statements of Operations

	FOR THE YEARS ENDED DECEMBER 31,		CUMULATIVE FROM OCTOBER 17, 2003 (INCEPTION) TO DECEMBER 31, 2005
	2005	2004	2005
Net sales	\$ 1,966,974	\$ -	\$ 1,966,974
Cost of sales	4,009,338	-	4,009,338
Gross loss	(2,042,364)	-	(2,042,364)
Product development	62,732	176,431	239,163
Selling, general and administrative expenses	782,357	520,731	1,303,088
Total operating expenses	845,089	697,162	1,542,251
Loss from operations	(2,887,453)	(697,162)	(3,584,615)
Other income (expense):			
Miscellaneous expense, net	-	(3,337)	(3,337)
Realized loss on foreign currency transactions	(13,276)	-	(13,276)
Interest expense	(221,955)	(52,200)	(274,155)
Other expense, net	(235,231)	(55,537)	(290,768)
Net loss	\$ (3,122,684)	\$ (752,699)	\$ (3,875,383)
Net loss per common share (basic and diluted)	\$ (6,245)	\$ (1,955)	\$ (9,664)
Weighted average shares outstanding:			
Basic and diluted	500	385	401

The accompanying notes are an integral part of the financial statements.

TOWER TECH SYSTEMS, INC.
(A Development Stage Company)

Statements of Shareholders' Deficit

Period from October 17, 2003 (Inception) to December 31, 2005

	COMMON STOCK		ACCUMULATED DEFICIT IN THE DEVELOPMENT STAGE	TOTAL
	SHARES ISSUED AND OUTSTANDING	AMOUNT		
Balance, October 17, 2003	-	\$ -	\$ -	\$ -
Sale of common stock	-	-	-	-
Contributed capital	-	-	-	-
Distributions to shareholders	-	-	-	-
Net loss	-	-	-	-
Balance, December 31, 2003	-	-	-	-
Sale of common stock	500	40,000	-	40,000
Contributed capital - free rent	-	227,925	-	227,925
Distributions to shareholders	-	(25,448)	-	(25,448)
Net loss	-	-	(752,699)	(752,699)
Balance, December 31, 2004	500	242,477	(752,699)	(510,222)
Contributed capital - management salaries	-	208,000	-	208,000
Net loss	-	-	(3,122,684)	(3,122,684)
Balance, December 31, 2005	500	\$ 450,477	\$ (3,875,383)	\$ (3,424,906)

The accompanying notes are an integral part of the financial statements.

TOWER TECH SYSTEMS, INC.
(A Development Stage Company)

Statements of Cash Flows

	FOR THE YEARS ENDED DECEMBER 31,		CUMULATIVE FROM OCTOBER 17, 2003 (INCEPTION) TO DECEMBER 31,
	2005	2004	2005
Cash flows from operating activities:			
Net loss	\$ (3,122,684)	\$ (752,699)	\$ (3,875,383)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	244,113	65,501	309,614
Amortization of bond issuance fees	418	-	418
Contributed facilities (free rent) by shareholders	-	227,925	227,925
Contributed services by shareholders	208,000	-	208,000
Changes in operating assets and liabilities:			
Accounts receivable	(179,842)	-	(179,842)
Inventories	48,959	(332,387)	(283,428)
Prepaid expenses	(8,362)	-	(8,362)
Accounts payable	807,625	209,554	1,075,667
Accrued liabilities	532,974	52,200	585,174
Customer deposits	(65,714)	274,580	208,866
	(1,534,513)	(255,326)	(1,731,351)
Cash flows from investing activity:			
Purchases of property and equipment	(1,097,910)	(1,416,501)	(2,572,899)
Cash flows from financing activities:			
Bank overdraft	(5,775)	5,775	-
Increase in notes payable	1,816,925	1,660,700	3,477,625
Proceeds from long-term debt	2,674,000	-	2,674,000
Retirement of long-term debt	(1,679,173)	-	(1,679,173)
Payment for bond issuance fees	(7,531)	(9,200)	(16,731)
Proceeds from sale of common stock	-	40,000	40,000
Distributions to shareholders	-	(25,448)	(25,448)
	2,798,446	1,671,827	4,470,273
Net increase in cash	166,023	-	166,023
Cash at beginning of period	-	-	-
Cash at end of period	\$ 166,023	\$ -	\$ 166,023
Supplemental cash flow information:			
Cash paid for interest	\$ 166,146	\$ -	\$ 166,146
Non-cash investing and financing activity:			
Debt incurred for the purchase of property and equipment	\$ -	\$ 319,000	\$ 319,000
Accounts payable incurred for the purchase of equipment	\$ 58,488	\$ 93,632	\$ 152,120

The accompanying notes are an integral part of the financial statements.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

Tower Tech Systems, Inc. engineers and manufactures wind turbine extension towers. The Company was incorporated on October 17, 2003 and is located in Manitowoc, Wisconsin.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

We include as cash equivalents certificates of deposit and all other investments with maturities of three months or less, which are readily convertible into known amounts of cash. We maintain our cash in high-quality financial institutions. The balances, at times, may exceed federally insured limits.

CUSTOMER CONCENTRATIONS AND RECEIVABLES

The Company sells to domestic and international companies and grants uncollateralized credit to customers. However, customer deposits are required at various stages of the production process to minimize credit risk.

Through December 31, 2005, 99% of all revenues were from two customers. At December 31, 2005, 99% of all receivables are from one customer.

Management believes that receivables are fully collectible. While the ultimate result may differ, management believes that any write off not allowed for will not have a material impact on the Company's financial position.

INVENTORIES

Inventories are stated at the lower of cost or market, with cost determined using the first-in, first-out (FIFO) basis. Market value encompasses consideration of all business factors including price, contract terms and usefulness.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Expenditures for additions and improvements are capitalized while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed currently as incurred. Properties sold or otherwise disposed of are removed from the property accounts, with gains or losses on disposal credited or charged to operations.

TOWER TECH SYSTEMS, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2005 AND 2004

Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets as follows:

Machinery and equipment	5 to 10 years
Office equipment	3 to 7 years
Leasehold improvements	7 to 15 years

BOND ISSUANCE FEES

Bond issuance fees are recorded at cost and will be amortized on a straight-line basis over the ten year life of the bond. Annual expense for the next five years will be \$1,673.

LONG-LIVED ASSETS

We will periodically evaluate the carrying value of long-lived assets to be held and used, including but not limited to, capital assets and intangible assets, when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair values are reduced for the cost to dispose.

INCOME TAXES

The Company has elected to be taxed as an S corporation under the provisions of the Internal Revenue Code and Wisconsin Statutes. Under those provisions, the Company does not pay federal and state corporate income taxes on its taxable income. Instead, the shareholders are liable for individual federal and Wisconsin income taxes on the Company's taxable income. The Company may periodically make distributions to the shareholders for income taxes. Accordingly, no provision for income taxes has been recorded.

SEGMENT REPORTING

The Company operates and manages the business under one reporting segment.

ADVERTISING COSTS

Advertising costs are expensed as incurred. Advertising costs amounted to \$1,976 and \$4,707 for the years ended December 31, 2005 and 2004, respectively.

REVENUE RECOGNITION

The Company recognizes revenue when persuasive evidence of an arrangement exists, transfer of title has occurred or services rendered, the selling price is fixed or determinable, collectability is reasonable assured and delivery has occurred per the contract terms. Customer deposits and other receipts are generally deferred and recognized when earned.

Revenue is recognized on a contract by contract basis. Depending on the terms of the contract, revenue may be earned by the building of tower sections, building a complete tower, or modifications to existing towers or sections.

Warranty costs are estimated and accrued based on historical rates or known costs of corrections.

RESEARCH AND DEVELOPMENT

Research and development costs in the product development process are expensed as incurred. Assets that are acquired for research and development activities and have alternative future uses in addition to a current use are included in equipment and depreciated over the assets' estimated useful lives. Research and development costs consist primarily of contract engineering costs for outsourced design or development, equipment and material costs relating to all design and prototype development activities.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The respective carrying value of certain on-balance sheet financial instruments approximates their fair values. These financial instruments include cash, accounts payable and accrued liabilities, indebtedness to related parties and notes payable. Fair values were assumed to approximate cost or carrying values as most of the debt was incurred recently and the assets were acquired within one year. Management is of the opinion that the Company is not exposed to significant interest, credit or currency risks arising from these financial instruments.

COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) includes net income (loss) and items defined as other comprehensive income (loss). Items defined as other comprehensive income (loss) include items such as foreign currency translation adjustments and unrealized gains and losses on certain marketable securities. For the years ended December 31, 2005 and 2004 and for the period from October 17, 2003 (inception) to December 31, 2005, there were no adjustments to net loss to arrive at comprehensive loss.

EFFECT OF NEW ACCOUNTING STANDARDS

In November 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 151, Inventory Costs (SFAS No. 151), which amends the guidance in ARB No. 43, Chapter 4, Inventory Pricing to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material. SFAS No. 151 requires that those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal." In addition, SFAS No. 151 requires that the allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The Company is currently evaluating the provisions of SFAS No. 151 and will adopt it on January 1, 2006 as required. The Company does not expect that the adoption of SFAS No. 151 will have an impact on its future fiscal year results.

NOTE 2 - GOING CONCERN

The Company incurred significant operating losses during its years of operations. At December 31, 2005, the Company has a negative working capital position of \$5,220,309 and a shareholders' deficit of \$3,424,906. Furthermore, the Company is highly leveraged with debt. It is management's opinion that these facts raise substantial doubts about the Company's ability to continue as a going concern without additional debt or equity financing.

In order to meet its working capital needs over the next twelve months, the Company merged with Blackfoot Enterprises, Inc. and began publicly trading its stock (for more information on this transaction, see Note 10). In 2006, the Company signed a contract to manufacture 16 towers.

TOWER TECH SYSTEMS, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2005 AND 2004

NOTE 3 - DEVELOPMENT STAGE OPERATIONS

The Company was incorporated on October 17, 2003 and was inactive during 2003. Five hundred shares of no par value common stock were sold for \$40,000 in 2004. Development of the manufacturing process began in July 2004 after the acquisition and installation of necessary manufacturing equipment. Operations prior to that time were devoted primarily to securing orders and purchasing capital assets. In February 2005, the first wind turbine extension towers were delivered and additional towers were completed throughout the remainder of 2005 and first quarter of 2006. Due to lack of funding and manufacturing inefficiencies, the Company temporarily suspended production in February 2006 and, therefore, still considered itself to be in the development stage at December 31, 2005.

NOTE 4 - INVENTORIES

Inventories at December 31, 2005 and 2004 consisted of work-in-process of \$283,428 and \$332,387, respectively. Since costs have exceeded market value at both December 31, 2005 and 2004, the work-in-process has been adjusted to market value.

NOTE 5 - NOTES PAYABLE

Notes payable at December 31, 2005 and 2004 consisted of the following:

	2005 ----	2004 ----
THIRD PARTY		
Prime plus 1% (8.25% at December 31, 2005) note, due April 14, 2006	\$ 100,000	\$ -
Prime plus 1% (8.25% at December 31, 2005) note, due January 15, 2006	90,000	-
Prime (7.25% at December 31, 2005) note, due April 21, 2007	250,000	-
7% note, due on demand, unsecured, private party	-	346,000
	-----	-----
Total third party notes payable	\$ 440,000	\$ 346,000
	=====	=====
RELATED PARTY		
5% notes, due on demand, unsecured	\$ 266,000	\$ -
Shareholder lines of credit at 8% (prime plus 1.5% prior to December 31, 2005) due on December 31, 2006, unsecured; total credit available is \$3,215,000	3,090,625	1,633,700
	-----	-----
Total related party notes payable	\$ 3,356,625	\$ 1,633,700
	=====	=====
Weighted average interest rate at December 31	8.36%	6.80%
	=====	=====

TOWER TECH SYSTEMS, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2005 AND 2004

NOTE 6 - LONG-TERM DEBT

Long-term debt at December 31 consisted of the following:

	2005 ----	2004 ----
ASSOCIATED BANK		
Prime plus .5% (7.75% at December 31, 2005), due in monthly installments of \$8,710 including interest, due September 15, 2012, secured by substantially all assets of the Company and personal guarantees of the shareholders	\$ 569,621	\$ -
WISCONSIN BUSINESS DEVELOPMENT FINANCE CORPORATION		
6.796% note, due in monthly installments of \$4,982 including interest, due September 1, 2015, secured by substantially all assets of the Company and personal guarantees of the shareholders	425,206 -----	- -----
Total long-term debt	994,827	-
Less current maturities	98,000 -----	- -----
Total long-term debt, less current maturities	\$ 896,827 =====	\$ - =====

Maturities of long-term debt for each of the five years following December 31, 2005 are as follows:

YEAR ENDING DECEMBER 31,	
2006	\$ 98,000
2007	105,000
2008	112,000
2009	121,000
2010	130,000
Thereafter	428,827 -----
	\$ 994,827 =====

NOTE 7 - OPERATING LEASE

On January 1, 2005, the Company entered into an agreement to lease its facilities from City Centre, LLC, a corporation controlled by one of the Company's shareholders under an operating lease. The lease calls for monthly rent of \$33,320 and expires on December 31, 2009. The lease also grants the Company five options to renew the lease for an additional five years beginning at the end of the lease period just ended. In addition, the lease includes contingent payments based on whether the level of production exceeds certain amounts of wind turbine extension towers. No contingent payments were required to be made in 2005.

TOWER TECH SYSTEMS, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2005 AND 2004

Following is a schedule by years of future minimum lease payments required under the lease as of December 31, 2005:

YEAR ENDING	
DECEMBER 31,	
2006	\$ 399,838
2007	399,838
2008	399,838
2009	399,838

Total	\$ 1,599,352
	=====

Prior to entering a formal lease agreement with City Centre, LLC on January 1, 2005, the Company was not obligated to pay for the use of the property it had occupied during 2004. As a result, the Company determined the fair value of the rent to be \$227,925 and recorded the receipt of the free rent as contributed capital.

Rent expense for the years ended December 31, 2005 and 2004 was \$343,874 and \$227,925, respectively.

Accrued rent payable to City Centre, LLC totaled \$210,225 at December 31, 2005.

NOTE 8 - RELATED PARTY TRANSACTIONS

The Company subcontracts a portion of its labor from RBA, Inc., a corporation controlled by one of the Company's shareholders. The Company's billings from RBA, Inc. for the years ended December 31, 2005 and 2004 were \$653,538 and \$378,811, respectively, for contracted labor, equipment set up, and general maintenance. At December 31, 2005 and 2004, \$286,872 and \$71,579 was owed to RBA, Inc. and was included in accounts payable, respectively.

Interest expense of \$100,720 and \$36,100 was incurred on shareholder and related party notes during the years ended December 31, 2005 and 2004, respectively, and included in accrued liabilities at December 31, 2005 and 2004, respectively.

During the year ended December 31, 2005, the Company's shareholders provided managerial services to the Company without charge. The Company determined the fair value of these services to be \$208,000. This amount was recorded as selling, general and administrative expense and contributed capital.

NOTE 9 - CONTINGENCIES

As of December 31, 2005, the Company had disputes over service billings related to contracted tower work from two vendors totaling \$333,827. The Company is in disagreement over these billings with the vendors and does not believe they owe the stated amounts. As of April 2006, the Company has not resolved these matters and it is more likely than not that the Company will pay some amount to settle these liabilities. The Company's best estimate of this potential contingent liability is 50% of the total which is approximately \$167,000 and has recorded this in accrued liabilities at December 31, 2005.

The Company is also subject to legal proceedings in the normal course of business. Management believes these proceedings will not have a material adverse effect on the financial statements.

NOTE 10 - SUBSEQUENT EVENTS

MERGER

Effective February 6, 2006, the Company merged with Blackfoot Enterprises, Inc. and became a wholly-owned subsidiary of Blackfoot Enterprises, Inc. The acquisition was treated as a recapitalization of Tower Tech Systems, Inc. ("Tower Tech") with Tower Tech being treated as the accounting acquirer in a reverse merger. The operations of Tower Tech became the continuing operations of Blackfoot Enterprises, Inc. under the new name, Tower Tech Holdings, Inc., trading under the symbol TWRT. As part of the merger, current Tower Tech shareholders received 25,250,000 shares of Blackfoot Enterprises, Inc., in exchange for the issued and outstanding common shares (555) of Tower Tech. In connection with the merger, the Company's Board of Directors unanimously agreed to issue 55 common shares immediately prior to the merger to Integritas, Inc. (a Nevada corporation) in return for their assistance in consummating the merger and consulting services on a go forward basis. The value of these services has not been quantified at this time. Since no cash was received in the merger from Blackfoot Enterprises, Inc., all transaction costs will be expensed as incurred.

CHANGE IN TAX STATUS

Effective with the merger discussed above, the Company terminated its subchapter S status and became a taxable entity. Prior to the issuance of stock, no provision was made for income taxes in 2005 and 2004 because the losses were included in the personal tax returns of the Company's shareholders. In the future, the Company will be treated as a taxable corporation and will record a provision for income taxes and will calculate the effect of deferred taxes.

BLACKFOOT ENTERPRISES, INC.
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BLACKFOOT ENTERPRISES, INC.
PRO FORMA COMBINED FINANCIAL INFORMATION

The accompanying pro forma combined financial statements present the historical financial information of Blackfoot Enterprises, Inc. (Blackfoot), as adjusted for the merger of Tower Tech Systems, Inc. (Tower Tech). For financial reporting purposes, the business combination is to be accounted for as an additional capitalization of Tower Tech with Tower Tech as the acquirer (reverse merger). The operations of Tower Tech will be the continuing operations of Blackfoot.

The accompanying pro forma combined balance sheet presents the historical financial information of Blackfoot as of December 31, 2005, as adjusted for the merger of Tower Tech, accounted for as a reverse merger.

The accompanying pro forma combined statements of operations for the years ended December 31, 2005 and 2004, combines the historical financial information of Tower Tech for the years ended December 31, 2005 and 2004 with the historical information of Blackfoot for the years ended December 31, 2005 and 2004, respectively, as if the acquisition had occurred on January 1, 2004.

The pro forma combined financial statements have been prepared by management, based on the historical audited financial statements of Blackfoot and Tower Tech. These pro forma combined financial statements may not be indicative of the results that actually would have occurred if the combination had been in effect on the dates indicated or which may be obtained in the future. The pro forma combined financial statements should be read in conjunction with the historical financial statements of Blackfoot for the years ended December 31, 2005 and 2004, and with the historical statements of Tower Tech for the years ended December 31, 2005 and 2004, included elsewhere in this filing.

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE COMPANY)

PRO FORMA COMBINED BALANCE SHEETS
DECEMBER 31, 2005

	Blackfoot Enterprises, Inc.	Tower Tech Systems, Inc.	Pro Forma Adjustments	Notes	Pro Forma Combined
	(audited)	(audited)	(unaudited)		(unaudited)
ASSETS					
CURRENT ASSETS					
Cash	\$ -	\$ 166,023	\$ -		\$ 166,023
Accounts receivable	-	179,842	-		179,842
Inventories	-	283,428	-		283,428
Prepaid expenses	-	8,362	-		8,362
Total current assets	-	637,655	-		637,655
Property and equipment					
Machinery and equipment	-	2,640,188	-		2,640,188
Office equipment	-	30,584	-		30,584
Leasehold improvements	-	314,759	-		314,759
Less accumulated depreciated	-	2,985,531	-		2,985,531
Net property and equipment	-	2,675,917	-		2,675,917
Other asset					
Bond issuance fees, net	-	16,313	-		16,313
	\$ -	\$ 3,329,885	\$ -		\$ 3,329,885
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Current maturities of long-term debt	\$ -	\$ 98,000	\$ -		\$ 98,000
Notes payable	-	440,000	-		440,000
Notes payable - related party	-	3,356,625	-		3,356,625
Accounts payable	1,637	1,169,299	-		1,170,936
Accrued liabilities	-	585,174	-		585,174
Customer deposits	-	208,866	-		208,866
Officers advances	46,347	-	(46,347)	(3)	-
Total current liabilities	47,984	5,857,964	(46,347)		5,859,601
Long-term debt less current maturities	-	896,827	-		896,827
Commitments and contingencies					
STOCKHOLDERS' DEFICIT					
Common stock	9,750	450,477	25,250	(1)	
Additional paid in capital	(7,650)	-	(450,477)	(1)	35,000
			425,227	(1)	
			(50,084)	(2)	
			46,347	(3)	413,840
Accumulated deficit in the development stage	(50,084)	(3,875,383)	50,084	(2)	(3,875,383)
Total stockholders' deficit	(47,984)	(3,424,906)	46,347		(3,426,543)
	\$ -	\$ 3,329,885	\$ -		\$ 3,329,885

See notes to the pro forma combined financial statements

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE COMPANY)

**PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Blackfoot Enterprises, Inc. (audited)	Tower Tech Systems, Inc. (audited)	Pro Forma Adjustments (unaudited)	Pro Forma Combined (unaudited)
	-----	-----	-----	-----
Revenues	\$ -	\$ 1,966,974	\$ -	\$ 1,966,974
Cost of revenue	-	4,009,338	-	4,009,338
Gross profit	----- -	----- (2,042,364)	----- -	----- (2,042,364)
Product development	-	62,732	-	62,732
General, selling and administrative expenses	7,854	782,357	-	790,211
Total operating expenses	----- 7,854	----- 845,089	----- -	----- 852,943
Loss from operations	----- (7,854)	----- (2,887,453)	----- -	----- (2,895,307)
Other income (expense)				
Miscellaneous expense, net	-	(13,276)	-	(13,276)
Interest expense	-	(221,955)	-	(221,955)
Other income	-	-	-	-
Other expense, net	----- -	----- (235,231)	----- -	----- (235,231)
Net loss	----- \$ (7,854)	----- \$ (3,122,684)	----- \$ -	----- \$ (3,130,538)
Loss per share				----- \$ (0.09) -----
Weighted average shares outstanding:				
Basic and diluted				----- 35,000,000 -----

See notes to the pro forma combined financial statements

BLACKFOOT ENTERPRISES, INC.
(A DEVELOPMENT STAGE COMPANY)

**PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Blackfoot Enterprises, Inc.	Tower Tech Systems, Inc.	Pro Forma Adjustments	Pro Forma Combined
	(audited)	(audited)	(unaudited)	(unaudited)
Revenues	\$ -	\$ -	\$ -	\$ -
Cost of revenue	-	-	-	-
Gross profit	-	-	-	-
Product development	-	176,431	-	176,431
General, selling and administrative expenses	7,303	520,731	-	528,034
Total operating expenses	7,303	697,162	-	704,465
Loss from operations	(7,303)	(697,162)	-	(704,465)
Other income (expense)				
Miscellaneous expense, net	-	(3,337)	-	(3,337)
Interest expense	-	(52,200)	-	(52,200)
Other income	-	-	-	-
Other expense, net	-	(55,537)	-	(55,537)
Net loss	\$ (7,303)	\$ (752,699)	\$ -	\$ (760,002)
Loss per share				\$ (0.02)
Weighted average shares outstanding: Basic and diluted				35,000,000

See notes to the pro forma combined financial statements

BLACKFOOT ENTERPRISES, INC.
NOTES TO THE PROFORMA COMBINED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1 - Basis of Presentation

The accompanying pro forma combined financial statements are presented to reflect the acquisition of Tower Tech Systems, Inc. by Blackfoot Enterprises, Inc., with the operations of Tower Tech Systems, Inc. being the continuing operations of the combined entities. For accounting purposes, the acquisition has been treated as a recapitalization of Tower Tech with Tower Tech as the acquirer (reverse merger).

The accompanying pro forma combined balance sheet as of December 31, 2005 has been prepared to give effect to the acquisition of Tower Tech by Blackfoot as if the acquisition occurred on December 31, 2005. The historical financial statements prior to December 31, 2005, are those of Tower Tech. The accompanying pro forma combined statement of operations combines the historical operations of Tower Tech for the years ended December 31, 2005 and 2004, as if the acquisition had occurred on January 1, 2004.

Note 2 - Pro forma adjustments

The unaudited pro forma combined financial statements reflect the following pro forma adjustments:

- (1) As part of the merger, Tower Tech Systems, Inc. (Tower Tech) shareholders will receive 25,250,000 shares of Blackfoot Enterprises, Inc. (Blackfoot) in exchange for the 555 issued and outstanding common shares of Tower Tech so that 35,000,000 shares (\$.001 par value) will be outstanding after the merger.
- (2) As a result of the merger, Blackfoot's accumulated deficit in the development stage will be eliminated and be offset against additional paid-in capital.
- (3) Integritas, Inc. received 55 shares of Tower Tech in return for its continuing consulting services provided in the Tower Tech/Blackfoot merger. Part of these services include paying off the advances made by Blackfoot by its officers.

EXHIBIT 10.1

TOWER PRODUCTION AGREEMENT

TOWER PRODUCTION AGREEMENT

This Agreement, dated this 11th day of May, 2005, by and between TOWER TECH SYSTEMS, INC., a Wisconsin corporation (hereinafter "TTSI") and VESTAS Towers Inc., a foreign corporation (hereinafter "VESTAS");

WHEREAS, TTSI is engaged in the manufacturing of wind towers (towers) at its plant located in Manitowoc, Wisconsin, USA, more particularly located at 101 S. 16th Street, and VESTAS desires to contract with TTSI to have TTSI become an exclusive tower supplier to VESTAS under the terms and conditions contained herein; and

WHEREAS, TTSI desires to enter into a contract with VESTAS whereby TTSI becomes an exclusive supplier of towers to VESTAS pursuant to the terms and conditions of the Agreement; and

WHEREAS, VESTAS and TTSI will form a strategic alliance whereby VESTAS will supply TTSI with certain fabrication and production support and a minimum number of towers to construct for each year of the Agreement at agreed upon prices for labor and materials and TTSI will furnish the towers pursuant to the Agreement and not manufacture towers for any other company unless allowed by this Agreement or VESTAS breaches the Agreement; and

NOW, THEREFORE, the parties to this Agreement hereby agree that:

1. VESTAS SHALL:

- a) provide all materials except those required to be provided by TTSI. The term of this Agreement shall be for two (2) years commencing the date this Agreement is executed. For the first year of the Agreement, VESTAS shall order, accept delivery of and pay for a minimum of seventy-two (72) towers. For the second year of this Agreement, VESTAS shall order, accept delivery of and pay for a minimum of seventy-five (75) towers. The towers shall be equal to 300 sections, with a minimum of 12 sections per month.
- b) issue individual purchase orders for each tower series that it orders from TTSI including the necessary approved final plans and specifications for the towers being ordered as well as the delivery schedules;
- c) issue the first purchase order for twenty-two (22) towers to be delivered pursuant to the delivery schedule contained in the purchase order at a cost of \$135,000.00 per tower. This price includes partial costs for material for door frame and oscillation damper and the cost of the same will be negotiated by both parties, when the prices are known. Upon completion of said first order, VESTAS will issue additional purchase orders for at least the minimum number of towers required for year one of this Agreement at:

- o 1.75 times the man-hours VESTAS uses in their Denmark tower manufacturing facility to produce the same series of tower. This applies for the production of the "black tower".
 - o USD 12.70 per square meter, which includes sweep blasting, metalizing and painting according to VESTAS specification 900960
 - o 1 times the man-hours VESTAS uses in their Denmark tower manufacturing facility for installation of internals
- d) issue purchase orders to TTSI for the second year of this Agreement of at least the minimum number of towers required under this Agreement priced at:
- o 1.5 times the man-hours VESTAS uses in their Denmark tower manufacturing facility to produce the same series tower. This applies for the production of the "black tower".
 - o USD 12.70 per square meter, which includes sweep blasting, metalizing and painting according to VESTAS specification 900960
 - o 1 time the man hours VESTAS uses in their Denmark tower manufacturing facility for installation of internals
- e) have the ability once production starts to negotiate costs due to changes.
- f) have a right to furnish all material,. Plate will, if furnished Vestas, be delivered to TTSI already pre-blasted and primed (to be determined at time of order.)
- g) supply all paint used for painting towers based on Vestas Calculation of usage per square meter. Any additional paint required over and above this calculation shall be paid for by TTSI.
- h) begin negotiating an extension of this Agreement or a new Agreement with TTSI upon the conclusion of (18) months from the date of this Agreement.
- i) issue purchase orders to TTSI for the minimum number of towers required under this Agreement plus at the discretion Vestas any additional purchase orders.
- j) during week twenty-two-(22) through week thirty (30) of calendar year 2005, VESTAS shall supply TTSI, at the sole cost and expense of VESTAS, one (1) project manager and three (3) floor supervisors to assist TTSI and it's employees in the fabrication and assembly process. During this time period, the VESTAS supplied supervisors shall be available to consult and train TTSI employees in all aspects of the tower manufacturing process.

2. TTSI SHALL:

- a) until VESTAS orders are completed devote all of its tower production to VESTAS according to the plans and specifications that VESTAS supplies to TTSI, and build no towers for competitors of VESTAS in the wind energy business without the expressed written consent of VESTAS unless allowed herein

- b) provide "as built" towers for VESTAS pursuant to the terms and conditions of the purchase orders supplied to TTSI by VESTAS.
- c) give VESTAS the first right of refusal to utilize and additional tower production capacity that TTSI has or develops.
- d) be paid \$31 per ton to cut and bevel steel plates for towers. Furthermore for any additional material beyond what is included the original scope of work TTSI shall be paid at cost plus 25% on secondary materials and consumables including welding materials and at cost plus 6% for primary materials that TTSI is required to purchase and finance under any VESTAS purchase order.
- e) be paid USD\$65 per hour for all production work carried out for VESTAS. At each one year anniversary of the Agreement, the hourly rate paid by VESTAS for work carried out by TTSI shall be adjusted by the yearly average of Consumer Price Index as published by the U.S. Department of Commerce or other official source of such information
- f) provide the appropriate production, engineering and quality support as is required in the industry. TTSI shall, at its cost, hire Gotfred Lauridsen and his associate as consultant for a period of up to 12 weeks to assist TTSI in organizing the fabrication and assembly areas and to assist TTSI in establishing the efficiencies necessary to efficiently and expeditiously produce quality towers
- g) hire and train the necessary manpower required to produce at least 75 towers pr year. The manpower has to be trained and ready for production in week 19-2005
- h) set up QS-system compliant to VESTAS's guidelines.
- i) after completion of an order, inform VESTAS about the production hours used to produce this specific order.
- j) within 2 months from signing this Agreement, Vestas and TTSI shall complete negotiations and execute the VESTAS Tower Purchase Agreement.
- k) have the ability once production starts to negotiate costs due to changes

3. REMEDIES FOR TTSI'S BREACH

Should TTSI, during the term of this Agreement, produce any towers not ordered by VESTAS while VESTAS orders are uncompleted or without the expressed written consent of VESTAS, TTSI shall pay VESTAS the sum of Five Hundred Thousand and 00/100ths Dollars \$500,000.00) (US) to VESTAS as liquidated damages for violation of the Agreement. Said liquidated damage payment shall be made to VESTAS within fourteen (14) days of the notice to TTSI by VESTAS of TTSI's breach of this

Agreement. The payment of the liquidated damage to VESTAS shall release TTSI from the first right of refusal to utilize any additional tower production capacity that TTSI has or develops, given to VESTAS.

4. REMEDIES FOR VESTAS BREACH

Should VESTAS fail to issue TTSI the purchase orders necessary to comply with the minimum requirements for towers under this Agreement, the Agreement shall terminate and all obligations of TTSI hereunder shall be null and void. For purposes of this paragraph, if VESTAS has not issued purchase orders to TTSI for the minimum number of towers according to this agreement then TTSI shall issue a notice of default and VESTAS shall, within five (5) days, issue a purchase order or purchase orders for at least the minimum number of towers to be in compliance with this Agreement or be in default as indicated hereunder and TTSI shall be free to solicit other tower orders without penalty.

5. INTERPRETATION

This Agreement shall be interpreted under the laws of the State of Wisconsin, United States of America, and be venued in the Circuit Court of Manitowoc County, Wisconsin.

6. AMENDMENTS OR MODIFICATIONS

All amendments or modifications hereto shall be in writing and signed by all parties hereto. There shall be no oral modification of this Agreement.

Dated this 11th day of May, 2005.

TOWER TECH SYSTEMS, INC.

VESTAS Towers Inc.

By /s/ TERENCE P. FOX

By /s/ CHRISTIAN ANDERSON

Terence P. Fox, General Counsel

Christian Anderson

VESTAS Towers A/S

By /s/ SOREN HALMO KRISTENSIN

Soren Halmo Kristensin, President

EXHIBIT 10.2

ASSOCIATED BANK LOAN DOCUMENTS

ASSOCIATED BANK PROMISSORY NOTE

Borrower: TOWER TECH SYSTEMS INC. TERENCE P FOX; RAYMOND L BRICKNER, III; DANIEL P WERGIN; and CHRISTOPHER C ALLIE 980 MARITIME DR., SUITE 6 MANITOWOC, WI 54220	Lender: ASSOCIATED BANK, NATIONAL ASSOCIATION 200 N. ADAMS ST. P.O. BOX 19006 GREEN BAY, WI 54207-9006
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PRINCIPAL AMOUNT: \$250,000.00 INITIAL RATE: 8.750% DATE OF NOTE: JULY 20, 2005

PROMISE TO PAY. TOWER TECH SYSTEMS INC.; TERENCE P FOX; RAYMOND L BRICKNER, III; DANIEL P WERGIN; AND CHRISGOPHER C ALLIE ("BORROWER") JOINTLY AND SEVERALLY PROMISE TO PAY TO ASSOCIATED BANK, NATIONAL ASSOCIATION ("LENDER"), OR ORDER, IN LAWFUL MONEY OF THE UNITED STATES OF AMERICA, THE PRINCIPAL AMOUNT OF TWO HUNDRED FIFTY THOUSAND & 00/100 DOLLARS (\$250,000.00), TOGETHER WITH INTEREST ON THE UNPAID PRINCIPAL BALANCE FROM JULY 20, 2005, UNTIL PAID IN FULL.

PAYMENT. BORROWER WILL PAY THIS LOAN IN ONE PRINCIPAL PAYMENT OF \$250,000.00 PLUS INTEREST ON OCTOBER 20, 2005. THIS PAYMENT DUE ON OCTOBER 20, 2005, WILL BE FOR ALL PRINCIPAL AND ALL ACCRUED INTEREST NOT YET PAID. UNLESS OTHERWISE AGREED OR REQUIRED BY APPLICABLE LAW, PAYMENTS WILL BE APPLIED FIRST TO ANY ACCRUED UNPAID INTEREST; THEN TO PRINCIPAL; AND THEN TO ANY LATE CHARGES. THE ANNUAL INTEREST RATE FOR THIS NOTE IS COMPUTED ON A 365/360 BASIS; THAT IS, BY APPLYING THE RATIO OF THE ANNUAL INTEREST RATE OVER A YEAR OF 360 DAYS, MULTIPLIED BY THE OUTSTANDING PRINCIPAL BALANCE, MULTIPLIED BY THE ACTUAL NUMBER OF DAYS THE PRINCIPAL BALANCE IS OUTSTANDING. BORROWER WILL PAY LENDER AT LENDER'S ADDRESS SHOWN ABOVE OR AT SUCH OTHER PLACE AS LENDER MAY DESIGNATE IN WRITING.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an index which is the Lender's Prime Rate (the "Index"). This is the rate Lender charges, or would charge, on short-term unsecured loans to its most creditworthy commercial customers. This rate may or may not be the lowest rate available from Lender at any given time. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each DAY. Borrower understands that Lender may make loans based on other rates as well. THE INDEX CURRENTLY IS 6.250% PER ANNUM. THE INTEREST RATE TO BE APPLIED TO THE UNPAID PRINCIPAL BALANCE OF THIS NOTE WILL BE AT A RATE OF 2.500 PERCENTAGE POINTS OVER THE INDEX, ADJUSTED IF NECESSARY FOR ANY MINIMUM AND MAXIMUM RATE LIMITATIONS DESCRIBED BELOW, RESULTING IN AN INITIAL RATE OF 8.750% PER ANNUM. NOTWITHSTANDING THE FOREGOING, THE VARIABLE INTEREST RATE OR RATES PROVIDED FOR IN THIS NOTE WILL BE SUBJECT TO THE FOLLOWING MINIMUM AND MAXIMUM RATES. NOTICE: Under no circumstances will the interest rate on this note be less than 4.500% per annum or more than the maximum rate allowed b applicable law.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to:
ASSOCIATED BANK, P.O. BOX 19097, GREEN BAY, WI 54307-9097.

LATE CHARGE. IF A PAYMENT IS 11 DAYS OR MORE LATE, BORROWER WILL BE CHARGED 5.000% OF THE UNPAID PORTION OF THE REGULARLY SCHEDULED PAYMENT.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, Lender, at its option, may, if permitted under applicable law, increase the variable interest rate on this Note to 7.500 percentage points over the Index. The interest rate will not exceed the maximum rate permitted by applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

PAYMENT DEFAULT. Borrower fails to make any payment when due under this Note.

OTHER DEFAULTS. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

DEFAULT IN FAVOR OF THIRD PARTIES. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this note or any of the related documents.

FALSE STATEMENTS. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

INSOLVENCY. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

CREDITOR OR FORFEITURE PROCEEDINGS. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

EVENTS AFFECTING GUARANTOR. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

PROMISSORY NOTE
(CONTINUED) PAGE 2

CHANGE IN OWNERSHIP. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

ADVERSE CHANGE. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

INSECURITY. Lender in good faith believes itself insecure.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. LENDER AND BORROWER HEREBY WAIVE THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER LENDER OR BORROWER AGAINST THE OTHER.

GOVERNING LAW. THIS NOTE WILL BE GOVERNED BY FEDERAL LAW APPLICABLE TO LENDER AND, TO THE EXTENT NOT PREEMPTED BY FEDERAL LAW, THE LAWS OF THE STATE OF WISCONSIN WITHOUT REGARD TO ITS CONFLICTS OF LAW PROVISIONS. THIS NOTE HAS BEEN ACCEPTED BY LENDER IN THE STATE OF WISCONSIN.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by all security agreements, guarantees, mortgages, and other security instruments previously granted, contemporaneously granted, and granted in the future.

INITIAL NOTE RATE PROVISION. The initial Note Rate is as of JULY 19, 2005.

FINANCIAL STATEMENT. Borrower shall furnish to Lender annual financial statements within 90 days following the close of Borrower's fiscal or calendar year, as applicable, and such other financial information respecting Borrower at such times and in such form as Lender may request from time to time. In addition to being an Event of Default, Borrower shall pay Lender a \$25.00 fee for failure to provide the financial statements within said 90 days or failure to provide such other financial information within 30 days of the request therefore. The \$25.00 fee shall continue to be imposed thereafter for each additional 30 day period or part thereof, that the financial statements or other financial information have not been provided to Lender. If Borrower does not reimburse Lender for the fees imposed by this section on demand therefore, Lender may add the fees to the loan balance outstanding.

OTHER LOAN AGREEMENTS. If Borrower and Lender have either previously or contemporaneously entered into a Loan Agreement, it is agreed that this Note is subject to the terms and conditions of such Loan Agreement. For purposes of this provision, Loan Agreement shall include, but not be limited to, a Business Loan Agreement Agricultural Loan Agreement, Construction Loan Agreement, any other LASER PRO Loan Agreement, and/or any attorney drafted lending agreement.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. This Note benefits Lender and its successors and assigns, and binds Borrower and Borrower's heirs, successors, assigns, and representatives. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Each Borrower understands and agrees that, with or without notice to Borrower, Lender may with respect to any other Borrower: (a) make one or more additional secured or unsecured loans or otherwise extend additional credit; (b) alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of any indebtedness, including increases and decreases of the rate of interest on

the indebtedness; (c) exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any security, with or without the substitution of new collateral; (d) apply such security and direct the order or manner of sale thereof, including without limitation, any non-judicial sale permitted by the terms of the controlling security agreements, as Lender in its discretion may determine; (e) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; and (f) determine how, when and what application of payments and credits shall be made on any other indebtedness owing by such other Borrower. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waives presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PROMISSORY NOTE
(CONTINUED) PAGE 3

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

TOWER TECH SYSTEMS INC.

By: /s/ CHRISTOPHER C. ALLIE

CHRISTOPHER C ALLIE, PRESIDENT
of TOWER TECH SYSTEMS INC..

By: /s/ RAYMOND L. BRICKNER, III

RAYMOND L. BRICKNER, III, DIRECTOR
of TOWER TECH SYSTEMS INC.

By: /s/ DANIEL P. WERGIN

DANIEL P. WERGIN, DIRECTOR
OF TOWER TECH SYSTEMS INC.

By: /s/ TERENCE P. FOX

TERENCE P. FOX, DIRECTOR
of TOWER TECH SYSTEMS INC.

x /s/ TERENCE P. FOX

TERENCE P FOX, Individually

x /s/ RAYMOND L. BRICKNER, III

RAYMOND L BRICKNER, III,
Individually

x /s/ DANIEL P. WERGIN

DANIEL P WERGIN, Individually

x /s/ CHRISTOPHER C. ALLIE

CHRISTOPHER C ALLIE,
Individually

EXTENSION AGREEMENT - NOTE NO. 8215936-9006

THIS EXTENSION AGREEMENT, is made and entered into as of this 20th day of October, 2005 by and between ASSOCIATED BANK, N.A. ("the Bank") and TOWER TECH SYSTEMS INC.; TERENCE P. FOX; RAYMOND L. BRICKNER, III; DANIEL P. WERGIN; AND CHRISTOPHER C. ALLIE ("the Borrower").

RECITAL

The Borrower has made, executed and delivered to the Bank a promissory note in the original amount of \$250,000.00 dated July 20, 2005 ("the Note"). The Note has or is about to mature and the parties desire to extend the maturity of the Note and set out that extension in this writing.

NOW, THEREFORE, for good and valuable consideration and the mutual covenants contained herein, the parties agree as follows:

1. NOTE EXTENSION. The maturity date of the Note and the indebtedness evidenced thereby is hereby extended from October 20, 2005 to January 20, 2006.
2. SURVIVAL. All other terms of the Note, and any other document securing the indebtedness evidences thereby shall remain in full force and effect except as the same may need to be modified to give force and effect to this Extension Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Extension Agreement on the day and year first above written.

ASSOCIATED BANK, N.A.

TOWER TECH SYSTEMS INC.

By: _____
Craig J. Witte
Its: President

By: /s/ TERENCE P. FOX

Terence P. Fox
Its: Director

/s/ TERENCE P. FOX

Terence P. Fox, individually

By: /s/ RAYMOND L. BRICKNER, III

Raymond L. Brickner, III
Its: Director

/s/ RAYMOND L. BRICKNER

Raymond L. Brickner, individually

By: /s/ DANIEL P. WERGIN

Daniel P. Wergin
Its: Director

/s/ DANIEL P. WERGIN

Daniel P. Wergin, individually

By: /s/ CHRISTOPHER C. ALLIE

Christopher C. Allie
Its: Director

/s/ CHRISTOPHER C. ALLIE

Christopher C. Allie, individually

ASSOCIATED BANK PROMISSORY NOTE

Borrower: TOWER TECH SYSTEMS INC.;
TERENCE P FOX; RAYMOND L
BRICKNER, III; DANIEL P WERGIN;
and CHRISTOPHER C ALLIE
980 MARITIME DR., SUITE 6
MANITOWOC, WI 54220

Lender: ASSOCIATED BANK, NATIONAL
ASSOCIATION
200 N. ADAMS ST.
P. O. BOX 19006
GREEN BAY, WI 54207-9006

PRINCIPAL AMOUNT: \$90,000.00 INITIAL RATE: 6.750% DATE OF NOTE: MARCH 31, 2005

PROMISE TO PAY. TOWER TECH SYSTEMS INC.; TERENCE P FOX; RAYMOND L BRICKNER, III; DANIEL P WERGIN; AND CHRISTOPHER C ALLIE ("BORROWER") JOINTLY AND SEVERALLY PROMISE TO PAY TO ASSOCIATED BANK, NATIONAL ASSOCIATION ("LENDER"), OR ORDER, IN LAWFUL MONEY OF THE UNITED STATES OF AMERICA, THE PRINCIPAL AMOUNT OF NINETY THOUSAND & 00/100 DOLLARS (\$90,000.00), OR SO MUCH AS MAY BE OUTSTANDING, TOGETHER WITH INTEREST ON THE UNPAID OUTSTANDING BALANCE OF EACH ADVANCE. INTEREST SHALL BE CALCULATED FROM THE DATE OF EACH ADVANCE UNTIL REPAYMENT OF EACH ADVANCE.

PAYMENT. BORROWER WILL PAY THIS LOAN IN ONE PAYMENT OF ALL OUTSTANDING PRINCIPAL PLUS ALL ACCRUED UNPAID INTEREST ON JULY 15, 2005. UNLESS OTHERWISE AGREED OR REQUIRED BY APPLICABLE LAW, PAYMENTS WILL BE APPLIED FIRST TO ANY ACCRUED UNPAID INTEREST; THEN TO PRINCIPAL; AND THEN TO ANY LATE CHARGES. THE ANNUAL INTEREST RATE FOR THIS NOTE IS COMPUTED ON A 365/360 BASIS; THAT IS, BY APPLYING THE RATIO OF THE ANNUAL INTEREST RATE OVER A YEAR OF 360 DAYS, MULTIPLIED BY THE OUTSTANDING PRINCIPAL BALANCE, MULTIPLIED BY THE ACTUAL NUMBER OF DAYS THE PRINCIPAL BALANCE IS OUTSTANDING. BORROWER WILL PAY LENDER AT LENDER'S ADDRESS SHOWN ABOVE OR AT SUCH OTHER PLACE AS LENDER MAY DESIGNATE IN WRITING.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an index which is the Lender's Prime Rate (the "Index"). This is the rate Lender charges, or would charge, on short-term unsecured loans to its most creditworthy commercial customers. This rate may or may not be the lowest rate available from Lender at any given time. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each DAY. Borrower understands that Lender may make loans based on other rates as well. THE INDEX CURRENTLY IS 5.750% PER ANNUM. THE INTEREST RATE TO BE APPLIED TO THE UNPAID PRINCIPAL BALANCE OF THIS NOTE WILL BE AT A RATE OF 1.000 PERCENTAGE POINTS OVER THE INDEX, ADJUSTED IF NECESSARY FOR ANY MINIMUM AND MAXIMUM RATE LIMITATIONS DESCRIBED BELOW, RESULTING IN AN INITIAL RATE OF 5.750% PER ANNUM. NOTWITHSTANDING THE FOREGOING, THE VARIABLE INTEREST RATE OR RATES PROVIDED FOR IN THIS NOTE WILL BE SUBJECT TO THE FOLLOWING MINIMUM AND MAXIMUM RATES. NOTICE: Under no circumstances will the interest rate on this note be less than 4.500% per annum or more than the maximum rate allowed by applicable law.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to:
ASSOCIATED BANK, P.O. BOX 19097, GREEN BAY, WI 54307-9097.

LATE CHARGE. IF A PAYMENT IS 11 DAYS OR MORE LATE, BORROWER WILL BE CHARGED 5.000% OF THE UNPAID PORTION OF THE REGULARLY SCHEDULED PAYMENT.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, Lender, at its option, may, if permitted under applicable law, increase the variable interest rate on this Note to 6.000 percentage points over the Index. The interest rate will not exceed the maximum rate permitted by applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

PAYMENT DEFAULT. Borrower fails to make any payment when due under this Note.

OTHER DEFAULTS. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

DEFAULT IN FAVOR OF THIRD PARTIES. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this note or any of the related documents.

FALSE STATEMENTS. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

INSOLVENCY. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

CREDITOR OR FORFEITURE PROCEEDINGS. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

EVENTS AFFECTING GUARANTOR. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

PROMISSORY NOTE
(CONTINUED) Page 2

CHANGE IN OWNERSHIP. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

ADVERSE CHANGE. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

INSECURITY. Lender in good faith believes itself insecure.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. LENDER AND BORROWER HEREBY WAIVE THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER LENDER OR BORROWER AGAINST THE OTHER.

GOVERNING LAW. THIS NOTE WILL BE GOVERNED BY FEDERAL LAW APPLICABLE TO LENDER AND, TO THE EXTENT NOT PREEMPTED BY FEDERAL LAW, THE LAWS OF THE STATE OF WISCONSIN WITHOUT REGARD TO ITS CONFLICTS OF LAW PROVISIONS. THIS NOTE HAS BEEN ACCEPTED BY LENDER IN THE STATE OF WISCONSIN.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by all security agreements, guarantees, mortgages, and other security instruments previously granted, contemporaneously granted, and granted in the future.

LINE OF CREDIT. This Note evidences a revolving line of credit. Up to the principal amount of this Note and subject to the terms and conditions hereof, Borrower may borrow, repay, and re-borrow. Advances under this Note, as well as directions for payment from Borrower's accounts, may be requested orally or in writing by Borrower or by an authorized person. Lender may, but need not, require that all oral requests be confirmed in writing. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Note if: (A) Borrower or any guarantor is in default under the terms of this Note or any agreement that Borrower or any guarantor has with Lender, including any agreement made in connection with the signing of this Note; (B) Borrower or any guarantor ceases doing business or is insolvent; (C) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Note or any other loan with Lender; (D) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by Lender; or (E) Lender in good faith believes itself insecure.

LETTER OF CREDIT LIMITATION. In the event Lender either contemporaneously or hereafter issues a Letter of Credit on behalf of Borrower ("Credit"), the amount of such Credit, or the aggregate amount of all such Credit, shall be applied against the available credit under this Note. Such limitation on available credit shall continue as long as Lender is obligated under any outstanding Credit.

INITIAL NOTE RATE PROVISION. The initial Note Rate is as of MARCH 31, 2005.

FINANCIAL STATEMENT. Borrower shall furnish to Lender annual financial statements within 90 days following the close of Borrower's fiscal or calendar year, as applicable, and such other financial information respecting Borrower at such times and in such form as Lender may request from time to time. In addition to being an Event of Default, Borrower shall pay Lender a \$25.00 fee for failure to provide the financial statements within said 90 days or failure to provide such other financial information within 30 days of the request therefore. The \$25.00 fee shall continue to be imposed thereafter for each additional 30 day period or part thereof, that the financial statements or other financial information have not been provided to Lender. If Borrower does not reimburse Lender for the fees imposed by this section on demand

therefore, Lender may add the fees to the loan balance outstanding.

OTHER LOAN AGREEMENTS. If Borrower and Lender have either previously or contemporaneously entered into a Loan Agreement, it is agreed that this Note is subject to the terms and conditions of such Loan Agreement. For purposes of this provision, Loan Agreement shall include, but not be limited to, a Business Loan Agreement Agricultural Loan Agreement, Construction Loan Agreement, any other LASER PRO Loan Agreement, and/or any attorney drafted lending agreement.

SUCCESSOR INTERESTS. The terms of this Note shall be finding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. This Note benefits Lender and its successors and assigns, and binds Borrower and Borrower's heirs, successors, assigns, and representatives. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Each Borrower understands and agrees that, with or without notice to Borrower, Lender may with respect to any other Borrower: (a) make one or more additional secured or unsecured loans or otherwise extend additional credit; (B) alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of any indebtedness, including increases and decreases of the rate of interest on the indebtedness; (c) exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any security, with or without the substitution of new collateral; (d) apply such security and direct the order or manner of sale thereof, including without limitation, any6 non-judicial sale permitted by the terms of the controlling security agreements, as Lender in its discretion may determine; (e) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; and (f) determine how, when and what application of payments and credits shall be made on any other indebtedness owing by such other Borrower. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waives presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PROMISSORY NOTE
(CONTINUED) Page 2

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

TOWER TECH SYSTEMS INC.

By: /s/ CHRISTOPHER C. ALLIE

CHRISTOPHER C ALLIE, PRESIDENT
of TOWER TECH SYSTEMS INC..

By: /s/ RAYMOND L. BRICKNER, III

RAYMOND L. BRICKNER, III, DIRECTOR
of TOWER TECH SYSTEMS INC.

By: /s/ DANIEL P. WERGIN

DANIEL P. WERGIN, DIRECTOR
OF TOWER TECH SYSTEMS INC.

By: /s/ TERENCE P. FOX

TERENCE P. FOX, DIRECTOR
of TOWER TECH SYSTEMS INC.

x /s/ TERENCE P. FOX

TERENCE P FOX, Individually

x /s/ RAYMOND L. BRICKNER, III

RAYMOND L BRICKNER, III,
Individually

x /s/ DANIEL P. WERGIN

DANIEL P WERGIN, Individually

x /s/ CHRISTOPHER C. ALLIE

CHRISTOPHER C ALLIE,
Individually

EXTENSION AGREEMENT - NOTE NO. 8215936-9005

THIS EXTENSION AGREEMENT, is made and entered into as of this 15th day of October, 2005 by and between ASSOCIATED BANK, N.A. ("the Bank") and TOWER TECH SYSTEMS INC.; TERENCE P. FOX; RAYMOND L. BRICKNER, III; DANIEL P. WERGIN; AND CHRISTOPHER C. ALLIE ("the Borrower").

RECITAL

The Borrower has made, executed and delivered to the Bank a promissory note in the original amount of \$90,000.00 dated March 31, 2005 ("the Note"). The Note has or is about to mature and the parties desire to extend the maturity of the Note and set out that extension in this writing.

NOW, THEREFORE, for good and valuable consideration and the mutual covenants contained herein, the parties agree as follows:

- 1. NOTE EXTENSION. The maturity date of the Note and the indebtedness evidenced thereby is hereby extended from October 15, 2005 to January 15, 2006.
- 2. SURVIVAL. All other terms of the Note, and any other document securing the indebtedness evidences thereby shall remain in full force and effect except as the same may need to be modified to give force and effect to this Extension Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Extension Agreement on the day and year first above written.

ASSOCIATED BANK, N.A.

TOWER TECH SYSTEMS INC.

By: _____
Craig J. Witte
Its: *President*

By: */s/ TERENCE P. FOX*

Terence P. Fox
Its: *Director*

/s/ TERENCE P. FOX

Terence P. Fox, individually

By: */s/ RAYMOND L. BRICKNER, III*

Raymond L. Brickner, III
Its: *Director*

/s/ RAYMOND L. BRICKNER

Raymond L. Brickner, individually

By: */s/ DANIEL P. WERGIN*

Daniel P. Wergin
Its: *Director*

/s/ DANIEL P. WERGIN

Daniel P. Wergin, individually

By: */s/ CHRISTOPER C. ALLIE*

Christopher C. Allie
Its: *Director*

/s/ CHRISTOPER C. ALLIE

Christopher C. Allie, individually

ASSOCIATED BANK PROMISSORY NOTE

Borrower: TOWER TECH SYSTEMS INC.
980 MARITIME DR., SUITE 6
MANITOWOC, WI 54220

Lender: ASSOCIATED BANK, NATIONAL
ASSOCIATION
200 N. ADAMS ST.
P. O. BOX 19006
GREEN BAY, WI 54207-9006

PRINCIPAL AMOUNT: \$580,000.00 INITIAL RATE: 6.750% DATE OF NOTE: SEPTEMBER 15, 2005

PROMISE TO PAY. TOWER TECH SYSTEMS INC. ("BORROWER") PROMISES TO PAY TO ASSOCIATED BANK, NATIONAL ASSOCIATION ("LENDER"), OR ORDER, IN LAWFUL MONEY OF THE UNITED STATES OF AMERICA, THE PRINCIPAL AMOUNT OF FIVE HUNDRED EIGHTY THOUSAND & 00/100 DOLLARS (\$580,000.00), TOGETHER WITH INTEREST ON THE UNPAID PRINCIPAL BALANCE FROM SEPTEMBER 15, 2005, UNTIL PAID IN FULL.

PAYMENT. SUBJECT TO ANY PAYMENT CHANGES RESULTING FROM CHANGES IN THE INDEX, BORROWER WILL PAY THIS LOAN IN 83 REGULAR PAYMENTS OF \$8,710.00 EACH AND ONE IRREGULAR LAST PAYMENT ESTIMATED AT \$8,694.96. BORROWER'S FIRST PAYMENT IS DUE OCTOBER 15, 2005, AND ALL SUBSEQUENT PAYMENTS ARE DUE ON THE SAME DAY OF EACH MONTH AFTER THAT. BORROWER'S FINAL PAYMENT WILL BE DUE ON SEPTEMBER 15, 2012, AND WILL BE FOR ALL PRINCIPAL AND ALL ACCRUED INTEREST NOT YET PAID. PAYMENTS INCLUDE PRINCIPAL AND INTEREST. UNLESS OTHERWISE AGREED OR REQUIRED BY APPLICABLE LAW, PAYMENTS WILL BE APPLIED FIRST TO ANY ACCRUED UNPAID INTEREST; THEN TO PRINCIPAL; AND THEN TO ANY LATE CHARGES. THE ANNUAL INTEREST RATE FOR THIS NOTE IS COMPUTED ON A 365/360 BASIS; THAT IS, BY APPLYING THE RATIO OF THE ANNUAL INTEREST RATE OVER A YEAR OF 360 DAYS, MULTIPLIED BY THE OUTSTANDING PRINCIPAL BALANCE, MULTIPLIED BY THE ACTUAL NUMBER OF DAYS THE PRINCIPAL BALANCE IS OUTSTANDING. BORROWER WILL PAY LENDER AT LENDER'S ADDRESS SHOWN ABOVE OR AT SUCH OTHER PLACE AS LENDER MAY DESIGNATE IN WRITING.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an index which is the Lender's Prime Rate (the "Index"). This is the rate Lender charges, or would charge, on short-term unsecured loans to its most creditworthy commercial customers. This rate may or may not be the lowest rate available from Lender at any given time. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each DAY. Borrower understands that Lender may make loans based on other rates as well. THE INDEX CURRENTLY IS 6.250% PER ANNUM. THE INTEREST RATE TO BE APPLIED TO THE UNPAID PRINCIPAL BALANCE OF THIS NOTE WILL BE AT A RATE OF 0.500 PERCENTAGE POINTS OVER THE INDEX, ADJUSTED IF NECESSARY FOR ANY MINIMUM AND MAXIMUM RATE LIMITATIONS DESCRIBED BELOW, RESULTING IN AN INITIAL RATE OF 6.750% PER ANNUM. NOTWITHSTANDING THE FOREGOING, THE VARIABLE INTEREST RATE OR RATES PROVIDED FOR IN THIS NOTE WILL BE SUBJECT TO THE FOLLOWING MINIMUM AND MAXIMUM RATES. NOTICE: Under no circumstances will the interest rate on this note be less than 4.500% per annum or more than the maximum rate allowed by applicable law. Whenever increases occur in the interest rate, Lender, at its option, may do one or more of the following: (A) increase Borrower's payments to ensure Borrower's loan will pay off by its original final maturity date, (B) increase Borrower's payments to cover accruing interest, (C) increase the number of Borrower's payments, and (D) continue Borrower's payments at the same amount and increase Borrower's final payment.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to:
ASSOCIATED BANK, P.O. BOX 19097, GREEN BAY, WI 54307-9097.

LATE CHARGE. IF A PAYMENT IS 11 DAYS OR MORE LATE, BORROWER WILL BE CHARGED 5.000% OF THE UNPAID PORTION OF THE REGULARLY SCHEDULED PAYMENT.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, Lender, at its option, may, if permitted under applicable law, increase the variable interest rate on this Note to 5.500 percentage points over the Index. The interest rate will not exceed the maximum rate permitted by applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

PAYMENT DEFAULT. Borrower fails to make any payment when due under this Note.

OTHER DEFAULTS. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

DEFAULT IN FAVOR OF THIRD PARTIES. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this note or any of the related documents.

FALSE STATEMENTS. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

INSOLVENCY. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

CREDITOR OR FORFEITURE PROCEEDINGS. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

EVENTS AFFECTING GUARANTOR. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any

PROMISSORY NOTE
(CONTINUED) Page 2

Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

CHANGE IN OWNERSHIP. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

ADVERSE CHANGE. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

INSECURITY. Lender in good faith believes itself insecure.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. LENDER AND BORROWER HEREBY WAIVE THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER LENDER OR BORROWER AGAINST THE OTHER.

GOVERNING LAW. THIS NOTE WILL BE GOVERNED BY FEDERAL LAW APPLICABLE TO LENDER AND, TO THE EXTENT NOT PREEMPTED BY FEDERAL LAW, THE LAWS OF THE STATE OF WISCONSIN WITHOUT REGARD TO ITS CONFLICTS OF LAW PROVISIONS. THIS NOTE HAS BEEN ACCEPTED BY LENDER IN THE STATE OF WISCONSIN.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by all security agreements, guarantees, mortgages, and other security instruments previously granted, contemporaneously granted, and granted in the future.

INITIAL NOTE RATE PROVISION. The initial Note Rate is as of JULY 26, 2005.

FINANCIAL STATEMENT. Borrower shall furnish to Lender annual financial statements within 90 days following the close of Borrower's fiscal or calendar year, as applicable, and such other financial information respecting Borrower at such times and in such form as Lender may request from time to time. In addition to being an Event of Default, Borrower shall pay Lender a \$25.00 fee for failure to provide the financial statements within said 90 days or failure to provide such other financial information within 30 days of the request therefore. The \$25.00 fee shall continue to be imposed thereafter for each additional 30 day period or part thereof, that the financial statements or other financial information have not been provided to Lender. If Borrower does not reimburse Lender for the fees imposed by this section on demand therefore, Lender may add the fees to the loan balance outstanding.

OTHER LOAN AGREEMENTS. If Borrower and Lender have either previously or contemporaneously entered into a Loan Agreement, it is agreed that this Note is subject to the terms and conditions of such Loan Agreement. For purposes of this provision, Loan Agreement shall include, but not be limited to, a Business Loan Agreement Agricultural Loan Agreement, Construction Loan Agreement, any other LASER PRO Loan Agreement, and/or any attorney drafted lending agreement.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. This Note benefits Lender and its successors and assigns, and binds Borrower and Borrower's heirs, successors, assigns, and representatives. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower

and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waives presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

TOWER TECH SYSTEMS INC.

By: /s/ CHRISTOPHER C. ALLIE

CHRISTOPHER C ALLIE, PRESIDENT
of TOWER TECH SYSTEMS INC..

By: /s/ RAYMOND L. BRICKNER, III

RAYMOND L. BRICKNER, III, DIRECTOR
of TOWER TECH SYSTEMS INC.

By: /s/ DANIEL P. WERGIN

DANIEL P. WERGIN, DIRECTOR of
TOWER TECH SYSTEMS INC.

By: /s/ TERENCE P. FOX

TERENCE P. FOX, DIRECTOR of TOWER
TECH SYSTEMS INC.

=====

EXHIBIT 10.3

**WISCONSIN BUSINESS DEVELOPMENT FINANCE
CORPORATION LOAN DOCUMENTS**

U.S. Small Business Administration

NOTE
(CDC/504 LOANS)

SBA Loan #	CDC 762-511-4006		
SBA Loan Name	Tower Tech Systems Inc.		
Date	May 19, 2005		
Loan Amount	\$434,000.00		
Borrower	Tower Tech Systems Inc.		
Operating Company	N/A		
CDC	Wisconsin Business Development Finance Corporation		
Funding Date:	SEPTEMBER 14, 2005	*Interest Rate:	
First Payment Due:	OCTOBER 1, 2005	*P&I Amount:\$	

Note Maturity Date: SEPTEMEER 1, 2015 *Monthly Payment:\$

(* BLANK AT SIGNING)

1. PROMISE TO PAY:

In return for the Loan, Borrower promises to pay to the order of CDC the amount of -- FOUR HUNDRED THIRTY-FOUR THOUSAND AND 00/100 -- Dollars, interest on the unpaid principal balance, the fees specified in the Servicing Agent Agreement, and all other amounts required by this Note.

2. DEFINITIONS:

"Collateral" means any property taken as security for payment of this Note or any guarantee of this Note.

"Debenture" means the debenture issued by CDC to fund the Loan "Guarantor" means each person or entity that signs a guarantee of payment of this Note.

"Loan" means the loan evidenced by this Note.

"Loan Documents" means the documents related to this loan signed by Borrower, Guarantor, or anyone who pledges collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

"Servicing Agent Agreement" means the agreement between the Borrower and the CDC that, among other things, appoints a servicing agent ("Servicing Agent") for this Note.

3. INTEREST RATE AND PAYMENTS:

The terms of the Debenture sale will establish the interest rate, P& I amount, and Monthly Payment for this Note. Borrower acknowledges that these terms are unknown when Borrower signs this Note.

A. Once established, the interest rate is fixed. Interest begins to accrue on the Funding Date.

B. Monthly Payments are due on the first business day of each month, beginning on the First Payment Date and continuing until the Note Maturity Date, when all unpaid amounts will be due. Borrower must pay at the place and by the method the Servicing Agent or CDC designates. The Monthly Payment includes the monthly principal and interest installment (P & I Amount), and the monthly fees in the Servicing Agent Agreement. The Servicing Agent will apply regular Monthly Payments in the following order: 1) monthly fees, 2) accrued interest, and 3) principal.

4. LATE-PAYMENT FEE:

CDC charges a late fee if the Servicing Agent receives a Monthly Payment after the fifteenth day of the month when it is due. The late fee is five percent of the payment amount, or \$100.00, whichever is greater. The late fee is in addition to the regular Monthly Payment.

5. RIGHT TO PREPAY:

Borrower may prepay this Note in full on a specific date each month set by the Servicing Agent. Borrower may not make partial prepayments. Borrower must give CDC at least 45 days' prior written notice. When it receives the notice, CDC will give Borrower prepayment instructions. At least 10 days before the payment date, Borrower must wire a nonrefundable deposit of \$1,000 to the Servicing Agent. The Servicing Agent will apply the deposit to the prepayment if Borrower prepays. In any prepayment, Borrower must pay the sum of all of the following amounts due and owing through the date of the next semi-annual Debenture payment:

- A. Principal balance;
- B. Interest;
- C. SBA guarantee fees;
- D. Servicing agent fees;
- E. CDC servicing fees;
- F. Late fees;
- G. Expenses incurred by CDC for which Borrower is responsible; and
- H. Any prepayment premium.

6. PREPAYMENT PREMIUM:

If Borrower prepays during the first half of the Note term, Borrower must pay a prepayment premium. The formula for the prepayment premium is specified in the Debenture and may be obtained from CDC.

7. DEFAULT:

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan made or guaranteed by SBA.
- C. Does not preserve or account to CDC's satisfaction for any of the Collateral or its proceeds;
- D. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to CDC or SBA;
- E. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to CDC or SBA;
- F. Defaults on any loan or agreement with another creditor, if CDC believes the default may materially affect Borrower's ability to pay this Note;
- G. Fails to pay any taxes when due;
- H. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- I. Has a receiver or liquidator appointed for any part of their business or property;
- J. Makes an assignment for the benefit of creditors;
- K. Has any adverse change in financial condition or business operation that CDC believes may materially affect Borrower's ability to pay this Note;

- L. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without CDC's prior written consent, except for ownership changes of up to 5 percent beginning six months after the Loan closes; or
- M. Becomes the subject of a civil or criminal action that CDC believes may materially affect Borrower's ability to pay this Note.

8. CDC'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, CDC may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower or Guarantor;
- C. File suit and obtain judgment;
- D. Take possession of any Collateral; and,
- E. Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

9. CDC'S GENERAL POWERS:

Without notice and without Borrower's consent, CDC may:

- A. Bid or buy at any sale of Collateral by Lender or another lienholder, at any price it chooses;
- B. Incur expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If CDC incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance; .
- C. Release anyone obligated to pay this Note;
- D. Compromise, release, renew, extend or substitute any of the Collateral; and
- E. Take any action necessary to protect the Collateral or collect amounts owing on this Note.

10. FEDERAL LAW:

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. CDC or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law .

11. SUCCESSORS AND ASSIGNS:

Under this Note, Borrower and Operating Company include the successors of each, and CDC includes its successors and assigns.

12. GENERAL PROVISIONS:

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower authorizes CDC, the Servicing Agent, or SBA to complete any blank terms in this Note and any other Loan Documents. The completed terms will bind Borrower as if they were completed prior to this Note being signed.
- C. Borrower waives all suretyship defenses.
- D. Borrower must sign all documents necessary at any time to comply with the Loan Documents and to enable CDC to acquire, perfect, or maintain CDC's liens on Collateral.
- E. CDC may exercise any of its rights separately or together, as many times and in any order it chooses. CDC may delay or forgo enforcing any of its rights without giving any up.
- F. Borrower may not use any oral statement to contradict or alter the written terms of, or raise a defense to, this Note.
- G. If any part of this Note is unenforceable, all other parts remain in effect.
- H. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that CDC did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale.

13. STATE-SPECIFIC PROVISIONS:

Each Borrower who is married represents that this obligation is incurred in the interest of his or her marriage or family.

14. BORROWER'S NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated under this Note as Borrower.

IN WITNESS WHEREOF, this Note has been duly executed as of the date first set forth above.

TOWER TECH SYSTEMS INC.

By: /s/ CHRISTOPHER C. ALLIE

Christopher C. Allie, President

By: /s/ TERENCE P. FOX

Terence P. Fox, Secretary

ASSIGNMENT: CDC assigns this Note to SBA.

By: /s/ DAN SCHNEIDER Date: MAY 19, 2005.

Typed Name: DAN SCHNEIDER, EXECUTIVE VICE PRESIDENT , authorized officer of COC.

SBA Fonn 1505 (10/98) Previous editions obsolete Page 5/5

U.S. Small Business Administration

UNCONDITIONAL GUARANTEE

SBA Loan #	CDC 762-511-4006
SBA Loan Name	Tower Tech Systems Inc.
Guarantor	Christopher C. Allie
Borrower	Tower Tech Systems Inc.
Lender	Wisconsin Business Development Finance Corporation
Date	May 19, 2005
Note Amount	\$434,000.00

1. GUARANTEE:

Guarantor unconditionally guarantees payment to Lender of all amounts owing under the Note. This Guarantee remains in effect until the Note is paid in full. Guarantor must pay all amounts due under the Note when Lender makes written demand upon Guarantor. Lender is not required to seek payment from any other source before demanding payment from Guarantor.

2. NOTE:

The "Note" is the promissory note dated MAY 19, 2005 in the principal amount of -- FOUR HUNDRED THIRTY-FOUR THOUSAND AND 00/100 -- Dollars, from Borrower to Lender. It includes any assumption, renewal, substitution, or replacement of the Note, and multiple notes under a line of credit.

3. DEFINITIONS:

"Collateral" means any property taken as security for payment of the Note or any guarantee of the Note.

"Loan" means the loan evidenced by the Note.

"Loan Documents" means the documents related to the Loan signed by Borrower, Guarantor or any other guarantor, or anyone who pledges Collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

4. LENDER'S GENERAL POWERS:

Lender may take any of the following actions at any time, without notice, without Guarantor's consent, and without making demand upon Guarantor:

- A. Modify the terms of the Note or any other Loan Document except to increase the amounts due under the Note;
- B. Refrain from taking any action on the Note, the Collateral, or any guarantee;
- C. Release any Borrower or any guarantor of the Note;
- D. Compromise or settle with the Borrower or any guarantor of the Note;
- E. Substitute or release any of the Collateral, whether or not Lender receives anything in return;
- F. Foreclose upon or otherwise obtain, and dispose of, any Collateral at public or private sale, with or without advertisement;
- G. Bid or buy at any sale of Collateral by Lender or any other lienholder, at any price Lender chooses; and
- H. Exercise any rights it has, including those in the Note and other Loan Documents. These actions will not release or reduce the obligations of Guarantor or create any rights or claims against Lender.

5. FEDERAL LAW:

When SBA is the holder, the Note and this Guarantee will be construed and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Guarantee, Guarantor may not claim or assert any local or state law against SBA to deny any obligation, defeat any claim of SBA, or preempt federal law.

6. RIGHTS, NOTICES, AND DEFENSES THAT GUARANTOR WAIVES:

To the extent permitted by law,

A. Guarantor waives all rights to:

- 1) Require presentment, protest, or demand upon Borrower;
- 2) Redeem any Collateral before or after Lender disposes of it;
- 3) Have any disposition of Collateral advertised; and
- 4) Require a valuation of Collateral before or after Lender disposes of it.

B. Guarantor waives any notice of:

- 1) Any default under the Note;
- 2) Presentment, dishonor, protest, or demand;
- 3) Execution of the Note;
- 4) Any action or inaction on the Note or Collateral, such as disbursements, payment, nonpayment, acceleration, intent to accelerate, assignment, collection activity, and incurring enforcement expenses;
- 5) Any change in the financial condition or business operations of Borrower or any guarantor;
- 6) Any changes in the terms of the Note or other Loan Documents, except increases in the amounts due under the Note; and
- 7) The time or place of any sale or other disposition of Collateral.

C. Guarantor waives defenses based upon any claim that:

- 1) Lender failed to obtain any guarantee;
- 2) Lender failed to obtain, perfect, or maintain a security interest in any property offered or taken as Collateral;
- 3) Lender or others improperly valued or inspected the Collateral;
- 4) The Collateral changed in value, or was neglected, lost, destroyed, or Underinsured;

- 5) Lender impaired the Collateral;
- 6) Lender did not dispose of any of the Collateral;
- 7) Lender did not conduct a commercially reasonable sale;
- 8) Lender did not obtain the fair market value of the Collateral;
- 9) Lender did not make or perfect a claim upon the death or disability of Borrower or any guarantor of the Note; 10) The financial condition of Borrower or any guarantor was overstated or has adversely changed; 11) Lender made errors or omissions in Loan Documents or administration of the Loan; 12) Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from Guarantor;
- 13) Lender impaired Guarantor's suretyship rights; 14) Lender modified the Note terms, other than to increase amounts due under the Note. If Lender modifies the Note to increase the amounts due under the Note without Guarantor's consent, Guarantor will not be liable for the increased amounts and related interest and expenses, but remains liable for all other amounts; 15) Borrower has avoided liability on the Note; or 16) Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

7. DUTIES AS TO COLLATERAL:

Guarantor will preserve the Collateral pledged by Guarantor to secure this Guarantee. Lender has no duty to preserve or dispose of any Collateral.

8. SUCCESSORS AND ASSIGNS:

Under this Guarantee, Guarantor includes heirs and successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. ENFORCEMENT EXPENSES. Guarantor promises to pay all expenses Lender incurs to enforce this Guarantee, including, but not limited to, attorney's fees and costs.
- B. SBA NOT A CO-GUARANTOR. Guarantor's liability will continue even if SBA pays Lender. SBA is not a coguarantor with Guarantor. Guarantor has no right of contribution from SBA.
- C. SUBROGATION RIGHTS. Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.
- D. JOINT AND SEVERAL LIABILITY. All individuals and entities signing as Guarantor are jointly and severally liable.
- E. DOCUMENT SIGNING. Guarantor must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- F. FINANCIAL STATEMENTS. Guarantor must give Lender financial statements as Lender requires.
- G. LENDER'S RIGHTS CUMULATIVE, NOT WAIVED. Lender may exercise any of its rights separately or together, as many times as it chooses. Lender may delay or forgo enforcing any of its rights without losing or impairing any of them.
- H. ORAL STATEMENTS NOT BINDING. Guarantor may not use an oral statement to contradict or alter the written terms of the Note or this Guarantee, or to raise a defense to this Guarantee.
- I. SEVERABILITY. If any part of this Guarantee is found to be unenforceable, all other parts will remain in effect.
- J. CONSIDERATION. The consideration for this Guarantee is the Loan or any accommodation by Lender as to the Loan.

10. STATE-SPECIFIC PROVISIONS:

Each Guarantor who is married represents that this obligation is incurred in the interest of his or her marriage or family.

/s/ CHRISTOPHER C. ALLIE

Christopher C. Allie

11. GUARANTOR ACKNOWLEDGMENT OF TERMS.

Guarantor acknowledges that Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including all waivers.

12. GUARANTOR NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated as Guarantor under this Guarantee.

IN WITNESS WHEREOF, this Unconditional Guarantee has been duly executed as of the date first set forth above.

/s/ CHRISTOPHER C. ALLIE

Christopher C. Allie

SPOUSAL CONSENT

Wisconsin Business Development
Finance Corporation
P.O. Box 2717
Madison, WI 53701-2717

U.S. Small Business Administration
740 Regent Street, Suite 100
Madison, WI 53715

To Whom It May Concern:

My spouse, Christopher C. Allie, has agreed or may agree to guarantee a loan to secure repayment of the obligations of Tower Tech Systems Inc. I consent to this act by my spouse; and acknowledge that these obligations are incurred in the interest of my marriage and/or family, but by signing below, I am not becoming personally liable as a guarantor for the payment of the obligations of the other person.

Dated: May 20 ,2005

/s/ CHRISTINE A. ALLIE

Name: Christine A. Allie

U.S. Small Business Administration

UNCONDITIONAL GUARANTEE

SBA Loan #	CDC 762-511-4006
SBA Loan Name	Tower Tech Systems Inc.
Guarantor	Raymond L. Brickner, III
Borrower	Tower Tech Systems Inc.
Lender	Wisconsin Business Development Finance Corporation
Date	May 19, 2005
Note Amount	\$434,000.00

1. GUARANTEE:

Guarantor unconditionally guarantees payment to Lender of all amounts owing under the Note. This Guarantee remains in effect until the Note is paid in full. Guarantor must pay all amounts due under the Note when Lender makes written demand upon Guarantor. Lender is not required to seek payment from any other source before demanding payment from Guarantor.

2. NOTE:

The "Note" is the promissory note dated MAY 19, 2005 in the principal amount of -- FOUR HUNDRED THIRTY-FOUR THOUSAND AND 00/100 -- Dollars, from Borrower to Lender. It includes any assumption, renewal, substitution, or replacement of the Note, and multiple notes under a line of credit.

3. DEFINITIONS:

"Collateral" means any property taken as security for payment of the Note or any guarantee of the Note.

"Loan" means the loan evidenced by the Note.

"Loan Documents" means the documents related to the Loan signed by Borrower, Guarantor or any other guarantor, or anyone who pledges Collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

4. LENDER'S GENERAL POWERS:

Lender may take any of the following actions at any time, without notice, without Guarantor's consent, and without making demand upon Guarantor:

- A. Modify the terms of the Note or any other Loan Document except to increase the amounts due under the Note;
- B. Refrain from taking any action on the Note, the Collateral, or any guarantee;
- C. Release any Borrower or any guarantor of the Note;
- D. Compromise or settle with the Borrower or any guarantor of the Note;
- E. Substitute or release any of the Collateral, whether or not Lender receives anything in return;
- F. Foreclose upon or otherwise obtain, and dispose of, any Collateral at public or private sale, with or without advertisement;
- G. Bid or buy at any sale of Collateral by Lender or any other lienholder, at any price Lender chooses; and
- H. Exercise any rights it has, including those in the Note and other Loan Documents. These actions will not release or reduce the obligations of Guarantor or create any rights or claims against Lender.

5. FEDERAL LAW:

When SBA is the holder, the Note and this Guarantee will be construed and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Guarantee, Guarantor may not claim or assert any local or state law against SBA to deny any obligation, defeat any claim of SBA, or preempt federal law.

6. RIGHTS, NOTICES, AND DEFENSES THAT GUARANTOR WAIVES:

To the extent permitted by law,

A. Guarantor waives all rights to:

- 1) Require presentment, protest, or demand upon Borrower;
- 2) Redeem any Collateral before or after Lender disposes of it;
- 3) Have any disposition of Collateral advertised; and
- 4) Require a valuation of Collateral before or after Lender disposes of it.

B. Guarantor waives any notice of:

- 1) Any default under the Note;
- 2) Presentment, dishonor, protest, or demand;
- 3) Execution of the Note;
- 4) Any action or inaction on the Note or Collateral, such as disbursements, payment, nonpayment, acceleration, intent to accelerate, assignment, collection activity, and incurring enforcement expenses;
- 5) Any change in the financial condition or business operations of Borrower or any guarantor;
- 6) Any changes in the terms of the Note or other Loan Documents, except increases in the amounts due under the Note; and
- 7) The time or place of any sale or other disposition of Collateral.

C. Guarantor waives defenses based upon any claim that:

- 1) Lender failed to obtain any guarantee;
- 2) Lender failed to obtain, perfect, or maintain a security interest in any property offered or taken as Collateral;
- 3) Lender or others improperly valued or inspected the Collateral;
- 4) The Collateral changed in value, or was neglected, lost, destroyed, or Underinsured;

- 5) Lender impaired the Collateral;
- 6) Lender did not dispose of any of the Collateral;
- 7) Lender did not conduct a commercially reasonable sale;
- 8) Lender did not obtain the fair market value of the Collateral;
- 9) Lender did not make or perfect a claim upon the death or disability of Borrower or any guarantor of the Note; 10) The financial condition of Borrower or any guarantor was overstated or has adversely changed; 11) Lender made errors or omissions in Loan Documents or administration of the Loan; 12) Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from Guarantor;
- 13) Lender impaired Guarantor's suretyship rights; 14) Lender modified the Note terms, other than to increase amounts due under the Note. If Lender modifies the Note to increase the amounts due under the Note without Guarantor's consent, Guarantor will not be liable for the increased amounts and related interest and expenses, but remains liable for all other amounts; 15) Borrower has avoided liability on the Note; or 16) Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

7. DUTIES AS TO COLLATERAL:

Guarantor will preserve the Collateral pledged by Guarantor to secure this Guarantee. Lender has no duty to preserve or dispose of any Collateral.

8. SUCCESSORS AND ASSIGNS:

Under this Guarantee, Guarantor includes heirs and successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. ENFORCEMENT EXPENSES. Guarantor promises to pay all expenses Lender incurs to enforce this Guarantee, including, but not limited to, attorney's fees and costs.
- B. SBA NOT A CO-GUARANTOR. Guarantor's liability will continue even if SBA pays Lender. SBA is not a coguarantor with Guarantor. Guarantor has no right of contribution from SBA.
- C. SUBROGATION RIGHTS. Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.
- D. JOINT AND SEVERAL LIABILITY. All individuals and entities signing as Guarantor are jointly and severally liable.
- E. DOCUMENT SIGNING. Guarantor must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- F. FINANCIAL STATEMENTS. Guarantor must give Lender financial statements as Lender requires.
- G. LENDER'S RIGHTS CUMULATIVE, NOT WAIVED. Lender may exercise any of its rights separately or together, as many times as it chooses. Lender may delay or forgo enforcing any of its rights without losing or impairing any of them.
- H. ORAL STATEMENTS NOT BINDING. Guarantor may not use an oral statement to contradict or alter the written terms of the Note or this Guarantee, or to raise a defense to this Guarantee.
- I. SEVERABILITY. If any part of this Guarantee is found to be unenforceable, all other parts will remain in effect.
- J. CONSIDERATION. The consideration for this Guarantee is the Loan or any accommodation by Lender as to the Loan.

10. STATE-SPECIFIC PROVISIONS:

Each Guarantor who is married represents that this obligation is incurred in the interest of his or her marriage or family.

/s/ RAYMOND L. BRICKNER, III

Raymond L. Brickner, III

11. GUARANTOR ACKNOWLEDGMENT OF TERMS.

Guarantor acknowledges that Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including all waivers.

12. GUARANTOR NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated as Guarantor under this Guarantee.

IN WITNESS WHEREOF, this Unconditional Guarantee has been duly executed as of the date first set forth above.

/s/ RAYMOND L. BRICKNER, III

Raymond L. Brickner, III

SPOUSAL CONSENT

Wisconsin Business Development
Finance Corporation
P.O. Box 2717
Madison, WI 53701-2717

U.S. Small Business Administration
740 Regent Street, Suite 100
Madison, WI 53715

To Whom It May Concern:

My spouse, Raymond L. Brickner, III, has agreed or may agree to guarantee a loan to secure repayment of the obligations of Tower Tech Systems Inc. I consent to this act by my spouse; and acknowledge that these obligations are incurred in the interest of my marriage and/or family, but by signing below, I am not becoming personally liable as a guarantor for the payment of the obligations of the other person.

Dated: May 25 ,2005

/s/ DEBRA L. BRICKNER

Name: Debra L. Brickner

U.S. Small Business Administration

UNCONDITIONAL GUARANTEE

SBA Loan #	CDC 762-511-4006
SBA Loan Name	Tower Tech Systems Inc.
Guarantor	Daniel P. Wergin
Borrower	Tower Tech Systems Inc.
Lender	Wisconsin Business Development Finance Corporation
Date	May 19, 2005
Note Amount	\$434,000.00

1. GUARANTEE:

Guarantor unconditionally guarantees payment to Lender of all amounts owing under the Note. This Guarantee remains in effect until the Note is paid in full. Guarantor must pay all amounts due under the Note when Lender makes written demand upon Guarantor. Lender is not required to seek payment from any other source before demanding payment from Guarantor.

2. NOTE:

The "Note" is the promissory note dated MAY 19, 2005 in the principal amount of -- FOUR HUNDRED THIRTY-FOUR THOUSAND AND 00/100 -- Dollars, from Borrower to Lender. It includes any assumption, renewal, substitution, or replacement of the Note, and multiple notes under a line of credit.

3. DEFINITIONS:

"Collateral" means any property taken as security for payment of the Note or any guarantee of the Note.

"Loan" means the loan evidenced by the Note.

"Loan Documents" means the documents related to the Loan signed by Borrower, Guarantor or any other guarantor, or anyone who pledges Collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

4. LENDER'S GENERAL POWERS:

Lender may take any of the following actions at any time, without notice, without Guarantor's consent, and without making demand upon Guarantor:

- A. Modify the terms of the Note or any other Loan Document except to increase the amounts due under the Note;
- B. Refrain from taking any action on the Note, the Collateral, or any guarantee;
- C. Release any Borrower or any guarantor of the Note;
- D. Compromise or settle with the Borrower or any guarantor of the Note;
- E. Substitute or release any of the Collateral, whether or not Lender receives anything in return;
- F. Foreclose upon or otherwise obtain, and dispose of, any Collateral at public or private sale, with or without advertisement;
- G. Bid or buy at any sale of Collateral by Lender or any other lienholder, at any price Lender chooses; and
- H. Exercise any rights it has, including those in the Note and other Loan Documents. These actions will not release or reduce the obligations of Guarantor or create any rights or claims against Lender.

5. FEDERAL LAW:

When SBA is the holder, the Note and this Guarantee will be construed and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Guarantee, Guarantor may not claim or assert any local or state law against SBA to deny any obligation, defeat any claim of SBA, or preempt federal law.

6. RIGHTS, NOTICES, AND DEFENSES THAT GUARANTOR WAIVES:

To the extent permitted by law,

A. Guarantor waives all rights to:

- 1) Require presentment, protest, or demand upon Borrower;
- 2) Redeem any Collateral before or after Lender disposes of it;
- 3) Have any disposition of Collateral advertised; and
- 4) Require a valuation of Collateral before or after Lender disposes of it.

B. Guarantor waives any notice of:

- 1) Any default under the Note;
- 2) Presentment, dishonor, protest, or demand;
- 3) Execution of the Note;
- 4) Any action or inaction on the Note or Collateral, such as disbursements, payment, nonpayment, acceleration, intent to accelerate, assignment, collection activity, and incurring enforcement expenses;
- 5) Any change in the financial condition or business operations of Borrower or any guarantor;
- 6) Any changes in the terms of the Note or other Loan Documents, except increases in the amounts due under the Note; and
- 7) The time or place of any sale or other disposition of Collateral.

C. Guarantor waives defenses based upon any claim that:

- 1) Lender failed to obtain any guarantee;
- 2) Lender failed to obtain, perfect, or maintain a security interest in any property offered or taken as Collateral;
- 3) Lender or others improperly valued or inspected the Collateral;
- 4) The Collateral changed in value, or was neglected, lost, destroyed, or Underinsured;

- 5) Lender impaired the Collateral;
- 6) Lender did not dispose of any of the Collateral;
- 7) Lender did not conduct a commercially reasonable sale;
- 8) Lender did not obtain the fair market value of the Collateral;
- 9) Lender did not make or perfect a claim upon the death or disability of Borrower or any guarantor of the Note; 10) The financial condition of Borrower or any guarantor was overstated or has adversely changed; 11) Lender made errors or omissions in Loan Documents or administration of the Loan; 12) Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from Guarantor;
- 13) Lender impaired Guarantor's suretyship rights; 14) Lender modified the Note terms, other than to increase amounts due under the Note. If Lender modifies the Note to increase the amounts due under the Note without Guarantor's consent, Guarantor will not be liable for the increased amounts and related interest and expenses, but remains liable for all other amounts; 15) Borrower has avoided liability on the Note; or 16) Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

7. DUTIES AS TO COLLATERAL:

Guarantor will preserve the Collateral pledged by Guarantor to secure this Guarantee. Lender has no duty to preserve or dispose of any Collateral.

8. SUCCESSORS AND ASSIGNS:

Under this Guarantee, Guarantor includes heirs and successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. ENFORCEMENT EXPENSES. Guarantor promises to pay all expenses Lender incurs to enforce this Guarantee, including, but not limited to, attorney's fees and costs.
- B. SBA NOT A CO-GUARANTOR. Guarantor's liability will continue even if SBA pays Lender. SBA is not a coguarantor with Guarantor. Guarantor has no right of contribution from SBA.
- C. SUBROGATION RIGHTS. Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.
- D. JOINT AND SEVERAL LIABILITY. All individuals and entities signing as Guarantor are jointly and severally liable.
- E. DOCUMENT SIGNING. Guarantor must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- F. FINANCIAL STATEMENTS. Guarantor must give Lender financial statements as Lender requires.
- G. LENDER'S RIGHTS CUMULATIVE, NOT WAIVED. Lender may exercise any of its rights separately or together, as many times as it chooses. Lender may delay or forgo enforcing any of its rights without losing or impairing any of them.
- H. ORAL STATEMENTS NOT BINDING. Guarantor may not use an oral statement to contradict or alter the written terms of the Note or this Guarantee, or to raise a defense to this Guarantee.
- I. SEVERABILITY. If any part of this Guarantee is found to be unenforceable, all other parts will remain in effect.
- J. CONSIDERATION. The consideration for this Guarantee is the Loan or any accommodation by Lender as to the Loan.

10. STATE-SPECIFIC PROVISIONS:

Each Guarantor who is married represents that this obligation is incurred in the interest of his or her marriage or family.

/s/ DANIEL P. WERGIN

Daniel P. Wergin

11. GUARANTOR ACKNOWLEDGMENT OF TERMS.

Guarantor acknowledges that Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including all waivers.

12. GUARANTOR NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated as Guarantor under this Guarantee.

IN WITNESS WHEREOF, this Unconditional Guarantee has been duly executed as of the date first set forth above.

/s/ DANIEL P. WERGIN

Daniel P. Wergin

SPOUSAL CONSENT

Wisconsin Business Development
Finance Corporation
P.O. Box 2717
Madison, WI 53701-2717

U.S. Small Business Administration
740 Regent Street, Suite 100
Madison, WI 53715

To Whom It May Concern:

My spouse, Daniel P. Wergin, has agreed or may agree to guarantee a loan to secure repayment of the obligations of Tower Tech Systems Inc. I consent to this act by my spouse; and acknowledge that these obligations are incurred in the interest of my marriage and/or family, but by signing below, I am not becoming personally liable as a guarantor for the payment of the obligations of the other person.

Dated: 5/19,2005

/s/ CAROL J. WERGIN

Name: Carol J. Wergin

U.S. Small Business Administration

UNCONDITIONAL GUARANTEE

SBA Loan #	CDC 762-511-4006
SBA Loan Name	Tower Tech Systems Inc.
Guarantor	Terence P. Fox
Borrower	Tower Tech Systems Inc.
Lender	Wisconsin Business Development Finance Corporation
Date	May 19, 2005
Note Amount	\$434,000.00

1. GUARANTEE:

Guarantor unconditionally guarantees payment to Lender of all amounts owing under the Note. This Guarantee remains in effect until the Note is paid in full. Guarantor must pay all amounts due under the Note when Lender makes written demand upon Guarantor. Lender is not required to seek payment from any other source before demanding payment from Guarantor.

2. NOTE:

The "Note" is the promissory note dated MAY 19, 2005 in the principal amount of -- FOUR HUNDRED THIRTY-FOUR THOUSAND AND 00/100 -- Dollars, from Borrower to Lender. It includes any assumption, renewal, substitution, or replacement of the Note, and multiple notes under a line of credit.

3. DEFINITIONS:

"Collateral" means any property taken as security for payment of the Note or any guarantee of the Note.

"Loan" means the loan evidenced by the Note.

"Loan Documents" means the documents related to the Loan signed by Borrower, Guarantor or any other guarantor, or anyone who pledges Collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

4. LENDER'S GENERAL POWERS:

Lender may take any of the following actions at any time, without notice, without Guarantor's consent, and without making demand upon Guarantor:

- A. Modify the terms of the Note or any other Loan Document except to increase the amounts due under the Note;
- B. Refrain from taking any action on the Note, the Collateral, or any guarantee;
- C. Release any Borrower or any guarantor of the Note;
- D. Compromise or settle with the Borrower or any guarantor of the Note;
- E. Substitute or release any of the Collateral, whether or not Lender receives anything in return;
- F. Foreclose upon or otherwise obtain, and dispose of, any Collateral at public or private sale, with or without advertisement;
- G. Bid or buy at any sale of Collateral by Lender or any other lienholder, at any price Lender chooses; and
- H. Exercise any rights it has, including those in the Note and other Loan Documents. These actions will not release or reduce the obligations of Guarantor or create any rights or claims against Lender.

5. FEDERAL LAW:

When SBA is the holder, the Note and this Guarantee will be construed and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Guarantee, Guarantor may not claim or assert any local or state law against SBA to deny any obligation, defeat any claim of SBA, or preempt federal law.

6. RIGHTS, NOTICES, AND DEFENSES THAT GUARANTOR WAIVES:

To the extent permitted by law,

A. Guarantor waives all rights to:

- 1) Require presentment, protest, or demand upon Borrower;
- 2) Redeem any Collateral before or after Lender disposes of it;
- 3) Have any disposition of Collateral advertised; and
- 4) Require a valuation of Collateral before or after Lender disposes of it.

B. Guarantor waives any notice of:

- 1) Any default under the Note;
- 2) Presentment, dishonor, protest, or demand;
- 3) Execution of the Note;
- 4) Any action or inaction on the Note or Collateral, such as disbursements, payment, nonpayment, acceleration, intent to accelerate, assignment, collection activity, and incurring enforcement expenses;
- 5) Any change in the financial condition or business operations of Borrower or any guarantor;
- 6) Any changes in the terms of the Note or other Loan Documents, except increases in the amounts due under the Note; and
- 7) The time or place of any sale or other disposition of Collateral.

C. Guarantor waives defenses based upon any claim that:

- 1) Lender failed to obtain any guarantee;
- 2) Lender failed to obtain, perfect, or maintain a security interest in any property offered or taken as Collateral;
- 3) Lender or others improperly valued or inspected the Collateral;
- 4) The Collateral changed in value, or was neglected, lost, destroyed, or Underinsured;

- 5) Lender impaired the Collateral;
- 6) Lender did not dispose of any of the Collateral;
- 7) Lender did not conduct a commercially reasonable sale;
- 8) Lender did not obtain the fair market value of the Collateral;
- 9) Lender did not make or perfect a claim upon the death or disability of Borrower or any guarantor of the Note; 10) The financial condition of Borrower or any guarantor was overstated or has adversely changed; 11) Lender made errors or omissions in Loan Documents or administration of the Loan; 12) Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from Guarantor;
- 13) Lender impaired Guarantor's suretyship rights; 14) Lender modified the Note terms, other than to increase amounts due under the Note. If Lender modifies the Note to increase the amounts due under the Note without Guarantor's consent, Guarantor will not be liable for the increased amounts and related interest and expenses, but remains liable for all other amounts; 15) Borrower has avoided liability on the Note; or 16) Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

7. DUTIES AS TO COLLATERAL:

Guarantor will preserve the Collateral pledged by Guarantor to secure this Guarantee. Lender has no duty to preserve or dispose of any Collateral.

8. SUCCESSORS AND ASSIGNS:

Under this Guarantee, Guarantor includes heirs and successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. ENFORCEMENT EXPENSES. Guarantor promises to pay all expenses Lender incurs to enforce this Guarantee, including, but not limited to, attorney's fees and costs.
- B. SBA NOT A CO-GUARANTOR. Guarantor's liability will continue even if SBA pays Lender. SBA is not a coguarantor with Guarantor. Guarantor has no right of contribution from SBA.
- C. SUBROGATION RIGHTS. Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.
- D. JOINT AND SEVERAL LIABILITY. All individuals and entities signing as Guarantor are jointly and severally liable.
- E. DOCUMENT SIGNING. Guarantor must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- F. FINANCIAL STATEMENTS. Guarantor must give Lender financial statements as Lender requires.
- G. LENDER'S RIGHTS CUMULATIVE, NOT WAIVED. Lender may exercise any of its rights separately or together, as many times as it chooses. Lender may delay or forgo enforcing any of its rights without losing or impairing any of them.
- H. ORAL STATEMENTS NOT BINDING. Guarantor may not use an oral statement to contradict or alter the written terms of the Note or this Guarantee, or to raise a defense to this Guarantee.
- I. SEVERABILITY. If any part of this Guarantee is found to be unenforceable, all other parts will remain in effect.
- J. CONSIDERATION. The consideration for this Guarantee is the Loan or any accommodation by Lender as to the Loan.

10. STATE-SPECIFIC PROVISIONS:

Each Guarantor who is married represents that this obligation is incurred in the interest of his or her marriage or family.

/s/ TERENCE P. FOX

Terence P. Fox

11. GUARANTOR ACKNOWLEDGMENT OF TERMS.

Guarantor acknowledges that Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including all waivers.

12. GUARANTOR NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated as Guarantor under this Guarantee.

IN WITNESS WHEREOF, this Unconditional Guarantee has been duly executed as of the date first set forth above.

/s/ TERENCE P. FOX

Terence P. Fox

SPOUSAL CONSENT

Wisconsin Business Development
Finance Corporation
P.O. Box 2717
Madison, WI 53701-2717

U.S. Small Business Administration
740 Regent Street, Suite 100
Madison, WI 53715

To Whom It May Concern:

My spouse, Paula L. Fox, III, has agreed or may agree to guarantee a loan to secure repayment of the obligations of Tower Tech Systems Inc. I consent to this act by my spouse; and acknowledge that these obligations are incurred in the interest of my marriage and/or family, but by signing below, I am not becoming personally liable as a guarantor for the payment of the obligations of the other person.

Dated: JUNE 12, ,2005

/s/ PAULA L. FOX

Name: *Paula L. Fox*

EXHIBIT 10.4

LEASE AGREEMENT WITH CITY CENTRE, LLC

LEASE FOR INDUSTRIAL/MANUFACTURING SPACE

THIS INDENTURE OF LEASE made and entered into this 1st day of January, 2005 by and between CITY CENTRE, L.L.C., a Wisconsin limited liability company, party of the first part, and hereinafter referred to as "City Centre" or "Landlord," and TOWER TECH SYSTEMS, INC., a Wisconsin corporation, party of the second part, and hereinafter referred to as "Tenant."

WITNESSETH:

Landlord, for and in consideration of the covenants and agreements hereinafter set forth to be kept and performed by the Tenant, demises and leases unto the Tenant, and the Tenant does hereby hire and rent from the Landlord, the premises hereinafter described, for the period, at the rental, and upon the terms and conditions hereinafter specifically set forth.

1. DESCRIPTION OF PREMISES. The demised premises is situated at 101 S. 16th Street, in the City of Manitowoc, Wisconsin, said manufacturing facility known as Buildings #231, #232, #233, #234, #217, #202, #207, and #218 having an area of approximately 138,186 square feet, together with right of ingress and egress to and from said buildings, the right in common with other tenants of said building to the use of the common areas of the building. Tenant shall also have the right to use and occupy an area adjacent to the #101 S. 16th Street complex for employee parking (not greater than sixty (60) cars.) Said premises are sometimes referred to herein as "demised premises".

2. TERM OF LEASE. The original term of this lease shall commence on January 1, 2005, and end at midnight on December 31, 2009. The tenant is granted five (5) options to renew this lease. Each option is for five (5) years beginning at the end of the lease period just ended. The tenant must give a six (6) month written notice prior to the end of any lease period stating that the tenant wishes to exercise the next option period. The rent during any option period shall be the base rent (\$33,319.83) per month times the increase in the rate of inflation based on the Consumers Price Index (CPI) for each year past.

3. RENTAL. The Tenant shall pay to the Landlord at 980 Maritime Drive, Suite 6 Manitowoc, Wisconsin, 54220, or at such other place as the Landlord shall from time to time designate in writing, rental computed as follows:

(a) DURING THE FIRST LEASE YEAR.

Building:	Square Footage	\$ per sq ft.	Effective Date
# 231 -	36,000	\$ 3.00	Jan. 1, 2005
# 232 -	25,200	"	" "
# 233 -	13,500	"	" "
# 234 -	6,880	"	" "
# 217 -	19,720	"	" "

Sub-Total	101,300		
# 202	25,110	\$ 3.00	Aug. 1, 2005
# 207/218	11,776	\$ 1.75	Aug. 1, 2005

Total	138,186		

The Accrued Rent per month from January 1, 2005 through July 31, 2005 amounts to \$25,325.00 per month or a total of \$177,275. Effective August 1, 2005 the rent will be \$33,319.83 or annually \$399,837.99. This annual rent is a base year rent which includes 100% of the base year Real Estate taxes and building insurance (2004). This annual rent is based on the production of 100 Towers each year. City Centre LLC will receive an additional \$ 3,800.00 per tower for towers #101 through #150 produced each fiscal year of the Lease. During any option for renewal period, the \$3,800.00 per tower for the additional towers will be increased by the Consumer Price Index (CPI) for each year of the previous five (5) year period--just as same as the base rent is adjusted.

(b) ADDITIONAL RENT. Any other obligations of the Tenant contained herein shall be considered additional rent and shall be paid as the same becomes due.

(c) PENALTY FOR LATE RENT. Should Tenant pay rent later than the seventh (7th) day of any month during the term of this lease, the Tenant agrees to pay a late fee of One Hundred Dollars (\$100.00) per day.

4. USE OF PREMISES. The demised premises shall be used by the Tenant for the manufacturing of heavy industrial weldments.

5. OBLIGATIONS OF LANDLORD.

(a) MAINTENANCE AND REPAIR. Landlord, at its expense, shall maintain the roof of the building and outside walls in good condition of repair and maintenance, and shall keep and maintain the

exterior of said building and the common areas in good, sightly, and reasonably attractive condition as they are currently in. Provided, however, that the Landlord shall not be obligated and the Tenant shall be obligated to make any repairs made necessary by the fault or negligence of the Tenant, its employees, clients, or invitees, unless such repairs are covered by the Landlord's or Tenant's insurance contracts, in which case the Tenant shall only be responsible for the costs of repair in excess of the proceeds of the Landlord's or Tenant's insurance contract.

(b) **GUARANTEE OF TENANT'S PEACEFUL POSSESSION.** If and while the Tenant shall and does perform all and singular the covenants herein agreed to be performed by the Tenant, the Landlord shall and does hereby warrant and defend the Tenant in the enjoyment and peaceful possession of said premises during the term of this lease or any renewal thereof.

(c) **INSURANCE COVERAGE.** During the term of this lease or any renewal thereof, the Landlord shall procure and maintain, at its expense, fire insurance with extended coverage endorsement, and with such co-insurance clause as the Landlord may determine covering the demised premises, and in an amount in Landlord's sole discretion covers Landlord's investment in said building. Provided, however, that the Landlord shall not be obligated to insure the fixtures furnished and other equipment installed in the premises by the Tenant and/or owned by the Tenant. The Landlord shall carry adequate public liability insurance covering its ownership of said premises, and shall carry adequate public liability insurance covering said building, parking lot, sidewalks, and other common areas.

(d) **REAL PROPERTY TAXES.** Year 2004 Real Estate Taxes (ending 12/31/04) shall be considered the "Base Year Taxes". Landlord will pay that portion of Tenant's real estate tax liability each year. Each subsequent year, Tenant shall pay twenty three and .12 (23.12%) per cent of any increase over the base year real estate taxes and special improvement taxes assessed or levied. Said payment is

due within thirty (30) days of receipt of said bill against the entire property known as the City Centre Peninsula and Wollmer Street property.

(e) REMOVAL OF SNOW. Tenant, at its expense, shall keep the sidewalks, doorways, loading and parking area, and any material storage areas reasonably free of ice and snow.

6. OBLIGATIONS OF TENANT.

(a) PAYMENT OF RENTALS. The Tenant shall pay at the time and in the manner heretofore specified the rents herein reserved and such rental shall be payable at 980 Maritime Drive, Suite 6, Manitowoc, Wisconsin, 54220, or at such other place as the Landlord shall from time to time designate in writing.

(b) HEATING, COOLING & ELECTRICAL. The Tenant shall provide, install and maintain the necessary facilities and equipment to provide heating and cooling for the demised premises as Tenant deems necessary. The Tenant shall pay for all energy costs for heating and cooling the demised premises. Tenant shall also provide and maintain the necessary electrical facilities and services as required by Tenant's business at Tenant's expense.

(c) UTILITIES. The Tenant shall pay for all electric power, sewer, and water consumed upon the demised premises for any purpose whatsoever. Separate electric meters shall be installed by the Tenant so as to accurately meter electric current consumed on the demised premises. Tenant shall be obligated to install, maintain and replace all required lighting fixtures and bulbs.

(d) INTERIOR DECORATING. Tenant, at its expense, shall keep the demised premises clean and neat and in a reasonably attractive condition. All decorations of the demised premises other than the original decorations shall be at the Tenant's expense. Tenant may also renovate the exterior of the premises with the permission of the Landlord.

(e) MAINTENANCE OF INTERIOR. Tenant, at its expense, shall maintain the interior of the premises, including all walls, floors, ceilings, hallways and bathrooms. Tenant shall keep said demised premises neat, clean and orderly, providing the staff necessary to keep the premises in the condition required in this lease.

(f) PERSONAL PROPERTY TAXES. Tenant shall, at its expense, pay all personal property taxes when said taxes are due.

(g) ADDITIONAL OUTSIDE AREAS. All other outside areas utilized by enant shall be maintained by Tenant throughout the term of this lease.

(g.1) CRANES. Tenant shall have the obligation to repair and maintain the five (5) overhead cranes in the premises at Tenant's cost. Tenant will keep both cranes in good operating condition throughout the term of this lease and the same will be in good operating condition on the last day of this lease.

(h) SIGNS. Tenant shall have the right to erect a sign on the exterior portion of the building, and also a small sign in the lobby or common area of the building, provided, however, that any such sign and its location shall first be approved by Landlord prior to installation.

(i) SURRENDER POSSESSION ON TERMINATION OF LEASE. Tenant, upon termination of this lease, in any manner, will surrender to Landlord possession of the demised premises in good condition and repair, ordinary wear and tear excepted, and loss through fire and other insurable risk excepted, and will deliver up the keys to the Landlord. Should Tenant holdover with or without Landlord's consent, this lease shall continue under the same terms and conditions contained herein, but shall become a month-to-month tenancy.

(j) USE OF PREMISES. Tenant shall not allow said premises to be used for any purpose that will increase the rate of insurance thereon, nor for any purpose other than that of preparation of and distribution of steel products, nor shall Tenant permit said premises to be used for any unlawful or immoral purposes or for any purpose that will injure the reputation of the premises, and Tenant will not use or keep

in or about the premises any article or item which would in any way affect the validity of the standard fire insurance policy of the State of Wisconsin.

(k) ALTERATIONS. Tenant shall not permit any alterations of or upon any part of the demised premises except with the written consent of Landlord, which consent shall not unreasonably be withheld. All alterations and additions to the demised premises made by Tenant shall remain for the benefit of Landlord, unless otherwise provided in said consent.

(l) PERMIT NO MECHANIC'S LIENS. Tenant shall promptly pay for any work done in or about the premises contracted by him, and will not permit or suffer any mechanic's liens to attach to the premises as a result thereof, and shall promptly cause any claim for any such lien to be released, or to secure the Landlord to its satisfaction in the event the Tenant desires to contest any such claim.

(m) LANDLORD'S ACCESS. The Tenant shall allow the Landlord or his agents or employees access to the demised premises at all reasonable times, and in the event of an emergency for the purpose of examining the premises or to make any needful repairs or alterations of the demised premises. During the last six (6) months of the term of this lease or any renewal term, the Landlord may show the demised premises to prospective tenants, provided such showing does not unreasonably interfere with the Tenant's use of the demised premises. Landlord shall, as an accommodation to other Tenants, have unlimited access to all systems for maintenance, alterations and improvements thereto.

(n) TERMINATION ON BANKRUPTCY. If the Tenant shall be adjudged bankrupt, or if a judgment is rendered against the Tenant in such an amount as to render Tenant insolvent and incapable of meeting the obligations hereunder, and such judgment or order is not appealed from, or if the Tenant shall make an assignment for the benefit of creditors, or a receiver shall be appointed for him by a court of competent jurisdiction and said order appointing receiver is not appealed from by the Tenant, this lease shall immediately terminate, and the Landlord shall have the right to recover the premises. Provided, however, if in any of such events Tenant is not in default under the terms of this lease, the Landlord may not terminate this lease and may not recover the premises.

(o) TENANT'S INSURANCE. The Tenant agrees to carry and pay the premiums for public liability insurance, insuring itself and the Landlord against injury to property, person, or loss of life arising out of the use and occupancy of the demised premises, with limits of at least \$500,000 property damage, \$2,000,000 for one person, and \$6,000,000 for any number of persons injured or killed in any one accident, and shall furnish to the Landlord as may be requested from time to time, a certificate of said insurance. Such policies of insurance must be written with insurance carriers approved by Landlord (said approval not to be unreasonably withheld) and shall not be canceled, discontinued, or altered without ten (10) days' written notice to the Landlord. Such policies of insurance shall consent to the waiver of subrogation hereinabove set forth.

(p) HAZARDOUS SUBSTANCES - REPORTABLE USES.

(1) HAZARDOUS SUBSTANCES. Defined: "Hazardous Substances" means any material or substance; (i) defined as a "hazardous substance" pursuant to the Comprehensive Environmental response. Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and amendments thereto and regulations promulgated thereunder, to the extent such amendments and regulations are in effect on the Execution Date, (ii) containing gasoline, oil, diesel fuel or other petroleum products, (iii) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.) and amendments thereto and regulations promulgated thereunder, to the extent such amendments and regulations are in effect on the Execution Date, (iv) containing polychlorinated byphenyles (PCB's); (v) containing asbestos; (vi) radioactive; (vii) biologically dangerous, or (viii) the presence of which requires investigation, reporting or remediation under any federal, state or local statute, regulation, ordinance or policy or which is defined as a "hazardous waste" or "hazardous substance") under any federal, state or local statute, regulation or ordinance in effect on the Execution Date, and any toxic, explosive, corrosive or otherwise hazardous substance, material or waste, which is regulated by any federal, state or local governmental authority.

(2) REPORTABLE USES REQUIRE CONSENT. The term "Hazardous Substance" as used in this lease shall mean in addition to those items stated above in Paragraph 6(p)(1), any product, substance, chemical, material or waste whose presence, nature, quantity and/or intensity of existence, use, manufacture, disposal, transportation, spill, release, or effect, either by itself or in combination with other materials expected to be on the premises is either (i) potentially injurious to the public health, safety or welfare, the environmental or the premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substance shall include, but not be limited to, hydrocarbons, petroleum, gasoline, crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in, on or about the Premises which constitutes a Reportable Use (as hereinafter defined) of Hazardous Substances without the express written consent of Lessor (consent not to be unreasonably withheld) and compliance in a timely manner (at Lessee's sole cost and expense) with all applicable law.

(3) INDEMNIFICATION. Lessee shall indemnify, protect, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, and the Premises, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, costs, claims, liens, expenses, penalties, permits and attorney's and consultant's fees arising out of or involving any Hazardous Substance or storage container brought onto the Premises by or for Lessee or under Lessee's control. Lessee's obligation shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created by Lessee, and the cost of investigation (including consultant's and attorney's fees and testing), removal, remediation, restoration and/or abatement thereof, or of any contamination therein involved, and shall survive the expiration of earlier termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances or storage tanks, unless specifically so agreed by Lessor in writing at the time of such agreement.

7. GENERAL PROVISIONS.

(a) If the building of which the demised premises are a part shall be totally destroyed or damaged by fire, the elements, or other cause, either party hereto shall have the option to terminate this lease by giving to the other party written notice of termination within thirty (30) days after such destruction. If neither party elects to terminate this lease, the Landlord shall rebuild, reconstruct, or repair the premises as closely as reasonably possible to their original condition. Said rebuilding, reconstruction, or repairing shall commence immediately after proper adjustment is made by the Landlord's insurers, and in any event, within ninety (90) days after the destruction, and shall be completed as expeditiously as possible.

(b) If the building of which the demised premises are a part is partially destroyed by fire, elements, or other cause partially destroyed for purposes of this lease being defined as twenty-five percent (25%) of the building's appraised value or less, the Landlord shall repair and rebuild the premises as reasonably close to their original condition as possible. Such repairing and rebuilding shall commence immediately after proper adjustment is made upon the Landlord's insurance contracts, or in any event, within thirty (30) days after the destruction, and shall be completed as expeditiously as possible.

(c) If during the term of this lease or any renewal term the demised premises shall be so damaged by fire, the elements, or other cause not attributable to the Tenant, so as to make the demised premises completely untenable by the Tenant, then and in that event the rent shall completely abate until the premises have been so restored, so that the Tenant may again occupy the same for the carrying on of his profession. If a part of the demised premises are rendered untenable, the rent shall be prorated on a per diem basis and apportioned in accordance with the part of the premises which is usable by the Tenant until the damaged part is again ready for Tenant's occupancy.

d) In all cases, allowance shall be made for reasonable delay caused by adjustment of insurance loss, strikes, labor difficulties or any cause beyond Landlord's reasonable control.

8. LANDLORD'S REMEDIES. All rights and remedies of the Landlord herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law, to-wit:

(a) If the Tenant defaults in any payment of rent, and such default continues for fifteen (15) days after Landlord's notice thereof to Tenant, or if Tenant defaults in the prompt and full performance of any other provision of this lease, the Landlord, at his option, may terminate this lease and Tenant's right to possession of the demised premises. Landlord shall not be required to provide more than two (2) written notices of default during each "lease year" of this lease. After the cure of the second notice of default hereunder, Tenant shall be deemed to know when Tenant is in default and no additional notice is required. Lease year shall be defined as each period of time falling between May 1st and April 30th during the term of this lease.

(b) Upon any termination of this lease, whether by lapse of time or otherwise, or upon any termination of Tenant's right to possession without termination of the lease, Tenant shall surrender possession and vacate the premises immediately and deliver possession thereof to Landlord, and the Tenant hereby grants to the Landlord free and full license to enter into and upon the demised premises in any such event, with or without process of law, and to repossess the premises, and to expel or remove Tenant or any others who may be occupying or within the premises, and to remove any and all property therefrom, using such force as may be necessary without being deemed guilty of trespassing, eviction, or forcible entry or detainer, and without releasing Landlord's rights to rent or any other right given to the Landlord by this lease or by operation of law.

(c) If the Tenant abandons the premises or otherwise entitles Landlord so to elect to terminate, and Landlord elects to terminate Tenant's right to possession only, without terminating the lease, Landlord may at Landlord's option, enter into the premises, remove Tenant's property and other evidences of tenancy, and take and hold possession thereof without such entry and possession terminating the lease or releasing Tenant, in whole or in part, from Tenant's obligation to pay the rent hereunder for the full term. Upon and after entry into possession without termination of this lease, Landlord shall use its best effort to relet the premises or any part thereof for the account of Tenant to any person, firm, or corporation other than Tenant for such rent, for such time and upon such terms as

Landlord in Landlord's sole discretion shall determine. Landlord shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant about such reletting. In any such case, Landlord may make repairs in or to the premises and redecorate the same to the extent deemed by Landlord necessary or desirable, and Tenant shall, upon demand, pay the cost thereof, together with Landlord's expenses of the reletting. If the consideration collected by Landlord upon any such reletting for Tenant's account is not sufficient to pay monthly the full amount of the rent reserved in this lease, together with the costs of repairs, redecorating, and Landlord's expenses, Tenant shall pay to Landlord the amount of each monthly deficiency upon demand; and if the consideration so collected from any such reletting is more than sufficient to pay the full amount of the rent reserved herein, together with the costs and expenses of Landlord, Landlord, at the end of the stated term of the lease, shall account for the surplus to Tenant.

9. ASSIGNMENT OR SUBLETTING. The Tenant may not assign this lease, or sublet all or any portion of the demised premises without the written consent of the Landlord.

10. LANDLORD'S INSURER NOT SUBROGATED AGAINST TENANT. Nothing in this lease shall be construed so as to authorize or permit the Landlord's insurer or insurers to be subrogated to any of the Landlord's rights against the Tenant and arising under this lease.

11. SAVE HARMLESS CLAUSE - TENANT.

The Tenant agrees that it will at all times protect, indemnify, save, and keep harmless the Landlord against and from any and all claims arising out of or from any accidents or other occurrences on or about the demised premises causing injury to any person or persons or property, whomsoever or whatsoever and due directly or indirectly to negligent use of the demised premises or any part thereof by said Tenant, its employees, agents, or invitees.

12. EARLY TERMINATION BY LANDLORD. Landlord may, with a one hundred twenty (120) day notice, terminate this lease with Tenant providing the Landlord pays Tenant three (3) months rent as a termination of lease penalty. Should there be fewer than three (3) months remaining of Tenant's

lease upon Tenant's receipt of said sixty (60) day notice, Landlord shall be responsible to pay Tenant only for the one or two months remaining on the lease term.

13. **LANDLORD'S RIGHT TO MORTGAGE.** The Tenant's rights under this lease are and shall always be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the land and building of which the demised premises are a part, and to all advances hereafter made from time to time upon the security thereof, provided, however, that as long as the tenant is not in default under the terms of this lease, it may continue in possession of the demised premises under the terms of this lease. Tenant shall cooperate with the Landlord in furnishing any information Landlord's mortgagee shall reasonably request.

14. **PARTIES BOUND.** Each provision hereof shall extend to and shall, as the case might require, bind and inure to the benefit of the Landlord and Tenant and their respective heirs, legal representatives, successors, and assigns, provided that this lease shall not inure to the benefit of any assignee, transferee, or successor of the Tenant except upon the written consent of the Landlord.

15. **LANDLORD'S LIABILITY FOR DAMAGES.** The Landlord shall not be liable for any damage to any property at any time stored or kept in said premises or building from water, rain, snow or flooding which may leak, issue, or flow from or into any part of said building, which is Landlord's responsibility to repair, unless previous written notice shall have been given by Tenant to Landlord of the necessity of the repairs, and Landlord has unreasonably delayed making repairs.

16. **NOTICES.** Any notice required or permitted under this lease shall be deemed sufficiently given or served if sent by registered mail to Tenant and to Landlord at the address then fixed for the payment of rent, and either party may by like notice at any time and from time to time, designate a different address to which notices shall be sent. Notices given in accordance with these provisions shall be deemed received when mailed.

17. **MISCELLANEOUS.** No waiver of any default by Tenant hereunder shall be implied from any omission by Landlord to take any action on account of such default if such default persists or is

repeated and no express waiver shall affect any default other than the default specified in the express waiver, and then only for the time and to the extent therein stated. One or more waivers of any covenant, term, or condition of this lease by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition. The invalidity or unenforceability of any provision hereof shall not affect or impair any other provisions. The laws of the State of Wisconsin shall govern the validity, performance, and enforcement of this lease. The headings of the several paragraphs contained herein are for convenience only and do not define, limit, or construe the contents of such articles. The necessary grammatical changes required to make the provisions apply to individuals, singular or plural, males or females, corporations or partnerships, shall be in each case assumed as though in each case expressed.

18. **DEFAULT OF EITHER PARTY.** If either party hereto should be in default under any provisions of this lease (except in the payment of rent as aforesaid) the other party, prior to exercising any option arising upon such default, and the defaulting party shall have thirty (30) days in which to remedy such default, unless a shorter time be provided elsewhere in this lease, in which case the shorter time shall apply; provided, however, that if any such default cannot be remedied by the defaulting party with reasonable diligence within said thirty (30) days, the defaulting party may have such additional time as may, under the circumstances, be reasonably necessary to remedy such default; provided, further, that this option shall not apply to the payment of any rent reserved hereunto to the Landlord.

19. **SEVERABILITY.** If any portion of this agreement shall be found to be illegal, invalid, or have the enforcement of its terms otherwise restricted by a court of competent jurisdiction, the remainder of this agreement shall nevertheless remain in full force and effect.

20. **AUTHORITY.** All persons executing this document warrant and represent that they have the appropriate corporate or organizational authority required to bind the parties to this lease.

LANDLORD:

CITY CENTRE, L.L.C.

By: /s/ CHRISTOPHER C. ALLIE

Christopher C. Allie

TENANT:

TOWER TECH SYSTEMS, INC.

By: /s/ TERENCE P. FOX

Terence P. Fox

EXHIBIT 10.5

**PROMISSORY NOTE TO BFM LLC
DATED JANUARY 28, 2005**

PROMISSORY NOTE

\$50,000.00 Date January 28, 2005

For value received, the undersigned TOWER TECH SYSTEMS INC. ("the Promisor") promises to pay to the order of BFM LLC ("the Payee") at 980 MARITIME DRIVE #6, MANITOWOC, WI, the sum of \$50,000.00 with interest from January 28, 2005, on the unpaid principal at the rate of 5% per annum.

Interest and principal shall be due and payable upon demand.

The Promisor reserves the right to prepay this Note (in whole or in part) prior to the due date with no prepayment penalty.

No renewal or extension of this Note, delay in enforcing any right of the Payee under this Note, or assignment by Payee of this Note shall affect the liability of the Promisor, all rights of the Payee under this Note are cumulative and may be exercised concurrently or consecutively at the Payee's option.

This Note shall be construed in accordance with the laws of the State of WI.

Signed this 28TH day of JANUARY 2005, at Manitowoc, WI

Promisor:
Tower Tech Systems Inc.

By: /s/ TERENCE P. FOX

Terence P. Fox

EXHIBIT 10.6

**PROMISSORY NOTE TO CHOICE INC.
DATED MAY 25, 2005**

PROMISSORY NOTE

\$65,000.00 Date: May 25, 2005

For value received, the undersigned TOWER TECH SYSTEMS INC. ("the Promisor") promises to pay to the order of CHOICE INC. ("the Payee") at 980 MARITIME DRIVE #6, MANITOWOC, WI, the sum of \$65,000.00 with interest from May 25, 2005, on the unpaid principal at the rate of 5% per annum.

Interest and principal shall be due and payable upon demand.

The Promisor reserves the right to prepay this Note (in whole or in part) prior to the due date with no prepayment penalty.

No renewal or extension of this Note, delay in enforcing any right of the Payee under this Note, or assignment by Payee of this Note shall affect the liability of the Promisor, all rights of the Payee under this Note are cumulative and may be exercised concurrently or consecutively at the Payee's option.

This Note shall be construed in accordance with the laws of the State of WI.

Signed this 25TH day of MAY 2005, at Manitowoc, WI

Promisor:
Tower Tech Systems Inc.

By: /s/ CHRISTOPHER C. ALLIE

Christopher C. Allie

EXHIBIT 10.7

**PROMISSORY NOTE TO 43 ENTERPRISES
DATED OCTOBER 20, 2005**

PROMISSORY NOTE

\$65,000.00 Date: May 25, 2005

For value received, the undersigned TOWER TECH SYSTEMS INC. ("the Promisor") promises to pay to the order of CHOICE INC. ("the Payee") at 980 MARITIME DRIVE #6, MANITOWOC, WI, the sum of \$65,000.00 with interest from May 25, 2005, on the unpaid principal at the rate of 5% per annum.

Interest and principal shall be due and payable upon demand.

The Promisor reserves the right to prepay this Note (in whole or in part) prior to the due date with no prepayment penalty.

No renewal or extension of this Note, delay in enforcing any right of the Payee under this Note, or assignment by Payee of this Note shall affect the liability of the Promisor, all rights of the Payee under this Note are cumulative and may be exercised concurrently or consecutively at the Payee's option.

This Note shall be construed in accordance with the laws of the State of WI.

Signed this 25TH day of MAY 2005, at Manitowoc, WI

Promisor:
Tower Tech Systems Inc.

By: /s/ CHRISTOPHER C. ALLIE

Christopher C. Allie

EXHIBIT 10.8

**PROMISSORY NOTE TO CHOICE INC.
DATED OCTOBER 21, 2005**

PROMISSORY NOTE

\$8,000.00 Date: October 21, 2005

For value received, the undersigned TOWER TECH SYSTEMS INC. ("the Promisor") promises to pay to the order of CHOICE INC. ("the Payee") at 980 MARITIME DRIVE #6, MANITOWOC, WI, the sum of \$8,000.00 with interest from October 21, 2005, on the unpaid principal at the rate of 5% per annum.

Interest and principal shall be due and payable upon demand.

The Promisor reserves the right to prepay this Note (in whole or in part) prior to the due date with no prepayment penalty.

No renewal or extension of this Note, delay in enforcing any right of the Payee under this Note, or assignment by Payee of this Note shall affect the liability of the Promisor, all rights of the Payee under this Note are cumulative and may be exercised concurrently or consecutively at the Payee's option.

This Note shall be construed in accordance with the laws of the State of WI.

Signed this 21ST day of OCTOBER 2005, at Manitowoc, WI

Promisor:
Tower Tech Systems Inc.

By: /s/ CHRISTOPHER C. ALLIE

Christopher C. Allie

EXHIBIT 10.9

**PROMISSORY NOTE TO CITY CENTRE LLC
DATED NOVEMBER 11, 2005**

PROMISSORY NOTE

\$10,000.00 Date: November 11, 2005

For value received, the undersigned TOWER TECH SYSTEMS INC. ("the Promisor") promises to pay to the order of CITY CENTRE LLC ("the Payee") at 980 MARITIME DRIVE #6, MANITOWOC, WI, the sum of \$10,000.00 with interest from November 11, 2005, on the unpaid principal at the rate of 5% per annum.

Interest and principal shall be due and payable upon demand.

The Promisor reserves the right to prepay this Note (in whole or in part) prior to the due date with no prepayment penalty.

No renewal or extension of this Note, delay in enforcing any right of the Payee under this Note, or assignment by Payee of this Note shall affect the liability of the Promisor, all rights of the Payee under this Note are cumulative and may be exercised concurrently or consecutively at the Payee's option.

This Note shall be construed in accordance with the laws of the State of WI.

Signed this 11TH day of NOVEMBER 2005, at Manitowoc, WI

Promisor:
Tower Tech Systems Inc.

By: /s/ TERENCE P. FOX

Terence P. Fox

EXHIBIT 10.10

**PROMISSORY NOTE TO CITY CENTRE LLC
DATED DECEMBER 30, 2005**

PROMISSORY NOTE

\$125,000.00 Date: December 30, 2005

For value received, the undersigned TOWER TECH SYSTEMS INC. ("the Promisor") promises to pay to the order of CITY CENTRE LLC ("the Payee") at 980 MARITIME DRIVE #6, MANITOWOC, WI, the sum of \$125,000.00 with interest from December 30, 2005, on the unpaid principal at the rate of 5% per annum.

Interest and principal shall be due and payable upon demand.

The Promisor reserves the right to prepay this Note (in whole or in part) prior to the due date with no prepayment penalty.

No renewal or extension of this Note, delay in enforcing any right of the Payee under this Note, or assignment by Payee of this Note shall affect the liability of the Promisor, all rights of the Payee under this Note are cumulative and may be exercised concurrently or consecutively at the Payee's option.

This Note shall be construed in accordance with the laws of the State of WI.

Signed this 30TH day of DECEMBER 2005, at Manitowoc, WI

Promisor:
Tower Tech Systems Inc.

By: /s/ TERENCE P. FOX

Terence P. Fox

EXHIBIT 10.11

LINE OF CREDIT AGREEMENTS WITH RELATED PARTIES

**CHRISTOPHER C. ALLIE
980 MARITIME DRIVE, SUITE 6
MANITOWOC, WI 54220**

LINE OF CREDIT AGREEMENT

**TO: TOWER TECH SYSTEMS INC
101 S. 16TH STREET
PO BOX 1957
MANITOWOC, WI 54220
ATTN: ACCOUNTING DEPARTMENT**

This Line of Credit Agreement (Agreement), made between and among CHRISTOPHER C. ALLIE, its successors and assigns, having an office at 980 MARITIME DRIVE, MANITOWOC, WI (Lender), and TOWER TECH SYSTEMS, INC its successors and assigns, having an office at 101 S. 16TH STREET, MANITOWOC, WI (Borrower).

AGREEMENT

NOW, THEREFORE, the Lender and borrower agree as follows:

1. ESTABLISHMENT OF LINE OF CREDIT The Lender hereby establishes and agrees to maintain a line of credit for the benefit of the Borrower in the amount of \$775,000.

2. TERMS OF THE LINE OF CREDIT

(a) The Lender shall make the funds available to the Borrower as of the date of this agreement and the Lender agrees to continue to do so through DECEMBER 31, 2006 (Expiration Date).

(b) Unless either the Lender or the Borrower terminates this Line of Credit Agreement as provided in (c) below, this Line of Credit Agreement shall be automatically renewed for an additional year upon the annual anniversary date of the Expiration Date. The Borrower shall provide to Christopher C. Allie, thirty (30) calendar days prior to the anniversary date of the Expiration Date of the Line of Agreement a written statement from the Lender confirming the value of the Line of Credit Agreement and the renewal approval of the Line of Credit Agreement for the next 12-month period.

(c) The Lender or the Borrower may terminate this Line of Credit Agreement only upon the receipt from Tower Tech Systems, Inc of written permission to do so. The Lender may solicit such permission by providing Tower Tech Systems, Inc, with a written request to terminate, at least 60 calendar days prior to the Expiration Date.

(d) Starting January 1, 2006, the Borrower will pay interest at a fixed rate of 8% per annum calculated on the value of the Line of Credit extended to the borrower at the end of each calendar quarter (March 31, June 30, September 30, and December 31.)

(e) The Borrower has the right to prepay this Line of Credit (in whole or in part) prior to the due date with no prepayment penalty.

3. THIS LINE OF CREDIT AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN

4. AUTHORITY TO SIGN

By executing this agreement, the individuals signing this agreement represent and warrant that they have the authority to execute this Agreement on behalf of the person for whom they are signing and to bind that person to the terms of this Agreement.

Borrower: TOWER TECH SYSTEMS, INC

By: /s/ TERENCE P. FOX

Date: 12/31/05

Name: TERENCE P. FOX

Lender: CHRISTOPHER C. ALLIE

By: /s/ CHRISTOPHER C. ALLIE

Date: 2/7/06

Name: CHRISTOPHER C. ALLIE

**DANIEL P. WERGIN
980 MARITIME DRIVE, SUITE 6
MANITOWOC, WI 54220**

LINE OF CREDIT AGREEMENT

**TO: TOWER TECH SYSTEMS INC
101 S. 16TH STREET
PO BOX 1957
MANITOWOC, WI 54220
ATTN: ACCOUNTING DEPARTMENT**

This Line of Credit Agreement (Agreement), made between and among DANIEL P. WERGIN, its successors and assigns, having an office at 980 MARITIME DRIVE, MANITOWOC, WI (Lender), and TOWER TECH SYSTEMS, INC its successors and assigns, having an office at 101 S. 16TH STREET, MANITOWOC, WI (Borrower).

AGREEMENT

NOW, THEREFORE, the Lender and borrower agree as follows:

1. ESTABLISHMENT OF LINE OF CREDIT The Lender hereby establishes and agrees to maintain a line of credit for the benefit of the Borrower in the amount of \$775,000.

2. TERMS OF THE LINE OF CREDIT

(a) The Lender shall make the funds available to the Borrower as of the date of this agreement and the Lender agrees to continue to do so through DECEMBER 31, 2006 (Expiration Date).

(b) Unless either the Lender or the Borrower terminates this Line of Credit Agreement as provided in (c) below, this Line of Credit Agreement shall be automatically renewed for an additional year upon the annual anniversary date of the Expiration Date. The Borrower shall provide to Daniel P. Wergin, thirty (30) calendar days prior to the anniversary date of the Expiration Date of the Line of Agreement a written statement from the Lender confirming the value of the Line of Credit Agreement and the renewal approval of the Line of Credit Agreement for the next 12-month period.

(c) The Lender or the Borrower may terminate this Line of Credit Agreement only upon the receipt from Tower Tech Systems, Inc of written permission to do so. The Lender may solicit such permission by providing Tower Tech Systems, Inc, with a written request to terminate, at least 60 calendar days prior to the Expiration Date.

(d) Starting January 1, 2006, the Borrower will pay interest at a fixed rate of 8% per annum calculated on the value of the Line of Credit extended to the borrower at the end of each calendar quarter (March 31, June 30, September 30, and December 31.)

(e) The Borrower has the right to prepay this Line of Credit (in whole or in part) prior to the due date with no prepayment penalty.

3. THIS LINE OF CREDIT AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN

4. AUTHORITY TO SIGN

By executing this agreement, the individuals signing this agreement represent and warrant that they have the authority to execute this Agreement on behalf of the person for whom they are signing and to bind that person to the terms of this Agreement.

Borrower: TOWER TECH SYSTEMS, INC

By: /s/ CHRISTOPHER C. ALLIE

Date: 12/31/05

Name: CHRISTOPHER C. ALLIE

Lender: DANIEL P. WERGIN

By: /s/ DANIEL P. WERGIN

Date: 12/31/05

Name: DANIEL P. WERGIN

**RAYMOND L. BRICKNER, III
300 S. 16TH STREET
MANITOWOC, WI 54220**

LINE OF CREDIT AGREEMENT

**TO: TOWER TECH SYSTEMS INC
101 S. 16TH STREET
PO BOX 1957
MANITOWOC, WI 54220
ATTN: ACCOUNTING DEPARTMENT**

This Line of Credit Agreement (Agreement), made between and among RAYMOND L. BRICKNER, its successors and assigns, having an office at 300 S. 16TH STREET, MANITOWOC, WI (Lender), and TOWER TECH SYSTEMS, INC its successors and assigns, having an office at 101 S. 16TH STREET, MANITOWOC, WI (Borrower).

AGREEMENT

NOW, THEREFORE, the Lender and borrower agree as follows:

1. ESTABLISHMENT OF LINE OF CREDIT The Lender hereby establishes and agrees to maintain a line of credit for the benefit of the Borrower in the amount of \$650,000.

2. TERMS OF THE LINE OF CREDIT

(a) The Lender shall make the funds available to the Borrower as of the date of this agreement and the Lender agrees to continue to do so through DECEMBER 31, 2006 (Expiration Date).

(b) Unless either the Lender or the Borrower terminates this Line of Credit Agreement as provided in (c) below, this Line of Credit Agreement shall be automatically renewed for an additional year upon the annual anniversary date of the Expiration Date. The Borrower shall provide to Raymond L. Brickner, thirty (30) calendar days prior to the anniversary date of the Expiration Date of the Line of Agreement a written statement from the Lender confirming the value of the Line of Credit Agreement and the renewal approval of the Line of Credit Agreement for the next 12-month period.

(c) The Lender or the Borrower may terminate this Line of Credit Agreement only upon the receipt from Tower Tech Systems, Inc of written permission to do so. The Lender may solicit such permission by providing Tower Tech Systems, Inc, with a written request to terminate, at least 60 calendar days prior to the Expiration Date.

(d) Starting January 1, 2006, the Borrower will pay interest at a fixed rate of 8% per annum calculated on the value of the Line of Credit extended to the borrower at the end of each calendar quarter (March 31, June 30, September 30, and December 31.)

(e) The Borrower has the right to prepay this Line of Credit (in whole or in part) prior to the due date with no prepayment penalty.

3. THIS LINE OF CREDIT AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN

4. AUTHORITY TO SIGN

By executing this agreement, the individuals signing this agreement represent and warrant that they have the authority to execute this Agreement on behalf of the person for whom they are signing and to bind that person to the terms of this Agreement.

Borrower: TOWER TECH SYSTEMS, INC

By: /s/ TERENCE P. FOX

Date: 12/31/05

Name: TERENCE P. FOX

Lender: RAYMOND L. BRICKNER

By: /s/ RAYMOND L. BRICKNER

Date: 12/31/05

Name: RAYMOND L. BRICKNER

**TERENCE P. FOX
927 SOUTH 8TH STREET
MANITOWOC, WI 54220**

LINE OF CREDIT AGREEMENT

**TO: TOWER TECH SYSTEMS INC
101 S. 16TH STREET
PO BOX 1957
MANITOWOC, WI 54220
ATTN: ACCOUNTING DEPARTMENT**

This Line of Credit Agreement (Agreement), made between and among TERENCE P. FOX, its successors and assigns, having an office at 927 SOUTH 8TH STREET, MANITOWOC, WI (Lender), and TOWER TECH SYSTEMS, INC its successors and assigns, having an office at 101 S. 16TH STREET, MANITOWOC, WI (Borrower).

AGREEMENT

NOW, THEREFORE, the Lender and borrower agree as follows:

1. ESTABLISHMENT OF LINE OF CREDIT The Lender hereby establishes and agrees to maintain a line of credit for the benefit of the Borrower in the amount of \$1,015,000.

2. TERMS OF THE LINE OF CREDIT

(a) The Lender shall make the funds available to the Borrower as of the date of this agreement and the Lender agrees to continue to do so through DECEMBER 31, 2006 (Expiration Date).

(b) Unless either the Lender or the Borrower terminates this Line of Credit Agreement as provided in (c) below, this Line of Credit Agreement shall be automatically renewed for an additional year upon the annual anniversary date of the Expiration Date. The Borrower shall provide to Terence P. Fox, thirty

(30) calendar days prior to the anniversary date of the Expiration Date of the Line of Agreement a written statement from the Lender confirming the value of the Line of Credit Agreement and the renewal approval of the Line of Credit Agreement for the next 12-month period.

(c) The Lender or the Borrower may terminate this Line of Credit Agreement only upon the receipt from Tower Tech Systems, Inc of written permission to do so. The Lender may solicit such permission by providing Tower Tech Systems, Inc, with a written request to terminate, at least 60 calendar days prior to the Expiration Date.

(d) Starting January 1, 2006, the Borrower will pay interest at a fixed rate of 8% per annum calculated on the value of the Line of Credit extended to the borrower at the end of each calendar quarter (March 31, June 30, September 30, and December 31.)

(e) The Borrower has the right to prepay this Line of Credit (in whole or in part) prior to the due date with no prepayment penalty.

3. THIS LINE OF CREDIT AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN

4. AUTHORITY TO SIGN

By executing this agreement, the individuals signing this agreement represent and warrant that they have the authority to execute this Agreement on behalf of the person for whom they are signing and to bind that person to the terms of this Agreement.

Borrower: TOWER TECH SYSTEMS, INC

By: /s/ CHRISTOPHER C. ALLIE

Date: 12/31/05

Name: CHRISTOPHER C. ALLIE

Lender: TERENCE P. FOX

By: /s/ TERENCE P. FOX

Date: 12/31/05

Name: TERENCE P. FOX

EXHIBIT 21

LIST OF SUBSIDIARIES

The only subsidiary of Tower Tech Holdings Inc. is Tower Tech Systems, Inc., a Wisconsin corporation, which does not do business under any other name.

EXHIBIT 31.1

RULE 13A-14(a) CERTIFICATION

I, Samuel W. Fairchild, certify that:

1. I have reviewed this annual report on Form 10-KSB of Tower Tech Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: May 10, 2006

/s/ SAMUEL W. FAIRCHILD

Samuel W. Fairchild
Interim Chief Executive Officer

RULE 13A-14(a) CERTIFICATION

I, Daniel P. Wergin, certify that:

1. I have reviewed this annual report on Form 10-KSB of Tower Tech Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: May 10, 2006

/s/ DANIEL P. WERGIN

Daniel P. Wergin
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO**

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Tower Tech Holdings Inc. (the "Company") on Form 10-KSB for the period ending December 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Samuel W. Fairchild, Interim Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SAMUEL W. FAIRCHILD

Samuel W. Fairchild
Interim Chief Executive Officer

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO**

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Tower Tech Holdings Inc. (the "Company") on Form 10-KSB for the period ending December 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel P. Wergin, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DANIEL P. WERGIN

Daniel P. Wergin
Chief Financial Officer