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As filed with the Securities and Exchange Commission on November 23, 2009

Registration No. 333-162590

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1 TO

FORM S-1

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

Generac Holdings Inc.

(Exact name of registrant as specified in its charter)

Delaware	**3621**	**20-5654756**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

Generac Holdings Inc.
S45 W29290 Hwy. 59
Waukesha, Wisconsin 53187
(262) 544-4811
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Aaron Jagdfeld
Chief Executive Officer
Generac Holdings Inc.
S45 W29290 Hwy. 59
Waukesha, Wisconsin 53187
(262) 544-4811
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

Matthew D. Bloch, Esq. **David Blittner, Esq.** **Weil, Gotshal & Manges LLP** **767 Fifth Avenue** **New York, New York 10153** **(212) 310-8000 (Phone)** **(212) 310-8007 (Fax)**	**John C. Ericson, Esq.** **Simpson Thacher & Bartlett LLP** **425 Lexington Avenue** **New York, New York 10017** **(212) 455-2000 (Phone)** **(212) 455-2502 (Fax)**

Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company o

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Proposed maximum aggregate offering price(1)(2)**	**Amount of registration fee**
Common Stock, $0.01 par value	$300,000,000	$16,740(3)

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) promulgated under the Securities Act.

(2) Includes shares of common stock that may be purchased by the underwriters under their option to purchase additional shares of common stock, if any.

(3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated , 2009

Prospectus

shares

Generac Holdings Inc.

Common stock

This is an initial public offering of shares of common stock by Generac Holdings Inc. Generac is selling shares of common stock. The estimated initial public offering price is between $ and $ per share.

After pricing the offering, we expect that the shares will be listed on the New York Stock Exchange under the symbol "GNRC."

Investing in our common stock involves a high degree of risk. See "Risk factors" beginning on page 16.

	Per share	Total
Initial public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds to Generac, before expenses	$	$

The underwriters may also purchase up to an additional shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2009.

J.P. Morgan **Goldman, Sachs & Co.**

, 2009

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is only accurate as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

Prospectus summary

This section summarizes key information contained elsewhere in this prospectus and is qualified in its entirety by the more detailed information and consolidated financial statements included elsewhere in this prospectus. You should carefully review the entire prospectus, including the risk factors, the consolidated financial statements and the notes thereto, and the other documents to which this prospectus refers before making an investment decision. Unless the context requires otherwise, references in this prospectus to "Generac," "we," "us," "our company" or similar terms refer to Generac Holdings Inc. and its subsidiaries.

Our company

We are a leading designer and manufacturer of a wide range of automatic, stationary standby and portable generators. We have a leading market share of the standby generator market in the United States and Canada, having grown our company organically by a 16% compound annual growth rate, or CAGR, since 2000. We design, engineer and manufacture generators with an output of between 800W and 9mW of power for which we also manufacture, source and modify engines, alternators, automatic transfer switches and other necessary components. Our generators are fueled by natural gas, liquid propane, gasoline, diesel and Bi-Fuel™ (combined diesel and natural gas) and serve the power requirements of a wide variety of end markets, including the residential, commercial, industrial and telecommunications markets. For the twelve months ended September 30, 2009, we generated net sales of $606.9 million, a net loss of $491.4 million (includes a non-cash goodwill and trade name impairment charge of $583.5 million) and Adjusted EBITDA (as defined on page 13) of $153.7 million. For an explanation of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, see pages 14 and 15.

While standby power systems have long been present in hospitals, data centers and industrial facilities, their use for residential and small business applications is a relatively recent development. Our leadership position, first mover advantage and focus on natural gas generators have enabled us to successfully penetrate these new markets. We believe that our leading market position is largely attributable to our strategy of providing high-quality, innovative and affordable products through our extensive and multi-layered distribution network. Our products are available in over 17,000 outlets across the United States and Canada, and are distributed through independent and industrial dealers, electrical wholesalers, national accounts, private label arrangements, retailers, catalogs and e-commerce merchants.

Because of our sourcing model, product engineering and efficient manufacturing operations, we generate attractive gross margins while competitively pricing our products. Our business generates strong cash flow, enhanced by favorable tax attributes and low capital expenditure requirements.

Our market opportunity

For the reasons we describe below, we believe that our market will provide continued organic growth opportunities that we can exploit given our focus on product awareness, affordability and customer reach. See "Industry" for a more detailed discussion of our market opportunity and "Risk Factors" for a detailed discussion of factors that may have an impact on our ability to realize this opportunity.

Aging U.S. power grid leading to recurring power outages

Disruptions to the aging U.S. power grid are increasing due to demand growth, equipment failures, prevalent under-investment and a variety of environmental causes. Given the large estimated cost to upgrade the U.S. power grid, we believe it is unlikely that the core causes of power disturbances will be addressed in the near future. Continued outages increase consumers' awareness of the advantages of generators as reliable sources of back-up electrical power.

Generators are an alternative reliable power solution

The emergency standby generator market provides back-up power to a utility power source to ensure an uninterrupted power supply. A stationary standby generator is permanently installed outside a home, business or manufacturing facility. When primary utility power fails, the generator automatically starts and provides electricity until utility power returns. Portable generators are used where a permanent back-up power source is impractical. We estimate that the generator market in the United States and Canada was $3.6 billion in 2008, and the overall global generator market was estimated by Frost and Sullivan to be over $11 billion in 2008.

The cost of outages and the relative affordability of generators have improved their potential return on investment

Compared to the potential cost of power outages, the purchase and installation of back-up power generators is relatively inexpensive, often yielding a short-term positive return on investment for commercial and industrial consumers. According to a report published by LBNL (as defined on page 70), the total estimated cost of power outages was $57 billion and $20 billion for commercial and industrial consumers, respectively. The increased availability of natural gas generators that are a lower cost solution than traditional diesel generators has improved the return on investment in back-up power for these consumers. In the residential market, the decline in product prices over the last decade has significantly decreased the cost of backup power.

Low penetration in residential and light commercial markets and opportunities for increased penetration in industrial market

There is a substantial opportunity for penetration in the residential standby market, since we estimate penetration to be approximately 2% of U.S. single-family, detached, owner-occupied households with a home value of over $100,000, as defined by the U.S. Census Bureau. This low penetration, when coupled with demographic and lifestyle changes and increasing reliance on home electronics over the last decade, represents a significant opportunity for growth. We believe that each 1% of U.S. household penetration potentially represents up to an approximate $2 billion market opportunity at current product pricing. The portable generator market, with a penetration rate that we estimate to be 10% to 15%, also offers opportunities for growth. The light commercial market includes over two million potential customer locations in the United States. Even in the more mature industrial market, we believe there are additional opportunities for penetration, especially given the benefits provided by natural gas engines over more common diesel engine based generators.

Demographic trends lead to an increased focus on the safety and security provided by standby generators

We believe favorable consumer demographic trends provide opportunities for growth for automatic home standby generators. We believe that demographic changes may lead to an increase in demand as the U.S. population ages and becomes increasingly conscious of safety issues, focused on convenience and dependent on electronic devices. According to our warranty registration data, currently over 70% of home standby generators are purchased by consumers over 50 years of age.

Opportunities for international expansion

The international market represents a significant opportunity for growth in the sale of generators. Market growth rates in Latin America in 2010 range from 8% to 9% in Argentina and Chile to 14% to 15% in Colombia and Mexico, as estimated by Frost and Sullivan. Other international markets are also expected to grow, such as Russia (by 10% annually through 2011) and China (by approximately 14% by 2015). With less than 1% of our 2008 net sales from markets outside the United States and Canada, international sales represent a significant growth opportunity for us.

Regulatory changes should lead to growth in the commercial and industrial standby markets

Federal, state and local governmental authorities have proposed and passed legislation requiring the use of generators within some segments of the industrial and light-commercial markets. Building, health and safety codes often require back-up standby generators in municipal and government buildings and health care facilities, typically for crucial applications such as life support systems, safe building egress or critical equipment functionality. Additionally, increased federal regulation of diesel engine emissions and increased municipal regulation of diesel fuel storage should encourage market growth for natural gas-powered standby generators.

Potential benefits from infrastructure spending programs and recovery in the non-residential construction market

The American Recovery and Reinvestment Act passed in February 2009 provides for $130 billion of construction-related spending for a wide range of projects, including federal buildings and hospitals. We believe that the industrial generator market should benefit from this infusion of funds. After the current downturn in non-residential construction in the United States, the Rosen Consulting Group estimates that spending in this sector will recover after 2010 and increase by 12.5% to $315 billion in 2011 and increase by another 20.6% to $380 billion in 2012. Any such recovery should provide additional marketing opportunities for our light commercial and industrial generator business.

Our competitive strengths

We believe that the following strengths contribute to our being a leading generator manufacturer and will allow us to further capitalize on growth opportunities in our industry:

Significant market share with opportunities for further penetration

We enjoy a leading industry market position with a significant market share in the United States and Canada and opportunities for future penetration. In the residential standby

generator market, we believe we are the market leader with a market share that we estimate to be approximately 70%. We believe that we will have opportunities for growth in this market as spending on new homes and construction recovers and consumer awareness of the benefits of standby generators grows. We believe we also hold strong positions in the light-commercial and industrial markets with an 8% overall market share and a higher share in certain end markets. We believe we will experience growth in these markets as potential end-users recognize that our modular power systems and our natural gas engine platforms provide increased efficiency, affordability and flexibility.

Multi-layered distribution model

The majority of standby power systems are installed by an experienced contractor. As a result, having a network of experienced dealers who can sell, manage the installation of, and service the generator is important. We believe that our multi-layered distribution model gives us an advantage over competitors who do not have as broad a distribution network and generally rely on a single channel to market and sell their products. We use direct dealers for residential, light-commercial and industrial end-users, as well as wholesale, private label, retail, e-commerce and catalog distribution channels, enabling us to reach a broad range of customers. We are constantly developing the scope and strength of our dealer networks, comprised of over 3,700 dealers, and we have trained over 10,000 technicians on our products over the last three years alone. We also sell our products to electrical wholesale distributors, through several private label arrangements with HVAC or electrical equipment and construction machinery companies and through top retailers and e-commerce companies. Finally, our direct-to-national accounts strategy provides a direct, coordinated sales approach for our large customers.

Broadest product line in the industry

Our product offerings include a comprehensive selection of standby and portable generators of various sizes and types with ranges of power output capable of catering to many end markets and users. Our product portfolio includes generators powered by gasoline, diesel, liquid propane and natural gas as well as a combination of diesel and natural gas, or Bi-Fuel™ systems. We also manufacture a complete line of automatic transfer switches, which we pair with our generators to create a complete back-up power system. We believe that our broad product line provides us with a competitive advantage because dealers and distributors prefer dealing with a single source for a broad range of their standby and portable generator needs.

Engineering excellence

Our primary focus on generators drives technological innovation, specialized engineering and manufacturing competencies and distinguishes us from other engine and generator manufacturers. We currently operate three advanced facilities and employ over 100 engineers focused on new product development, existing product improvement and cost reduction. Our commitment to research and development has resulted in a portfolio of approximately 50 U.S. and international patents and patent applications, and various trademark registrations and applications. Examples of our technological advancements include our technology concerning Bi-Fuel™ and our Modular Power Systems, or MPS, technology.

Low-cost producer

We believe that our product engineering, manufacturing and sourcing capabilities, along with our production volume, have enabled us to be one of the lowest-cost producers in the industry.

We have implemented lean manufacturing initiatives and designed our production facilities to quickly adapt to customer demand and to the development of new product offerings. As part of our sourcing strategy, we have developed a network of reliable, low-cost suppliers in the United States and abroad, a network which cannot be easily replicated. Our volume requirements and leading market position generally enable us to obtain favorable terms from our suppliers. In 2009 to date, we sourced more than half of our product components from outside the United States through foreign suppliers with whom we have built strong relationships.

Financial flexibility and strong free cash flow generation

Our flexible cost structure and low-cost global sourcing have contributed to our financial strength and strong cash flow generation. Our variable cost structure enables us to respond quickly to varying market environments. Furthermore, our business model generally requires low capital expenditures with amounts that have averaged less than $9 million per year for each of the last three years. In addition, due to a tax election we made at the time of the CCMP Transactions described below, we expect to have $122 million in annual amortization deductions of intangibles for tax purposes through 2020, which can be used to reduce any cash tax obligations. Any additional cash tax obligations may be further reduced by our $131 million balance of net operating losses as of December 31, 2008.

Experienced management team with substantial equity stake

Our senior management team has significant generator industry experience and a strong track record with a combined total of over 100 years of industry and related experience. This team has been highly successful at expanding our product line, distribution channels and technology leadership, positioning our business for growth through innovation. We expect that upon consummation of this offering, members of our senior management team will own approximately % of our outstanding common stock on a fully-diluted basis.

Our strategy

We believe we can capitalize on our competitive strengths to grow our business through the following strategies:

Further develop domestic distribution and sales channels

We intend to further expand our geographic and product markets in North America by continuing to develop our dealer network. We have recruited over 600 new dealers in 2009, and we have trained over 10,000 technicians on our products over the last three years. We believe that our dedicated training program helps us attract and retain the most profitable dealers. We also continue to explore strategic partnerships to expand our distribution reach. In addition, we target homebuilders, who represent an attractive sales opportunity given the current under-penetration of generators in newly constructed homes. Through our national accounts program, we target commercial and industrial customers with the potential for large generator purchasing programs. In the light commercial market, we are focusing on opportunities to grow our existing customer base while increasing penetration in non-traditional end markets, such as smaller health care facilities, nursing homes, pharmacies and convenience stores. We are also developing relationships with engineering firms that influence generator purchasing decisions on many industrial projects.

Increase awareness of standby power solutions

We believe that through our extensive dealer network, our private label partnerships and our targeted marketing initiatives, potential customers are becoming increasingly aware of the benefits of standby power solutions. Ten years ago, stationary standby generators were available only at select dealers. Today, standby generators can be purchased at more than 9,000 retail locations, 1,700 electrical wholesale outlets and through over 3,700 Generac dealers and our private label partners. In addition, when power outage events occur, potential customers become increasingly aware of the advantages of generators as reliable sources of back-up electrical power, in the affected area and beyond. Through our targeted marketing initiatives, we seek to increase customer awareness of our products and to further develop Generac® as the leading brand in the standby power market.

Focus on innovation and product development

We intend to continue to provide innovative and affordable products to all of our customers. For instance, in the industrial market, we market our proprietary MPS technology, which provides increased affordability, redundancy and scalability within the 600kW to 9,000kW output ranges when compared to single-engine generators. We have developed a line of natural gas-powered generators, with proprietary fuel systems, emissions technology and control systems, which provide an affordable standby power solution for the light commercial market without the fuel storage, environmental or odor concerns of traditional diesel units. Our XG line of portable generators was recently named as an Editor's Choice by Popular Mechanics magazine. We intend to use our engineering expertise and experience to continue to respond to the evolving demands of our customers.

Further develop international distribution opportunities

With less than 1% of our 2008 net sales from markets outside of the United States and Canada, international sales represent a significant growth opportunity for us. We have focused our initial international sales efforts developing distribution in Mexico and Central and South America. To further penetrate these and other international markets, we are actively pursuing partnerships with established international companies with complementary products and distribution capabilities.

Expand product offering in complementary markets

We believe that the portable generator market represents an attractive opportunity to sell products that are strategic to our customer base and complementary to our manufacturing capabilities, and we therefore re-entered the portable generator market following the expiration of a non-competition agreement in 2007. We introduced an expanded line of portable generators in 2008 and have subsequently added significant distribution capacity, providing us increased opportunities to sell both portable and standby generators. We expect to continuously evaluate opportunities to expand organically or through opportunistic acquisitions into other complementary engine-driven products where we can leverage our manufacturing and sourcing capabilities, technological expertise and strength in distribution.

Risks associated with our business

Our business is subject to numerous risks, as discussed more fully in the section entitled "Risk factors" beginning on page 16 of this prospectus, which you should read in its entirety. In particular:

- Demand for our products is significantly affected by unpredictable major power outage events that can lead to substantial variations in, and uncertainties regarding, our financial results from period to period;
- Demand for our standby generators is significantly affected by durable goods spending by consumers and businesses and other macroeconomic conditions;
- Decreases in the availability, or increases in the cost, of raw materials and key components we use could materially reduce our earnings;
- The industry in which we compete is highly competitive, and our failure to compete successfully could adversely affect our results of operations and financial condition;
- Our industry is subject to technological change, and our failure to continue developing new and improved products and to bring these products rapidly to market could have an adverse impact on our business;
- We rely on independent dealers and distribution partners, and the loss of these dealers and distribution partners, or of any of our sales arrangements with significant private label, telecommunications or retail customers, would adversely affect our business;
- Our business could be negatively impacted if we fail to adequately protect our intellectual property rights or if third parties claim that we are in violation of their intellectual property rights;
- Our operations are subject to various environmental, health and safety laws and regulations, and non-compliance with or liabilities under such laws and regulations could result in substantial costs, fines, sanctions and claims;
- Our products are subject to substantial government regulation;
- We have a substantial amount of indebtedness, which may adversely affect our cash flow and our ability to operate our business, remain in compliance with debt covenants and make payments on our indebtedness; and
- After this offering, our principal stockholder will continue to have substantial control over us.

Principal stockholder

In November 2006, affiliates of CCMP Capital Advisors, LLC, or CCMP, together with affiliates of Unitas Capital Ltd., or Unitas, and members of our management, formed Generac and, through Generac, acquired all of the capital stock of Generac Power Systems, Inc., or Generac Power Systems. After this offering, affiliates of CCMP will collectively own approximately % of our outstanding common stock. For more information, see "CCMP transactions."

CCMP is a leading global private equity firm specializing in buyouts and growth equity investments in companies ranging from $500 million to more than $3 billion in size. CCMP's founders have invested over $12 billion since 1984, which includes their activities at J.P. Morgan Partners, LLC (a private equity division of JPMorgan Chase & Co.) and its predecessor firms. CCMP was formed in August 2006 when the buyout and growth equity investment professionals of J.P. Morgan Partners, LLC separated from JPMorgan Chase & Co. to commence operations as an independent firm. CCMP's latest fund, CCMP Capital Investors II, L.P., closed in September 2007 with commitments of approximately $3.38 billion. The foundation of CCMP's investment approach is to leverage the combined strengths of its deep industry expertise and proprietary global network of relationships by focusing on five targeted industries (Consumer, Retail and Services; Energy; Healthcare Infrastructure; Industrials; and Media and Telecom).

Corporate reorganization

Prior to the consummation of this offering and after giving effect to a for one reverse Class A Common Stock split:

- our Class B Common Stock will convert automatically into an aggregate of shares of our Class A Common Stock;
- our Series A Preferred Stock will convert automatically into an aggregate of shares of our Class A Common Stock; and
- our Class A Common Stock will be reclassified as common stock.

We refer to the transactions listed above as the "Corporate Reorganization."

For more information, see "Management's discussion and analysis of financial condition and results of operations—Corporate reorganization."

Our executive offices

Generac is a Delaware corporation, which was founded in 2006 and is headquartered in Waukesha, Wisconsin. Generac Power Systems, our principal operating subsidiary, is a Wisconsin corporation founded in 1959. Our principal executive offices are located at S45 W29290 Hwy. 59, Waukesha, Wisconsin 53187. Our main telephone number is (262) 544-4811. Our website address is *www.generac.com*. None of the information on our website or any other website identified herein is part of this prospectus.

The offering

Shares of common stock offered by us	shares.
Shares of common stock to be outstanding after this offering	shares.
Option to purchase additional shares	The underwriters have an option to purchase a maximum of additional shares of our common stock. The underwriters can exercise this option at any time within 30 days from the date of this prospectus.
Use of proceeds	We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and estimated offering expenses, will be approximately $ million, assuming the shares are offered at $ (the midpoint of the price range set forth on the cover of this prospectus). We intend to use these net proceeds to pay down a portion of our first and second lien term loans, to pay fees and expenses associated with the offering and for general corporate purposes. See "Use of proceeds."
Dividend policy	We do not anticipate paying any dividends on our common stock; however, we may change this policy in the future. See "Dividend policy."
Proposed New York Stock Exchange symbol	"GNRC".
Conflicts of interest	One or more affiliates of J.P. Morgan Securities Inc. are limited partners in CCMP Capital Investors II, L.P., which is a stockholder of our company. For more information, see "Conflicts of interest."

Unless otherwise indicated, the number of shares of common stock to be outstanding after this offering:

- excludes shares of our common stock issuable upon exercise of stock options and shares of restricted stock that we intend to grant to our named executive officers and other employees at the time of this offering, at an exercise price equal to the initial public offering price; and shares of our common stock to be reserved for future grants under our Omnibus Plan.

Unless otherwise noted, the information in this prospectus:

- gives effect to the modification to our capital structure described above under "—Corporate reorganization";
- assumes no exercise of the underwriters' option to purchase up to additional shares from us; and
- assumes an initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus.

Summary historical consolidated financial and other data

The table below provides our summary historical consolidated financial and other data for the periods and as of the dates indicated. The summary historical consolidated financial and other data for the period from January 1, 2006 through November 10, 2006 (Predecessor Period), the period from November 11, 2006 through December 31, 2006 (Successor Period) and the years ended December 31, 2007 and 2008 are derived from our audited consolidated financial statements for such periods included elsewhere in this prospectus. The summary historical consolidated financial and other data for the nine months ended September 30, 2008 and 2009 are derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of our operating results and financial position for those periods and as of such dates. The results for any interim period are not necessarily indicative of the results that may be expected for a full year.

The summary historical consolidated financial data for the twelve months ended September 30, 2009, which are unaudited, have been calculated by subtracting the data for the nine months ended September 30, 2008 from the data for the year ended December 31, 2008, and adding the data for the nine months ended September 30, 2009. This presentation is not in accordance with U.S. GAAP.

In November 2006, affiliates of CCMP, together with affiliates of Unitas and members of our management formed Generac and, through Generac, acquired all of the capital stock of Generac Power Systems. See "CCMP transactions." Generac in all periods prior to November 2006 is referred to as "Predecessor," and in all periods including and after such date is referred to as "Successor." As a result of purchase accounting adjustments associated with the CCMP Transactions, the consolidated financial statements for all Successor periods may not be comparable to those of the Predecessor Period.

The results indicated below and elsewhere in this prospectus are not necessarily indicative of our future performance. You should read this information together with "Selected historical consolidated financial data," "Capitalization," "Management's discussion and analysis of financial condition and results of operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

(Dollars in thousands)	Predecessor: Period from January 1, 2006 through November 10, 2006	Predecessor: Period from November 11, 2006 through December 31, 2006	Year ended December 31, 2007	Year ended December 31, 2008	Nine months ended September 30, 2008	Nine months ended September 30, 2009	Successor: Twelve months ended September 30, 2009(1)
Statement of operations data:							
Net sales	$ 606,249	$ 74,110	$ 555,705	$ 574,229	$ 401,605	$ 434,284	$ 606,908
Costs of goods sold	371,425	55,105	333,428	372,199	257,736	262,078	376,541
Gross profit	234,824	19,005	222,277	202,030	143,869	172,206	230,367
Operating expenses:							
Selling and service	45,800	5,279	52,652	57,449	41,068	44,863	61,244
Research and development	9,141	1,168	9,606	9,925	7,477	7,752	10,200
General and administrative	12,631	1,695	17,581	15,869	11,708	11,538	15,699
Amortization of intangibles(2)	—	8,576	47,602	47,602	35,604	38,863	50,861
Transaction-related expenses(3)	149,792	—	—	—	—	—	—
Goodwill and trade name impairment charge(4)	—	—	—	583,486	—	—	583,486
Total operating expenses	217,364	16,718	127,441	714,331	95,857	103,016	721,490
Income (loss) from operations	17,460	2,287	94,836	(512,301)	48,012	69,190	(491,123)
Other income (expense):							
Interest expense	(673)	(18,354)	(125,366)	(108,022)	(81,466)	(60,384)	(86,940)
Gain on extinguishment of debt(5)	—	—	18,759	65,385	5,311	14,745	74,819
Investment income	1,571	302	2,682	600	1,578	2,089	1,111
Other, net	(52)	(192)	(1,196)	(1,217)	(856)	(941)	(1,302)
Total other (expense) income, net	846	(18,244)	(105,121)	(43,254)	(75,433)	(44,491)	(12,312)
Income (loss) before provision (benefit) for income taxes	18,306	(15,957)	(10,285)	(555,555)	(27,421)	24,699	(503,435)
Provision (benefit) for income taxes	5,519	—	(571)	400	12,769	324	(12,045)
Net income (loss)	$ 12,787	$ (15,957)	$ (9,714)	$ (555,955)	$ (40,190)	$ 24,375	$ (491,390)
Statement of cash flows data:							
Depreciation	4,654	936	6,181	7,168	5,286	5,818	7,700
Amortization	24	8,576	47,602	47,602	35,604	38,863	50,861
Net change in operating assets and liabilities	(15,441)	41,879	7,629	(11,197)	(17,624)	(30,062)	(23,635)
Net cash provided by operating activities	2,761	36,060	38,513	10,225	(18,845)	45,131	74,201
Expenditures for property and equipment	(6,225)	(720)	(13,191)	(5,186)	(3,877)	(2,902)	(4,211)
Net cash used in investing activities	(5,707)	(1,865,003)	(12,732)	(5,038)	(3,758)	(2,741)	(4,021)
Net cash (used in) provided by financing activities	(15,227)	1,883,414	(8,937)	4,728	(10,743)	10,500	25,971
Other financial data:							
Adjusted EBITDA(6)	174,303	19,042	158,148	129,858	91,192	115,006	153,672

(Dollars in thousands)	As of September 30, 2009
Balance sheet data:	
Current assets:	
Cash and cash equivalents	$ 134,119
Other current assets	205,950
Total current assets	340,069
Property, plant and equipment, net	73,666
Intangibles and other long-term assets	932,591
Total assets	1,346,326
Current portion of long-term debt	7,125
Other current liabilities	126,372
Total current liabilities	133,497
Long-term debt, less current portion	1,084,414
Other long-term liabilities	17,834
Total liabilities	1,235,745
Series A Preferred Stock	113,109
Class B Voting Common Stock	765,096
Stockholders' equity	(767,624)
Total liabilities and stockholders' equity(7)	1,346,326

(1) The statement of operations and cash flow data for the twelve months ended September 30, 2009, which are unaudited, have been calculated by subtracting the data for the nine months ended September 30, 2008 from the data for the year ended December 31, 2008, and adding the data for the nine months ended September 30, 2009. This presentation is not in accordance with generally accepted accounting principles, or U.S. GAAP. We believe that this presentation provides useful information to investors regarding our financial performance. In addition, the calculation of "Covenant EBITDA" under our senior secured credit facilities is based on the previous four fiscal quarters. This presentation has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under U.S. GAAP.

(2) Our amortization of intangibles expenses include the straight-line amortization of customer lists, patents and other intangibles assets.

(3) Transaction-related expenses incurred by the Predecessor, primarily related to the settlement of the employee share appreciation program in connection with the CCMP Transactions.

(4) As of October 31, 2008, as a result of our annual goodwill and trade names impairment test, we determined that an impairment of goodwill and trade names existed, and we recognized a non-cash charge of $583.5 million in 2008.

(5) During 2007, affiliates of CCMP acquired $80.3 million principal amount of second lien term loans for approximately $60.0 million. CCMP's affiliates exchanged this debt for additional shares of our Class B Common Stock. The fair value of the shares exchanged was $60.0 million. We recorded this transaction as additional Class B Common Stock of $60.0 million based on the fair value of the debt contributed by CCMP's affiliates, which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, we recorded a gain on extinguishment of debt of $18.8 million, which includes a write-off of deferred financing fees and other closing costs in the consolidated statement of operations for the year ended December 31, 2007.

During 2008, affiliates of CCMP acquired $148.9 million principal amount of second lien term loans for approximately $81.1 million. CCMP's affiliates exchanged this debt for additional shares of our Class B Common Stock and Series A Preferred Stock. The fair value of the shares exchanged was $81.1 million. We recorded this transaction as Series A Preferred Stock of $62.9 million and Class B Common Stock of $18.2 million based on the fair value of the debt contributed by CCMP's affiliates, which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, we recorded a gain on extinguishment of debt of $65.4 million, which includes a write-off of deferred financing fees and other closing costs in the consolidated statement of operations for the year ended December 31, 2008.

During the nine months ended September 30, 2009, affiliates of CCMP acquired $9.9 million principal amount of first lien term loans and $20.0 million principal amount of second lien term loans for approximately $14.8 million. CCMP's affiliates exchanged this debt for 1,475.4596 shares of Series A Preferred Stock. The fair value of the shares exchanged was $14.8 million. We

recorded this transaction as additional Series A Preferred Stock of $14.8 million based on the fair value of the debt contributed by CCMP's affiliates, which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, we recorded a gain on extinguishment of debt of $14.7 million, which includes a write-off of deferred financing fees and other closing costs, in the consolidated statement of operations for the nine months ended September 30, 2009.

During the nine months ended September 30, 2008, affiliates of CCMP acquired $24.0 million principal amount of second lien term loans for approximately $18.2 million. CCMP's affiliates exchanged this debt for 2,400 shares of Class B Common Stock. The fair value of the shares exchanged was $18.2 million. We recorded this transaction as additional Class B Common Stock of $18.2 million based on the fair value of the debt contributed by CCMP's affiliates, which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, we recorded a gain on extinguishment of debt of $5.3 million, which includes a write-off of deferred financing fees and other closing costs, in the consolidated statement of operations for the nine months ended September 30, 2008.

(6) Adjusted EBITDA represents net income (loss) before interest expense, taxes, depreciation and amortization, or EBITDA, as further adjusted for the other items reflected in the reconciliation table set forth below. This presentation is consistent with the definition of "EBITDA" in our senior secured credit facilities, but differs slightly from the "Covenant EBITDA" used in those facilities in that we do not give effect to certain additional adjustments that are permitted under our senior secured credit facilities and which, if included, would increase the amount reflected in this table.

We view Adjusted EBITDA as a key measure of our performance. We present Adjusted EBITDA not only due to its importance for purposes of our senior secured credit facilities but also because we consider it to be an important supplemental measure of our operating performance for planning purposes, including the preparation of internal budgets and projections, as well as to facilitate the evaluation of business strategies and for determining achievement of targets under our management incentive plans. Further, we believe Adjusted EBITDA will be used by securities analysts, investors and other interested parties in the evaluation of our company. The adjustments included in the reconciliation table listed below are provided for under our senior secured credit facilities (except where noted in footnote (h) below) and also are presented to illustrate the operating performance of our business in a manner consistent with the presentation used by our management and board of directors. These adjustments eliminate the impact of a number of items that (i) we do not consider indicative of our ongoing operating performance, such as non-cash impairment and other charges, transaction costs relating to the CCMP Transactions and to repurchases of our debt by affiliates of CCMP, non-cash gains relating to the retirement of debt, severance costs and other restructuring-related business optimization expenses, (ii) we believe to be akin to, or associated with, interest expense, such as administrative agent fees, revolving credit facility commitment fees and letter of credit fees and (iii) will be eliminated following the consummation of this offering, such as sponsor fees. Adjusted EBITDA does not represent, and should not be a substitute for, net income or cash flows from operations as determined in accordance with U.S. GAAP. Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. Some of the limitations are:

- Adjusted EBITDA does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our U.S. GAAP results and using Adjusted EBITDA only supplementally.

Our senior secured credit facilities require us to maintain a leverage ratio of consolidated total debt to EBITDA (as both are defined in our senior secured credit facilities and as reflected in the discussion set forth under "Management's discussion and analysis of financial condition and results of operations—Covenant compliance" and in the table on page 63) at a level that varies over time. As of September 30, 2009, our ratio was 6.37 to 1.00, which was below the covenant requirement of 7.25 to 1.00 under the first lien credit facility and 7.50 to 1.00 under the second lien credit facility, as well as the requirement of 6.75 to 1.00, which will be the requirement under the more restrictive of the facilities at December 31, 2009. Failure to comply with this covenant would result in an event of default under our senior secured credit facilities unless waived by our lenders. Our senior secured credit facilities contain other events of default that are customary for similar facilities and transactions, including a cross-default provision under the first lien credit facility with respect to any other indebtedness in an outstanding aggregate principal amount in excess of $25.0 million and a cross-default provision under the second lien credit facility with respect to any other indebtedness

in an outstanding aggregate principal amount in excess of $28.75 million. An event of default under our senior secured credit facilities could result in the acceleration of our indebtedness under the facilities, and we may be unable to repay or finance the amounts due. In addition, our senior secured credit facilities restrict our ability to take certain actions, such as incur additional debt or make certain acquisitions, if we are unable to meet our leverage ratio. Failure to comply with these covenants would result in limiting our long-term growth prospects by hindering our ability to incur future indebtedness or grow through acquisitions. As our failure to comply with the covenants described above can, at best, limit our ability to incur debt or grow our company and, at worst, cause us to default under the agreements governing our indebtedness, management believes that our senior secured credit facilities and these covenants are material to us. For more information about our senior secured credit facilities, see "Management's discussion and analysis of financial condition and results of operations—Liquidity and capital resources—Senior secured credit facilities."

The following table presents a reconciliation of net income (loss) to Adjusted EBITDA:

	Predecessor						Successor
(Dollars in thousands)	Period from January 1, 2006 through November 10, 2006	Period from November 11, 2006 through December 31, 2006	Year ended December 31, 2007	Year ended December 31, 2008	Nine months ended September 30, 2008	Nine months ended September 30, 2009	Twelve months ended September 30, 2009
Net income (loss)	$ 12,787	$ (15,957)	$ (9,714)	$ (555,955)	$ (40,190)	$ 24,375	$ (491,390)
Interest expense	673	18,354	125,366	108,022	81,466	60,384	86,940
Depreciation and amortization	4,678	9,512	53,783	54,770	40,890	44,681	58,561
Income taxes provision (benefit)	5,519	—	(571)	400	12,769	324	(12,045)
Non-cash impairment and other charges(a)	416	6,998	5,328	585,634	(32)	(1,389)	584,277
Transaction costs and credit facility fees(b)	149,792	80	1,044	1,319	807	1,168	1,680
Non-cash gains(c)	—	—	(18,759)	(65,385)	(5,311)	(14,745)	(74,819)
Business optimization expenses(d)	438	62	1,944	971	724	—	247
Sponsor fees(e)	—	70	500	500	375	375	500
Letter of credit fees(f)	—	—	335	169	145	109	133
Other state taxes(g)	—	—	—	53	—	78	131
Holding company interest income(h)	—	(77)	(1,108)	(640)	(451)	(354)	(543)
Adjusted EBITDA	$ 174,303	$ 19,042	$ 158,148	$ 129,858	$ 91,192	$ 115,006	$ 153,672

(a) Represents the following non-cash charges:

- for the Predecessor Period, a loss on disposal of assets;
- for the period from November 11 through December 31, 2006, a charge for the step-up in book value of inventory as a result of the application of purchase accounting in connection with the CCMP Transactions;
- for the year ended December 31, 2007, primarily a $3.9 million charge related to the purchase accounting step-up of inventory value in connection with the CCMP Transactions. Also includes $1.4 million of other charges, including a write-off of a pre-CCMP Transactions receivable, stock

  compensation expense, unsettled mark to market losses on copper forward contracts and losses on disposals of assets;
- for the year ended December 31, 2008, primarily $503.2 million in goodwill impairment charges and $80.3 million in trade name impairment charges described in "Management's discussion and analysis of financial condition and results of operations—Critical accounting policies—Goodwill and other intangible assets." $1.6 million of the amount is comprised of unsettled mark to market losses on copper forward contracts, a write-off of pre-CCMP Transactions bad debts and losses on disposals of assets. Separately, the amount also includes a write-off of certain inventory;
- for the nine months ended September 30, 2008, losses on disposals of assets less unsettled mark to market gains on copper forward contracts;
- for the nine months ended September 30, 2009, primarily unsettled mark to market gains on copper forward contracts; and
- for the twelve months ended September 30, 2009, primarily $503.2 million in goodwill impairment charges and $80.3 million in trade name impairment charges described above. Also includes $0.8 million of other charges, including a write-off of pre-CCMP Transactions bad debts, a write-off of certain inventory and losses on disposals of assets.

(b) Represents the following transaction costs and fees relating to our senior secured credit facilities:

- transaction costs relating to the CCMP Transactions recorded in the Predecessor Period from January 1, 2006 through November 10, 2006 and the Successor Period from November 11, 2006 through December 31, 2008;
- for all periods after 2006, administrative agent fees and revolving credit facility commitment fees under our senior secured credit facilities; and
- for all periods after 2006, transaction costs relating to repurchases of debt under our first and second lien credit facilities by affiliates of CCMP, which CCMP's affiliates contributed to our company in exchange for the issuances of securities described in "Certain relationships and related person transactions—Issuances of securities."

(c) Represents non-cash gains on the extinguishment of debt repurchased by affiliates of CCMP, as described in note (b) above.

(d) Primarily represents severance costs incurred from restructuring-related activities. For the year ended December 31, 2007, consists of $1.4 million of severance costs and $0.6 million of other restructuring-related costs.

(e) Represents management, consulting, monitoring, transaction and advisory fees and related expenses paid or accrued to affiliates of CCMP and affiliates of Unitas under the advisory services and monitoring agreement described in "Certain relationships and related person transactions—Advisory services and monitoring agreement." Upon consummation of this offering, this agreement will automatically terminate.

(f) Represents fees on letters of credit outstanding under our senior secured credit facilities.

(g) Represents franchise and business activity taxes paid at the state level.

(h) Represents interest earned on cash held at Generac Holdings Inc. We exclude these amounts because we do not include them in the calculation of "Covenant EBITDA" under and as defined in our senior secured credit facilities.

(7) Includes our Series A Preferred Stock and Class B Voting Common Stock. See Note 6 to our audited consolidated financial statements included elsewhere in this prospectus.

Risk factors

An investment in our common stock involves a high degree of risk. You should carefully consider the following risks, as well as the other information contained in this prospectus, before making an investment decision. If any of the following risks, as well as other risks and uncertainties that are not yet identified or that we currently think are immaterial, actually occur, our business, results of operations or financial condition could be materially and adversely affected. In such an event, the trading price of our common stock could decline and you could lose part or all of your investment.

Risks related to our business and industry

Demand for our products is significantly affected by unpredictable major power-outage events that can lead to substantial variations in, and uncertainties regarding, our financial results from period to period.

Sales of our products are subject to consumer buying patterns, and demand for our products is affected by weather-driven and other outage events, including thunderstorms, hurricanes, ice storms and blackouts caused by grid reliability issues. Sustained periods without major power disruptions can lead to reduced consumer awareness of the benefits of standby and portable generator products and can result in reduced sales and excess inventory. For example, in 2007, our net sales declined significantly from the prior year, and this decline was driven in part by the fact that the storm seasons in the two years leading up to and including 2007 resulted in fewer power outages than in the prior years. The lack of major power-outage events can affect our net sales in the quarters following a given storm season. Unpredictable fluctuations in demand are therefore part of managing our business, and these fluctuations could have an adverse effect on our net sales and profits.

Demand for our standby generators is significantly affected by durable goods spending by consumers and businesses and other macroeconomic conditions.

Our business is affected by general economic conditions, and uncertainty or adverse changes such as the recent downturn in worldwide economic conditions and the impact of the credit crisis could lead to a significant decline in demand for our products and pressure to reduce our prices. Our sales of light commercial and industrial generators are affected by conditions in the non-residential construction sector and by the capital investment trends for small and large businesses and municipalities. For example, lower capital spending by our industrial national account and other industrial and commercial customers caused an 8.5% decline in net sales to the industrial and commercial market in the nine months ended September 30, 2009. If these businesses and municipalities cannot access credit markets or do not utilize discretionary funds to purchase our products as a result of the economy or other factors, our business could suffer. In addition, consumer confidence and home remodeling expenditures have a significant impact on sales of our residential products, and prolonged periods of weakness in consumer durable goods spending could have a material impact on our business. Typically, we do not have contracts with our customers, and we cannot guarantee that our current customers will continue to purchase our products. If general economic conditions or consumer confidence were to worsen, or if the non-residential construction sector or rate of capital investments were to decline, our net sales and profits would likely be adversely affected.

Decreases in the availability, or increases in the cost, of raw materials and key components we use could materially reduce our earnings.

The principal raw materials that we use to produce our generators are steel, copper and aluminum. We also source a significant number of component parts that we utilize to manufacture our generators from third parties. The prices of those raw materials and components are susceptible to significant fluctuations due to trends in supply and demand, transportation costs, government regulations and tariffs, price controls, economic conditions and other unforeseen circumstances beyond our control. We do not have long-term supply contracts in place to ensure the raw materials and components we use are available in necessary amounts or at fixed prices. If we are unable to mitigate raw material or component price increases through product design improvements, price increases to our customers or hedging transactions, our profitability could be adversely affected. For example, in 2008, we experienced a 4.8% decrease in gross margin percentage, partially due to increases in commodity prices, including steel, copper and aluminum. Also, our ability to continue to obtain materials and components is subject to the continued reliability and viability of our suppliers, including in some cases, suppliers who are the sole source of important components. If we are unable to obtain adequate, cost efficient or timely deliveries of required raw materials and components, we may be unable to manufacture sufficient quantities of products on a timely basis. This could cause us to lose sales, incur additional costs, delay new product introductions or suffer harm to our reputation.

The industry in which we compete is highly competitive, and our failure to compete successfully could adversely affect our results of operations and financial condition.

We operate in markets that are highly competitive. Some of our competitors have established brands and are larger in size or are divisions of large diversified companies and have substantially greater financial resources. Some of our competitors may be willing to reduce prices and accept lower margins in order to compete with us. In addition, we could face new competition from large international or domestic companies with established industrial brands that enter the generator market. Demand for our products may also be affected by our ability to respond to changes in design and functionality, to respond to downward pricing pressure, and to provide shorter lead times for our products than our competitors. If we are unable to respond successfully to these competitive pressures, we could lose market share, which would have an adverse impact on our results. For more information, see "Business—Competition."

Our industry is subject to technological change, and our failure to continue developing new and improved products and to bring these products rapidly to market could have an adverse impact on our business.

New products, or refinements and improvements of existing products, may have technical failures, their introduction may be delayed, they may have higher production costs than originally expected or they may not be accepted by our customers. If we are not able to anticipate, identify, develop and market high quality products in line with technological advancements that respond to changes in customer preferences, demand for our products could decline and our operating results could be adversely affected.

We rely on independent dealers and distribution partners, and the loss of these dealers and distribution partners, or of any of our sales arrangements with significant private label, telecommunications or retail customers, would adversely affect our business.

In addition to our direct sales force and manufacturer sales representatives, we depend on the services of independent distributors and dealers to sell our products and provide service and aftermarket support to our customers. We also rely upon our distribution channels to drive awareness for our product categories and our brands. In addition, we sell our products to our customers through private label arrangements with leading HVAC equipment, electrical equipment and construction machinery companies, arrangements with top retailers and our direct national accounts with telecommunications and industrial customers. Our distribution agreements and any contracts we have with large telecommunications, retail and other customers are typically not exclusive, and many of the distributors and customers with whom we do business offer products and services of our competitors. Impairment of our relationships with our distributors, dealers or large customers, loss of a substantial number of these distributors or dealers or of one or more large customers, or an increase in our distributors' or dealers' sales of our competitors' products to our customers or of our large customers' purchases of our competitors' products could materially reduce our sales and profits. Also, our ability to successfully realize our growth strategy is dependent in part on our ability to identify, attract and retain new distributors at all layers of our distribution platform, and we cannot be certain that we will be successful in these efforts.

Our business could be negatively impacted if we fail to adequately protect our intellectual property rights or if third parties claim that we are in violation of their intellectual property rights.

We view our intellectual property rights, including those relating to our Generac® brand name, fuel management systems and MPS technology, as important assets. We seek to protect our intellectual property rights through a combination of patent, trademark, copyright and trade secret laws, as well as licensing and confidentiality agreements. These protections may not be adequate to prevent third parties from using our intellectual property without our authorization, breaching any confidentiality agreements with us, copying or reverse engineering our products, or developing and marketing products that are substantially equivalent to or superior to our own. The unauthorized use of our intellectual property by others could reduce our competitive advantage and harm our business. If it became necessary for us to litigate to protect these rights, any proceedings could be burdensome and costly and we may not prevail. We cannot guarantee that any patents, issued or pending, will provide us with any competitive advantage or will not be challenged by third parties. Moreover, the expiration of our patents may lead to increased competition with respect to certain products.

In addition, we cannot be certain that we do not or will not infringe third parties' intellectual property rights. Any such claim, even if it is without merit, may be expensive and time-consuming to defend, subject us to damages, cause us to cease making, using or selling certain products that incorporate the disputed intellectual property, require us to redesign our products, divert management time and attention and/or require us to enter into costly royalty or licensing arrangements.

Our operations are subject to various environmental, health and safety laws and regulations, and non-compliance with or liabilities under such laws and regulations could result in substantial costs, fines, sanctions and claims.

Our operations are subject to a variety of foreign, federal, state and local environmental, health and safety laws and regulations including those governing, among other things, emissions to air, discharges to water, noise, the generation, handling, storage, transportation, treatment and disposal of waste and other materials. In addition, under federal and state environmental laws, we could be required to investigate, remediate and/or monitor the effects of the release or disposal of materials both at sites associated with past and present operations and at third-party sites where wastes generated by our operations were disposed. This liability may be imposed retroactively and whether or not we caused, or had any knowledge of, the existence of these materials and may result in our paying more than our fair share of the related costs. Violations of or liabilities under such laws and regulations could result in substantial costs, fines and civil or criminal proceedings or personal injury and workers' compensation claims.

Our products are subject to substantial government regulation.

Our products are subject to extensive statutory and regulatory requirements governing, among other things, emissions and noise, including standards imposed by the federal Environmental Protection Agency, or EPA, state regulatory agencies, such as the California Air Resources Board, or CARB, and other regulatory agencies around the world. These laws are constantly evolving and many are becoming increasingly stringent. Changes in applicable laws or regulations, or in the enforcement thereof, could require us to redesign our products and could adversely affect our business or financial condition in the future. Developing and marketing products to meet such new requirements could result in substantial additional costs that may be difficult to recover in some markets. In some cases, we may be required to modify our projects or develop new products to comply with new regulations, particularly those relating to air emissions. For example, we were required to modify our natural gas and liquid propane-fueled engines and generators by January 1, 2009 to comply with emissions standards in the United States. While we have been able to meet previous deadlines, failure to comply with other existing and future regulatory standards could adversely affect our position in the markets we serve.

We may incur costs and liabilities as a result of product liability claims.

We face a risk of exposure to product liability claims in the event that the use of our products is alleged to have resulted in injury or other damage. Although we currently maintain product liability insurance coverage, we may not be able to obtain such insurance on acceptable terms in the future, if at all, or obtain insurance that will provide adequate coverage against potential claims. Product liability claims can be expensive to defend and can divert the attention of management and other personnel for long periods of time, regardless of the ultimate outcome. An unsuccessful product liability defense could have a material adverse effect on our financial condition, and results of operations. In addition, we believe our business depends on the strong brand reputation we have developed. If our reputation is damaged, we may face difficulty in maintaining our market share and pricing with respect to some of our products, which would reduce our sales and profitability.

The loss of any key members of our senior management team or key employees could disrupt our operations and harm our business.

Our success depends, in part, on the efforts of certain key individuals, including the members of our senior management team, who have significant experience in the generator industry. If, for any reason, our senior executives do not continue to be active in management, or if our key employees leave our company, our business, financial condition or results of operations could be adversely affected. Failure to continue to attract these individuals at reasonable compensation levels could have a material adverse effect on our business, liquidity and results of operations. Although we do not anticipate that we will have to replace any of these individuals in the near future, the loss of the services of any of our key employees could disrupt our operations and have a material adverse effect on our business.

Disruptions caused by labor disputes or organized labor activities could harm our business.

Currently, less than 3% of our workforce is a member of a labor union. In addition, we may from time to time experience union organizing activities in our non-union facilities. Disputes with the current labor union or new union organizing activities could lead to work slowdowns or stoppages and make it difficult or impossible for us to meet scheduled delivery times for product shipments to our customers, which could result in loss of business. In addition, union activity could result in higher labor costs, which could harm our financial condition, results of operations and competitive position.

We may experience material disruptions to our manufacturing operations.

While we seek to operate our facilities in compliance with applicable rules and regulations and take measures to minimize the risks of disruption at our facilities, a material disruption at one of our manufacturing facilities could prevent us from meeting customer demand, reduce our sales and/or negatively impact our financial results. Any of our manufacturing facilities, or any of our machines within an otherwise operational facility, could cease operations unexpectedly due to a number of events, including:

- equipment or information technology infrastructure failure;
- disruptions in the transportation infrastructure including roads, bridges, railroad tracks;
- fires, floods, earthquakes, or other catastrophes; and
- other operational problems.

In addition, all of our manufacturing and production facilities are located in Wisconsin within a 30-mile radius. We could experience prolonged periods of reduced production due to unforeseen events occurring in or around our manufacturing facilities in Wisconsin. In the event of a business interruption at our Wisconsin facilities, we may be unable to shift manufacturing capabilities to alternate locations, accept materials from suppliers or meet customer shipment needs, among other severe consequences. Such an event could have a material and adverse impact on our financial condition and results of our operations.

A significant portion of our purchased components are sourced in foreign countries, exposing us to additional risks that may not exist in the United States.

We source a significant portion of our purchased components overseas, primarily in Asia. Our international sourcing subjects us to a number of potential risks in addition to the risks associated with third-party sourcing generally. Such risks include:

- inflation or changes in political and economic conditions;
- unstable regulatory environments;
- changes in import and export duties;
- domestic and foreign customs and tariffs;
- currency rate fluctuations;
- trade restrictions;
- labor unrest;
- logistical and communications challenges; and
- other restraints and burdensome taxes.

These factors may have an adverse effect on our ability to source our purchased components overseas. In particular, if the U.S. dollar were to depreciate significantly against the currencies in which we purchase raw materials from foreign suppliers, our cost of goods sold could increase materially, which would adversely affect our results of operations.

As a U.S. corporation that sources components in foreign countries, we are subject to the Foreign Corrupt Practices Act. A determination that we violated this act may affect our business and operations adversely.

As a U.S. corporation, we are subject to the regulations imposed by the U.S. Foreign Corrupt Practices Act, or the FCPA, which generally prohibits U.S. companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business. Any determination that we have violated the FCPA could have a material adverse effect on our financial position, operating results and cash flows.

We have significant tax assets, usage of which may be subject to limitations in the future.

As of December 31, 2008, we had $131 million of net operating losses for U.S. federal income tax purposes. While this offering of our common stock will not result in a change of control under Section 382 of the U.S. Internal Revenue Code of 1986, any subsequent accumulations of common stock ownership leading to a change of control under that section, including through sales of stock by large stockholders after this offering, all of which are out of our control, could limit our ability to utilize our net operating losses to offset future federal income tax liabilities.

Our total assets include goodwill and other indefinite-lived intangibles. If we determine these have become impaired in the future, net income could be materially adversely affected.

Goodwill represents the excess of cost over the fair market value of net assets acquired in business combinations. Indefinite-lived intangibles are comprised of certain trade names. At September 30, 2009, goodwill and other indefinite-lived intangibles totaled $665.9 million, most of which arose from the CCMP Transactions. We review goodwill and other intangibles at least annually for impairment and any excess in carrying value over the estimated fair value is charged to the results of operations. A reduction in net income resulting from the write-down or impairment of goodwill or indefinite-lived intangibles could have a material adverse effect on our financial statements. For example, in October 2008, due to an increase in our weighted average cost of capital and lower comparable public company market values resulting from

weakening economic conditions, we determined that an impairment of goodwill existed and recorded a non-cash charge of $503.2 million in 2008.

Goodwill and identifiable intangible assets are recorded at fair value on the date of acquisition. In accordance with FASB ASC (Accounting Standards Codification) Topic 350-20, goodwill and indefinite lived intangibles are reviewed at least annually for impairment and definite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Future impairment may result from, among other things, deterioration in the performance of the acquired business or product line, adverse market conditions and changes in the competitive landscape, adverse changes in applicable laws or regulations, including changes that restrict the activities of the acquired business or product line, and a variety of other circumstances. The amount of any impairment is recorded as a charge to the statement of operations. We may never realize the full value of our intangible assets. Any future determination requiring the write-off of a significant portion of intangible assets would have an adverse effect on our financial condition and results of operations. See "Management's discussion and analysis of financial condition and results of operations" for details.

We may need additional capital to finance our growth strategy or to refinance our existing credit facilities, and we may not be able to obtain it on acceptable terms, or at all, which may limit our ability to grow.

We may require additional financing to expand our business. Financing may not be available to us or may be available to us only on terms that are not favorable. The terms of our senior secured credit facilities limit our ability to incur additional debt. In addition, economic conditions, including any further downturn or crisis in the credit markets, could impact our ability to finance our growth on acceptable terms or at all. If we are unable to raise additional funds or obtain capital on acceptable terms, we may have to delay, modify or abandon some or all of our growth strategies. Our revolving credit facility matures in November 2012, our first lien term loan facility matures in November 2013 and our second lien term loan facility matures in May 2014. If we are unable to refinance these facilities on acceptable terms, our liquidity could be adversely affected.

We have a recent history of net losses.

We have incurred net losses during the periods following the CCMP Transactions. For the Successor Period of 2006 and the years ended December 31, 2007 and 2008, we incurred net losses of $16.0 million, $9.7 million and $556.0 million (includes a non-cash goodwill and trade name impairment charge of $583.5 million), respectively. Achieving profitability depends upon numerous factors, including our ability to generate increased net sales and our ability to control expenses. We can make no assurances that we will achieve profitability, or if we do, that we will be able to sustain or increase profitability in the future. Failure to achieve profitability could have an adverse impact on the trading prices of our common stock.

Risk relating to this offering

Management may invest or spend our net proceeds from this offering in ways that may not yield an acceptable return to you.

Although we plan to use a portion of our net proceeds from this offering to pay down a portion of our first and second lien term loans and to pay fees and expenses associated with

the offering, we also may use a portion of the net proceeds for general corporate purposes. We will have broad discretion as to how we will spend such proceeds, and you will have no advance opportunity to evaluate our decisions and may not agree with the manner in which we spend such proceeds. We may not be successful investing the proceeds from this offering in either our operations or external investments.

We do not anticipate paying dividends on our common stock in the foreseeable future.

We do not anticipate paying any dividends in the foreseeable future on our common stock. We intend to retain all future earnings for the operation and expansion of our business and the repayment of outstanding debt. In addition, the terms of our senior secured credit facilities limit our ability to pay dividends on our common stock. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future. While we may change this policy at some point in the future, we cannot assure you that we will make such a change. See "Dividend policy."

There has been no prior market for our common stock. The market price for our common stock could be volatile, which could cause the value of your investment to decline.

Prior to this offering, there has been no public market for our common stock, and an active trading market may not develop or be sustained after this offering. The market price for our common stock will vary from the initial public offering price after trading commences, and you may not be able to resell your shares of our common stock at or above the initial offering price. The initial public offering price will be determined by negotiation between us and the underwriters based upon a number of factors and may not be indicative of future market prices for our common stock. This could result in substantial losses for investors. The market price of our common stock may fluctuate significantly in response to a number of factors, some of which are beyond our control. These factors include, but are not limited to:

- developments in the generator industry;
- power outages and storms;
- the availability and cost of raw materials and components;
- strategic actions by us or our competitors, including the entrance to the market of new competition;
- our ability to continue to develop our distribution channels;
- the performance of third-party component suppliers;
- developments with respect to our brand name, patents and other intellectual property rights;
- environmental and product safety regulations;
- new laws or regulations or changes in existing laws or regulations applicable to our business;
- our ability to manufacture our products to commercial standards;
- additions or departures of key personnel;
- labor stoppages or strikes;
- our operating and financial performance and prospects;

- our quarterly or annual earnings or those of other companies in our industry;
- changes in earnings estimates or recommendations by securities analysts;
- changes in accounting standards, policies, guidance, interpretations or principles;
- changes in general economic conditions in the United States and global economies or financial markets, including such changes resulting from war or incidents of terrorism; and
- sales of our common stock by us, our principal stockholders or members of our management team.

In addition, the stock market has recently experienced significant price and volume fluctuations. This volatility has had a significant impact on the trading price of securities issued by many companies, including companies in our industry. The changes frequently occur irrespective of the operating performance of the affected companies. Hence, the trading price of our common stock could fluctuate based upon factors that have little or nothing to do with our business.

Future sales of our common stock may cause our stock price to decline.

If our stockholders sell substantial amounts of our common stock in the public market following this offering, the market price of our common stock could decline. These sales might also make it more difficult for us to sell additional equity securities at a time and price that we deem appropriate. Based on shares outstanding as of , 2009, upon completion of this offering, we will have shares of our common stock outstanding. All of the shares of our common stock sold in this offering will be freely tradable in the public market. The remaining shares of our common stock will be "restricted securities" as defined in Rule 144 under the Securities Act.

In connection with this offering, we, our executive officers and directors and our significant stockholders have agreed that, subject to limited exceptions, for a period of 180 days from the date of this prospectus, we and they will not, directly or indirectly, offer, sell, offer to sell, contract to sell or otherwise dispose of any shares of our common stock without the prior written consent of J.P. Morgan Securities Inc. and Goldman, Sachs & Co., on behalf of the underwriters, except in limited circumstances. However, J.P. Morgan Securities and Goldman, Sachs & Co., in their sole collective discretion, may release any of the securities subject to these lock-up agreements at any time without notice.

Subject to the lock-up agreements, these restricted securities may be sold into the public market in the future without registration under the Securities Act to the extent permitted under Rule 144. shares will be available for sale 180 days after the date of this prospectus pursuant to Rule 144; of these shares, approximately % would be available for sale under Rule 144, which imposes no volume or other limits. In addition, commencing 180 days after the date of this prospectus, certain stockholders holding outstanding shares of these restricted securities will have registration rights which could allow those holders to sell their shares freely through a future registration statement filed under the Securities Act.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our common stock or if our results of operations do not meet their expectations, our common stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade recommendations regarding our stock, or if our results of operations do not meet their expectations, our stock price could decline and such decline could be material.

You will experience immediate and substantial dilution as a result of this offering and may experience additional dilution in the future.

The initial public offering price is substantially higher than the book value per share of our outstanding common stock. As a result, you will incur immediate and substantial dilution of $ per share, based on an assumed public offering price of $ per share, the mid-point of the price range set forth on the cover of this prospectus. For additional information, see the section of this prospectus entitled "Dilution."

As a public company, we will be required to meet periodic reporting requirements under the Securities and Exchange Commission, or SEC, rules and regulations. Complying with federal securities laws as a public company is expensive and we will incur significant time and expense enhancing, documenting, testing and certifying our internal control over financial reporting. Any deficiencies in our financial reporting or internal controls could adversely affect our business and the trading price of our common stock.

SEC rules require that, as a publicly-traded company following completion of this offering, we file periodic reports containing our financial statements within a specified time following the completion of quarterly and annual periods. Prior to this offering, we have not been required to comply with SEC requirements to have our financial statements completed and reviewed or audited within a specified time and, as such, we may experience difficulty in meeting the SEC's reporting requirements. Any failure by us to file our periodic reports with the SEC in a timely manner could harm our reputation and reduce the trading price of our common stock.

As a public company, we will incur significant legal, accounting, insurance and other expenses. The Sarbanes-Oxley Act of 2002, as well as compliance with other rules of the SEC and the New York Stock Exchange, or NYSE, will increase our legal and financial compliance costs and make some activities more time-consuming and costly. Furthermore, once we become a public company, SEC rules require that our chief executive officer and chief financial officer periodically certify the existence and effectiveness of our internal control over financial reporting. Our independent registered public accounting firm will be required, beginning with our Annual Report on Form 10-K for our fiscal year ending on December 31, 2010, to attest to our assessment of our internal control over financial reporting. This process, which we have not undertaken in the past, will require significant documentation of policies, procedures and systems, review of that documentation by our internal accounting staff and our outside auditors and testing of our internal control over financial reporting by our internal accounting staff and our outside independent registered public accounting firm. This process will involve

considerable time and expense, may strain our internal resources and have an adverse impact on our operating costs. We may experience higher than anticipated operating expenses and outside auditor fees during the implementation of these changes and thereafter.

During the course of our testing, we may identify deficiencies that would have to be remediated to satisfy the SEC rules for certification of our internal control over financial reporting. As a consequence, we may have to disclose in periodic reports we file with the SEC significant deficiencies or material weaknesses in our system of internal controls. The existence of a material weakness would preclude management from concluding that our internal control over financial reporting is effective and would preclude our independent auditors from issuing an unqualified opinion that our internal control over financial reporting is effective. In addition, disclosures of this type in our SEC reports could cause investors to lose confidence in our financial reporting and may negatively affect the trading price of our common stock. Moreover, effective internal controls are necessary to produce reliable financial reports and to prevent fraud. If we have deficiencies in our disclosure controls and procedures or internal control over financial reporting, it may negatively impact our business, results of operations and reputation.

Anti-takeover provisions in our amended and restated certificate of incorporation and by-laws could prohibit a change of control that our stockholders may favor and could negatively affect our stock price.

Upon the closing of this offering, provisions in our amended and restated certificate of incorporation and by-laws may make it more difficult and expensive for a third party to acquire control of us even if a change of control would be beneficial to the interests of our stockholders. These provisions could discourage potential takeover attempts and could adversely affect the market price of our common stock. These provisions may also prevent or frustrate attempts by our stockholders to replace or remove our management. For example, our amended and restated certificate of incorporation and by-laws:

- permit our board of directors to issue preferred stock with such terms as they determine, without stockholder approval;
- provide that only one-third of the members of the board are elected at each stockholders meeting and prohibit removal without cause;
- require advance notice for stockholder proposals and director nominations; and
- contain limitations on convening stockholder meetings.

These provisions make it more difficult for stockholders or potential acquirers to acquire us without negotiation and could discourage potential takeover attempts and could adversely affect the market price of our common stock.

Risks relating to our capital structure

We have a substantial amount of indebtedness, which may adversely affect our cash flow and our ability to operate our business, remain in compliance with debt covenants and make payments on our indebtedness.

We have a significant amount of indebtedness. As of September 30, 2009, we had total indebtedness of $1,091.5 million.

Our substantial level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness. Our substantial indebtedness, combined with our lease and other financial obligations and contractual commitments could have other important consequences. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness, including financial and other restrictive covenants, which could result in an event of default under the agreements governing our indebtedness;
- make us more vulnerable to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional amounts for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy or other purposes.

Any of the above-listed factors could materially adversely affect our business, financial condition, results of operations and cash flows. Furthermore, our interest expense could increase if interest rates increase because debt under our senior secured credit facilities bears interest at a variable rate. If we do not have sufficient earnings to service our debt, we may be required to refinance all or part of our existing debt, sell assets, borrow more money or sell securities, none of which we can guarantee we will be able to do.

The terms of our senior secured credit facilities restrict our current and future operations, particularly our ability to respond to changes in our business or to take certain actions.

Our senior secured credit facilities contain, and any future indebtedness of ours or our subsidiaries would likely contain, a number of restrictive covenants that impose significant operating and financial restrictions on us and our subsidiaries, including restrictions on our ability to engage in acts that may be in our best long-term interests. Our senior secured credit facilities include a financial covenant that requires us not to exceed a maximum total leverage ratio.

Our senior secured credit facilities require us to use a portion of excess cash flow and proceeds of certain asset sales that are not reinvested in our business and other dispositions to repay indebtedness under our senior secured credit facilities.

Our senior secured credit facilities also include covenants restricting, among other things, our ability to:

- incur liens;
- incur or assume additional debt or guarantees or issue preferred stock;

- pay dividends, or make redemptions and repurchases, with respect to capital stock;
- prepay, or make redemptions and repurchases of, subordinated debt;
- make loans and investments;
- make capital expenditures;
- engage in mergers, acquisitions, asset sales, sale/leaseback transactions and transactions with affiliates;
- change the business conducted by us or our subsidiaries; and
- amend the terms of subordinated debt.

The operating and financial restrictions and covenants in our senior secured credit facilities and any future financing agreements may adversely affect our ability to finance future operations or capital needs or to engage in other business activities. A breach of any of the restrictive covenants in our senior secured credit facilities would result in a default under our senior secured credit facilities. If any such default occurs, the lenders under our senior secured credit facilities may elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable, or enforce their security interest, any of which would result in an event of default. The lenders will also have the right in these circumstances to terminate any commitments they have to provide further borrowings.

At September 30, 2008, we failed to satisfy the leverage ratio in our senior secured credit facilities. This default was cured by an equity contribution from affiliates of CCMP. However, CCMP and its affiliates are under no obligation to provide additional funds to us in the event of future covenant defaults.

After this offering, our principal stockholder will continue to have substantial control over us.

After the consummation of this offering, affiliates of CCMP will collectively beneficially own approximately % of our outstanding common stock and will collectively beneficially own approximately % of our outstanding common stock if the underwriters' option to purchase additional shares is exercised in full. As a consequence, CCMP or its affiliates will be able to exert a significant degree of influence or actual control over our management and affairs and will control matters requiring stockholder approval, including the election of directors, a merger, consolidation or sale of all or substantially all of our assets, and any other significant transaction. The interests of this stockholder may not always coincide with our interests or the interests of our other stockholders. For instance, this concentration of ownership may have the effect of delaying or preventing a change in control of us otherwise favored by our other stockholders and could depress our stock price.

Because affiliates of CCMP control more than 50% of the voting power of our common stock, we are a "controlled company" within the meaning of the NYSE's Listed Company Manual. Under the NYSE's Listed Company Manual, a controlled company may elect not to comply with certain NYSE corporate governance requirements, including requirements that: (1) a majority of the board of directors consist of independent directors; (2) compensation of officers be determined or recommended to the board of directors by a majority of its independent directors or by a compensation committee that is composed entirely of independent directors;

and (3) director nominees be selected or recommended by a majority of the independent directors or by a nominating committee composed solely of independent directors. Because we have taken advantage of the controlled company exemption to certain NYSE corporate governance requirements, our stockholders do not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements.

Conflicts of interest may arise because some of our directors are principals of our principal stockholder.

Upon the completion of this offering, representatives of CCMP and its affiliates will occupy a majority of the seats on our board of directors. CCMP or its affiliates could invest in entities that directly or indirectly compete with us or companies in which CCMP or its affiliates are currently invested may already compete with us. As a result of these relationships, when conflicts arise between the interests of CCMP or its affiliates and the interests of our stockholders, these directors may not be disinterested. The representatives of CCMP and its affiliates on our board of directors, by the terms of our amended and restated certificate of incorporation, are not required to offer us any transaction opportunity of which they become aware and could take any such opportunity for themselves or offer it to other companies in which they have an investment, unless such opportunity is expressly offered to them solely in their capacity as our directors.

Forward-looking statements

This prospectus contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this prospectus are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "should," "can have," "likely," "future" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

The forward-looking statements contained in this prospectus are based on assumptions that we have made in light of our industry experience and on our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. As you read and consider this prospectus, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (some of which are beyond our control) and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual financial results and cause them to differ materially from those anticipated in the forward-looking statements. The forward-looking statements contained in this prospectus include estimates regarding:

- our business, financial and operating results and future economic performance;
- proposed new product and service offerings; and
- management's goals, expectations and objectives and other similar expressions concerning matters that are not historical facts.

Factors that could affect our actual financial results and cause them to differ materially from those anticipated in the forward-looking statements include:

- demand for our products;
- power outages and storms;
- availability of raw materials and key components used producing our products;
- competitive factors in the industry in which we operate;
- our dependence on our distribution network;
- our ability to invest in, develop or adapt to changing technologies and manufacturing techniques;
- changes in environmental, health and safety laws and regulations;
- loss of our key management and employees;

- increase in product liability claims; and
- other factors that are described under "Risk factors."

Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove incorrect, our actual results may vary in material respects from those projected in these forward-looking statements.

Any forward-looking statement made by us in this prospectus speaks only as of the date on which we make it. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

CCMP transactions

In November 2006, affiliates of CCMP, together with affiliates of Unitas and members of our management, purchased an aggregate of $689 million of our equity capital. In addition, on November 10, 2006, Generac Power Systems borrowed an aggregate of $1,380 million, consisting of an initial drawdown of $950 million under a $1.1 billion first lien secured credit facility and $430 million under a $430 million second lien secured credit facility. With the proceeds from these equity and debt financings, together with cash on hand at Generac Power Systems, we (1) acquired all of the capital stock of Generac Power Systems and repaid certain pre-transaction indebtedness of Generac Power Systems for $2.0 billion, (2) paid $66 million in transaction costs related to the transaction and (3) retained $3.0 million for general corporate purposes.

We refer to the foregoing transactions collectively as the "CCMP Transactions."

Use of proceeds

We estimate that the net proceeds to us from our sale of shares of our common stock in this offering will be $, after deducting underwriting discounts and commissions and estimated expenses payable by us in connection with this offering. This assumes a public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus. We intend to use approximately $ of the net proceeds to pay down a portion of our first and second lien term loans and approximately $ to pay fees and expenses associated with the offering. We will use the remainder of the net proceeds, if any, for general corporate purposes.

Our first and second lien term loans bear interest at rates based upon either a base rate or adjusted LIBOR rate plus an applicable margin. At September 30, 2009, the interest rates applicable to our first and second lien term loans were 5.7% and 9.2%, respectively. The maturity date for our first and second lien term loans are November 10, 2013 and May 10, 2014, respectively.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds to us from this offering by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated expenses payable by us.

Dividend policy

We have never paid dividends on our common stock. After this offering, we intend to retain all available funds and any future earnings to reduce debt and fund the development and growth of our business, and we do not anticipate paying any dividends on our common stock. However, in the future, subject to the factors described below and our future liquidity and capitalization, we may change this policy and choose to pay dividends. Our ability to pay dividends on our common stock is currently restricted by the terms of our senior secured credit facilities and may be further restricted by any future indebtedness we incur. Our business is conducted through our principal operating subsidiary, Generac Power Systems. Dividends from, and cash generated by Generac Power Systems will be our principal sources of cash to repay indebtedness, fund operations and pay dividends. Accordingly, our ability to pay dividends to our stockholders is dependent on the earnings and distributions of funds from Generac Power Systems.

Any future determination to pay dividends will be at the discretion of our board of directors and will take into account:

- restrictions in our senior secured credit facilities;
- general economic and business conditions;
- our financial condition and results of operations;
- our capital requirements;
- the ability of Generac Power Systems to pay dividends and make distributions to us; and
- such other factors as our board of directors may deem relevant.

See "Management's discussion and analysis of financial condition and results of operations."

Capitalization

The following table sets forth our cash and cash equivalents and our capitalization as of September 30, 2009:

- on an actual basis reflecting the capitalization of Generac; and
- on a pro forma as adjusted basis to give effect to (1) the Corporate Reorganization and (2) the sale of shares of our common stock in this offering by us at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus) after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and the application of the net proceeds from this offering as described in "Use of proceeds."

This table should be read in conjunction with "Use of proceeds," "Selected historical consolidated financial data," "Management's discussion and analysis of financial condition and results of operations" and the consolidated financial statements and the related notes thereto included elsewhere in this prospectus.

	As of September 30, 2009	
(In thousands, except share data)	**Actual**	**Pro forma as adjusted**
Cash and cash equivalents	$ 134,119	$
Debt:		
Current portion of long-term debt	7,125	
Long-term debt, less current portion	1,084,414	
Total debt	1,091,539	
Series A Convertible Non-voting Preferred Stock, $0.01 par value, 20,000 shares authorized and 9,234 shares outstanding(1)	113,109	
Class B Convertible Voting Common Stock, $0.01 par value, 110,000 shares authorized and 79,114 shares outstanding(1)	765,096	
Stockholders' equity:		
Class A Nonvoting Common Stock, $0.01 par value, 31,200 shares authorized and 5,717 shares outstanding	0	
Preferred stock, $0.01 par value, shares authorized and shares issued and outstanding(2)	—	
Common stock, $0.01 par value, shares authorized and shares issued and outstanding(2)	—	
Additional paid-in capital	2,384	
Excess purchase price over predecessor basis	(202,116)	
Accumulated deficit	(557,251)	
Accumulated other comprehensive loss	(10,483)	
Stockholder notes receivable	(158)	
Total stockholders' equity	(767,624)	
Total capitalization	$ 1,202,120	

(1) See Note 6 to our audited consolidated financial statements included elsewhere in this prospectus for a discussion of the features and accounting treatment of our Series A Preferred Stock and our Class B Voting Common Stock.

(2) Reflects the preferred stock and common stock to be outstanding following the Corporate Reorganization and upon completion of this offering.

Dilution

If you invest in our common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per share of our common stock upon the completion of this offering.

As of September 30, 2009, our net tangible book value was approximately negative $808.0 million, or $ per share. Our net tangible book value per share represents the amount of our total tangible assets less total liabilities, divided by the total number of shares of common stock outstanding as of September 30, 2009. Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of common stock in this offering and the pro forma net tangible book value per share of common stock immediately after the completion of this offering.

After giving effect to (1) the conversion of the multiple outstanding series of capital stock to our common stock in the Corporate Reorganization and (2) the sale of our common stock at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus), and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2009 would have been approximately $, or $ per share.

This represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of $ per share to new investors purchasing shares of our common stock in this offering at the initial public offering price.

The following table illustrates the dilution to new investors on a per share basis:

Assumed initial public offering price per share	
Pro forma net tangible book value per share as of September 30, 2009	
Increase in pro forma net tangible book value per share attributable to the sale of shares in this offering	
Decrease in pro forma net tangible book value per share attributable to the issuance of restricted stock	
Pro forma as adjusted net tangible book value per share after this offering	
Dilution per share to new investors	

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus) would increase (decrease) our pro forma net tangible book value after this offering by $ million and increase (decrease) the dilution to new investors by $ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, as of September 30, 2009, the total number of shares of our common stock we issued and sold, the total consideration we received and the average price

per share paid to us by our existing stockholders and to be paid by new investors purchasing shares of our common stock in this offering. The table assumes an initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus) and deducts underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares purchased		Total consideration		Average price per share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors					
Total		100%		100%	

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus) would increase (decrease) the total consideration paid by new investors by $ and the total consideration paid by all stockholders by $.

In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of such securities could result in further dilution to our stockholders.

Selected historical consolidated financial data

The following table sets forth our selected historical consolidated financial data for the periods and at the dates indicated. The selected historical consolidated financial data for the period from January 1, 2006 through November 10, 2006 (Predecessor Period), the period from November 11, 2006 through December 31, 2006 (Successor Period) and the years ended December 31, 2007 and 2008 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected historical consolidated financial data for the years ended December 31, 2004 and 2005 are derived from our historical financial statements not included in this prospectus.

The selected historical consolidated financial data for the nine months ended September 30, 2008 and 2009 are derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of our operating results and financial position for those periods and as of such dates. The results for any interim period are not necessarily indicative of the results that may be expected for a full year.

In November 2006, affiliates of CCMP, together with affiliates of Unitas and members of our management, formed Generac and, through Generac, acquired all of the capital stock of Generac Power Systems. See "CCMP transactions." Generac in all periods prior to November 2006 is referred to as "Predecessor," and in all periods including and after such date is referred to as "Successor." The consolidated financial statements for all Successor periods may not be comparable to those of the Predecessor Period.

The results indicated below and elsewhere in this prospectus are not necessarily indicative of our future performance. You should read this information together with "Capitalization," "Management's discussion and analysis of financial condition and results of operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

(Dollars in thousands)	Predecessor			Successor				
	Year ended December 31, 2004	Year ended December 31, 2005(1)	Period from January 1, 2006 through November 10, 2006	Period from November 11, 2006 through December 31, 2006	Year ended December 31, 2007	Year ended December 31, 2008	Nine months ended September 30, 2008	Nine months ended September 30, 2009
Statement of operations data:								
Net sales	$ 354,233	$ 518,763	$ 606,249	$ 74,110	$ 555,705	$ 574,229	$ 401,605	$ 434,284
Costs of goods sold	237,507	333,739	371,425	55,105	333,428	372,199	257,736	262,078
Gross profit	116,726	185,024	234,824	19,005	222,277	202,030	143,869	172,206
Operating expenses:								
Selling and service	33,905	41,777	45,800	5,279	52,652	57,449	41,068	44,863
Research and development	9,527	9,903	9,141	1,168	9,606	9,925	7,477	7,752
General and administrative	14,221	11,564	12,631	1,695	17,581	15,869	11,708	11,538
Amortization of intangibles(2)	—	—	—	8,576	47,602	47,602	35,604	38,863
Transaction-related expenses(3)	—	—	149,792	—	—	—	—	—
Goodwill and trade name impairment charge(4)	—	—	—	—	—	583,486	—	—
Total operating expenses	57,653	63,244	217,364	16,718	127,441	714,331	95,857	103,016
Income (loss) from operations	59,073	121,780	17,460	2,287	94,836	(512,301)	48,012	69,190
Other income (expense):								
Interest expense	(212)	(269)	(673)	(18,354)	(125,366)	(108,022)	(81,466)	(60,384)
Gain on extinguishment of debt(5)	—	—	—	—	18,759	65,385	5,311	14,745
Investment income	3,582	841	1,571	302	2,682	600	1,578	2,089
Other, net	(1,745)	(335)	(52)	(192)	(1,196)	(1,217)	(856)	(941)
Total other income (expense), net	1,625	237	846	(18,244)	(105,121)	(43,254)	(75,433)	(44,491)
Income (loss) before provision (benefit) for income taxes	60,698	122,017	18,306	(15,957)	(10,285)	(555,555)	(27,421)	24,699
Provision (benefit) for income taxes	476	726	5,519	—	(571)	400	12,769	324
Net income (loss)	$ 60,222	$ 121,291	$ 12,787	$ (15,957)	$ (9,714)	$ (555,955)	$ (40,190)	$ 24,375
Income (loss) per share:								
Class A Common Stock(6)	n/m	n/m	n/m	(3,068)	(10,626)	(108,581)	(17,766)	(10,434)
Class B Common Stock(6)	n/m	n/m	n/m	139	1,051	1,148	850	938
Pro forma earnings per common share(7)								

(Dollars in thousands)	As of December 31, 2004	As of December 31, 2005	As of December 31, 2006	As of December 31, 2007	As of December 31, 2008	As of September 30, 2009
Balance sheet data:						
Current assets	$ 123,401	$ 180,954	$ 226,760	$ 217,750	$ 274,997	$ 340,069
Property, plant and equipment, net	52,411	53,964	72,087	78,982	76,674	73,666
Goodwill	—	—	847,442	1,029,068	525,875	525,875
Other intangibles and other assets	3,464	4,024	817,720	582,859	448,668	406,716
Total assets	$ 179,276	$ 238,942	$ 1,964,009	$ 1,908,659	$ 1,326,214	$ 1,346,326
Total current liabilities	$ 55,700	$ 84,710	$ 112,179	$ 94,690	$ 127,981	$ 133,497
Long-term debt, less current portion	4,800	4,800	1,370,500	1,280,750	1,121,437	1,084,414
Other long-term liabilities	8,765	7,219	10,436	27,439	43,539	17,834
Redeemable stock(8)	—	—	685,667	747,070	843,451	878,205
Total liabilities and stockholders' equity(8)	$ 179,276	$ 238,942	$ 1,964,009	$ 1,908,659	$ 1,326,214	$ 1,346,326

(1) Our financial data for the year ended December 31, 2005 were derived from consolidated financial statements of Generac Power Systems as of and for the year ended December 31, 2005 that were audited by another audit firm whose report dated March 31, 2006 expressed an unqualified opinion on those financial statements. These results agree to those audited financial statements, except for adjustment for an accounting change related to revenue recognition such that the 2005 period is in compliance with SAB No. 104 and consistent with all other periods presented.

(2) Our amortization of intangibles expenses include the straight-line amortization of customer lists, patents and other intangibles assets.

(3) Transaction-related expenses incurred by the Predecessor, which primarily related to the settlement of the employee share appreciation program in connection with the CCMP Transactions.

(4) As of October 31, 2008, as a result of our annual goodwill and trade names impairment test, we determined that an impairment of goodwill and trade names existed, and we recognized a non-cash charge of $583.5 million in 2008.

(5) During 2007, affiliates of CCMP acquired $80.3 million principal amount of second lien term loans for approximately $60.0 million. CCMP's affiliates exchanged this debt for additional shares of our Class B Common Stock. The fair value of the shares exchanged was $60.0 million. We recorded this transaction as additional Class B Common Stock of $60.0 million based on the fair value of the debt contributed by CCMP's affiliates, which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, we recorded a gain on extinguishment of debt of $18.8 million, which includes a write-off of deferred financing fees and other closing costs in the consolidated statement of operations for the year ended December 31, 2007.

During 2008, affiliates of CCMP acquired $148.9 million principal amount of second lien term loans for approximately $81.1 million. CCMP's affiliates exchanged this debt for additional shares of our Class B Common Stock and Series A Preferred Stock. The fair value of the shares exchanged was $81.1 million. We recorded this transaction as Series A Preferred Stock of $62.9 million and Class B Common Stock of $18.2 million based on the fair value of the debt contributed by CCMP's affiliates, which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, we recorded a gain on extinguishment of debt of $65.4 million, which includes a write-off of deferred financing fees and other closing costs in the consolidated statement of operations for the year ended December 31, 2008.

During the nine months ended September 30, 2009, affiliates of CCMP acquired $9.9 million principal amount of first lien term loans and $20.0 million principal amount of second lien term loans for approximately $14.8 million. CCMP's affiliates exchanged this debt for 1,475.4596 shares of Series A Preferred Stock. The fair value of the shares exchanged was $14.8 million. We recorded this transaction as additional Series A Preferred Stock of $14.8 million based on the fair value of the debt contributed by CCMP's affiliates, which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, we recorded a gain on extinguishment of debt of $14.7 million, which includes a write-off of deferred financing fees and other closing costs, in the consolidated statement of operations for the nine months ended September 30, 2009.

During the nine months ended September 30, 2008, affiliates of CCMP acquired $24.0 million principal amount of second lien term loans for approximately $18.2 million. CCMP's affiliates exchanged this debt for 2,400 shares of Class B Common Stock. The fair value of the shares exchanged was $18.2 million. We recorded this transaction as additional Class B Common Stock of $18.2 million based on the fair value of the debt contributed by CCMP's affiliates, which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, we recorded a gain on extinguishment of debt of $5.3 million, which includes a write-off of deferred financing fees and other closing costs, in the consolidated statement of operations for the nine months ended September 30, 2008.

(6) n/m—Earnings per share for the Predecessor has not been presented since it is not meaningful due to changes in our equity structure that resulted from the CCMP Transactions.

(7) Represents earnings per common share after giving effect to the Corporate Reorganization.

(8) Includes our Series A Preferred Stock and Class B Common Stock. See Note 6 to our audited consolidated financial statements included elsewhere in this prospectus.

Management's discussion and analysis of financial condition and results of operations

The following discussion and analysis of our financial condition and results of operations should be read together with "Selected historical consolidated financial data" and the consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements, based on current expectations and related to future events and our future financial performance, that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under "Risk factors," "Forward-looking statements" and elsewhere in this prospectus.

Overview

We are a leading designer and manufacturer of a wide range of automatic, stationary standby and portable generators. As the only significant market participant focused exclusively on these products, we have a leading market share of the standby generator market in the United States and Canada, having grown our company organically by a 16% CAGR since 2000. We design, engineer and manufacture generators with an output of between 800W and 9mW of power. We design, manufacture, source and modify engines, alternators, automatic transfer switches and other components necessary for our products. Our generators are fueled by natural gas, liquid propane, gasoline, diesel and Bi-Fuel™. Our products serve the power requirements of a wide variety of end markets including the residential, commercial, industrial and telecommunications markets.

Business drivers and measures

In operating our business and monitoring its performance, we pay attention to a number of industry trends, performance measures and operational factors. The statements in this section are based on our current expectations.

Industry trends

Our performance is affected by the demand for reliable power solutions by our customer base. This demand is influenced by several important trends affecting our industry, including the following:

Increasing penetration opportunity. In spite of the long-term reduction in product cost for installed standby generators in the residential and light commercial markets over the last decade, many potential customers are not aware of the costs and benefits of backup power solutions. We estimate that penetration rates for residential products are approximately 2% of U.S. single-family detached, owner-occupied households with a home value of over $100,000, as defined by the U.S. Census Bureau's 2007 American Housing Survey for the United States, and penetration rates of many light commercial outlets such as restaurants, drug stores, and gas stations are significantly lower than penetration of hospitals and industrial locations. We believe that by expanding our distribution network, continuing to develop our product line, and targeting our marketing efforts, we can continue to build awareness for our standby generators.

Effect of large scale power disruptions. Power disruptions are an important driver of consumer awareness and have historically influenced demand for generators. Disruptions in the

aging U.S. power grid and tropical and winter storm activity increase product awareness and may drive consumers to accelerate their purchase of a standby or portable generator during the immediate and subsequent period, which we believe may last for six to twelve months for standby generators. While there are power outages every year across all regions of the country, major storm activity is unpredictable by nature and, as a result, our sales levels and profitability may fluctuate from period to period.

Impact of business capital investment cycle. The market for commercial and industrial generators is affected by the capital investment cycle and overall durable goods spending, as businesses either add new locations or make investments to upgrade existing locations. These trends can have a material impact on demand for industrial and commercial generators. However the capital investment cycle may differ for the various industrial and commercial end markets (industrial, telecommunications, distribution, retail health care facilities and municipal infrastructure, among others). The market for generators is also affected by general economic conditions and trends in durable goods spending by consumers and businesses.

Operational factors

We are subject to various factors that can affect our results of operations, which we attempt to mitigate through factors we can control, including continued product development, pricing and cost control. The operational factors that affect our business include the following:

New product start-up costs. When we launch new products, we generally experience an increase in start-up costs, including engineering expenses, air freight expenses, testing expenses and marketing expenses, resulting in lower gross margins after the initial launch of a new product. Margins on new product introductions generally increase over the life of the product as these start-up costs decline and we focus our engineering efforts on product cost reduction.

Effect of commodity and component price fluctuations. Industry-wide price fluctuations of key commodities, such as steel, copper and aluminum and other components we use in our products, can have a material impact on our results of operations. We have historically attempted to mitigate the impact of commodity and component prices through improved product design, price increases and select hedging transactions. Our results are also influenced by changes in fuel prices in the form of freight rates, which in some cases are borne by our customers and in other cases are paid by us.

Other factors

Other factors that affect our results of operations include the following:

Factors influencing interest and amortization expense. As a result of the CCMP Transactions, our interest expense and amortization expense have increased. Accordingly, our consolidated financial statements prior to November 2006 are not comparable to subsequent periods, primarily as a result of significantly increased interest expense and amortization expense. We anticipate that interest expense will decrease after completion of this offering because we intend to use a portion of the net proceeds from the offering to repay outstanding indebtedness.

Seasonality. Although there is demand for our products throughout the year, in each of the past three years approximately 20% to 25% of our net sales occurred in the first quarter, 22% to 31% in the second quarter, 26% to 29% in the third quarter and 21% to 30% in the fourth quarter, with different seasonality depending on the timing of outage activity in each year. We

maintain a flexible production schedule in order to respond to weather-driven peak demand, but typically increase production levels in the second and third quarters of each year.

CCMP transactions

In November 2006, affiliates of CCMP, together with affiliates of Unitas and members of our management, purchased an aggregate of $689 million of our equity capital. In addition, on November 10, 2006, Generac Power Systems borrowed an aggregate of $1,380 million, consisting of an initial drawdown of $950 million under a $1.1 billion first lien secured credit facility and $430 million under a $430 million second lien secured credit facility. With the proceeds from these equity and debt financings, together with cash on hand at Generac Power Systems, we (1) acquired all of the capital stock of Generac Power Systems and repaid certain pre-transaction indebtedness of Generac Power Systems for $2.0 billion, (2) paid $66 million in transaction costs related to the transaction and (3) retained $3 million for general corporate purposes. See "CCMP transactions."

In 2007 and 2008, we issued shares of our Class B Common Stock in exchange for term loans in the amount of $104.3 million under our second lien credit facility that affiliates of CCMP had purchased in the secondary market, and, as a result of a preemptive rights offer, those shares are now held by certain affiliates of CCMP, certain affiliates of Unitas and members of our board of directors and management.

During 2007, affiliates of CCMP acquired $80.3 million principal amount of second lien term loans for approximately $60.0 million. CCMP's affiliates exchanged this debt for additional shares of Class B Common Stock. The fair value of the shares exchanged was $60.0 million. We recorded this transaction as additional Class B Common Stock of $60.0 million based on the fair value of the debt contributed by CCMP's affiliates, which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, we recorded a gain on extinguishment of debt of $18.8 million, which includes the write-off of deferred financing fees and other closing costs, in the consolidated statement of operations for the year ended December 31, 2007.

During 2008, affiliates of CCMP acquired $148.9 million principal amount of second lien term loans for approximately $81.1 million. CCMP's affiliates exchanged this debt for additional shares of Class B Common Stock and Series A Preferred Stock. The fair value of the shares exchanged was $81.1 million. We recorded this transaction as Series A Preferred Stock of $62.9 million and Class B Common Stock of $18.2 million based on the fair value of the debt contributed by CCMP's affiliates, which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, we recorded a gain on extinguishment of debt of $65.4 million, which includes the write-off of deferred financing fees and other closing costs, in the consolidated statement of operations for the year ended December 31, 2008.

During the nine months ended September 30, 2009, affiliates of CCMP acquired $9.9 million principal amount of first lien term loans and $20.0 million principal amount of second lien term loans for approximately $14.8 million. CCMP's affiliates exchanged this debt for 1,475.4596 shares of Series A Preferred Stock. The fair value of the shares exchanged was $14.8 million. We recorded this transaction as additional Series A Preferred Stock of $14.8 million based on the fair value of the debt contributed by CCMP's affiliates, which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, we recorded a gain on extinguishment of debt of $14.7 million, which includes a write-off of deferred

financing fees and other closing costs, in the consolidated statement of operations for the nine months ended September 30, 2009.

During the nine months ended September 30, 2009, we issued 2,000 shares of Series A Preferred Stock for an aggregate purchase price of $20.0 million in cash to affiliates of CCMP and certain members of management and the board of directors. Additionally, in accordance with the preemptive rights provisions of the shareholders' agreement described in "Certain relationships and related person transactions," affiliates of CCMP sold shares of Series A Preferred Stock they had purchased previously to certain investment funds affiliated with CCMP and a member of the board of directors at the same price.

Corporate reorganization

Our current and restated certificate of incorporation provides for the mandatory conversion of our Class B Voting Common Stock to Class A Common Stock in the event of an initial public offering. In addition, it states that conversion of the shares of Class B Voting Common Stock occurs without any action by the board of directors of any stockholder pursuant to a conversion factor in effect at the time of such conversion based on the public offering price (net of any underwriting discounts and commissions). We refer to this as the "Class B Conversion." For purposes of calculating the number of shares of our Class A Common Stock into which shares of Class B Common Stock will convert, we have assumed an offering price of $ per share, the mid-point of the range on the cover page of this prospectus, and that the offering will be completed on , 2010. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, based on the mid-point of the offering range on the cover page of this prospectus, would increase (decrease) the number of shares of our Class A Common Stock into which our Class B Common Stock will convert by .

The certificate of designations for our Series A Preferred Stock provides for the mandatory conversion of the Series A Preferred Stock to Class A Common Stock in the event of an initial public offering. The certificate of designations for the Series A Preferred Stock states that the conversion of the shares of Series A Preferred Stock occurs without any action by the board of directors or any stockholder pursuant to a conversion factor in effect at the time of such conversion based on the public offering price (net of any underwriting discounts and commissions). We refer to this as the "Series A Preferred Conversion." For purposes of calculating the number of shares of Class A Common Stock into which our shares of Series A Preferred Stock will convert, we have assumed an offering price of $ per share, the mid-point of the range on the cover page of this prospectus, that the offering will be completed on , 2010, that the Class B Conversion will have occurred, and that immediately following the Class B Conversion a for 1 reverse stock split of the Class A Common Stock will have occurred. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, based on the mid-point of the offering range on the cover page of this prospectus, would increase (decrease) the number of shares of Class A Common Stock into which our Series A Preferred Stock will convert by .

Prior to the consummation of this offering and after giving effect to the Class B Conversion, the reverse stock split of the Class A Common Stock and the Series A Preferred Conversion, our Class A Common Stock will be reclassified as common stock.

We refer to the transactions listed above as the "Corporate Reorganization."

Components of net sales and expenses

Net sales

Substantially all of our net sales are generated through the sale of our automatic, stationary standby and portable generators to the residential, commercial, industrial and telecommunications markets. We also sell air-cooled engines to certain customers and sell service parts to our dealer network. Net sales are recognized upon shipment of products to our customers. Net sales also includes shipping and handling charges billed to customers which are recognized at the time of shipment of products to our customers. Related freight costs are included in cost of sales. Our generators are fueled by natural gas, liquid propane, gasoline, diesel or Bi-Fuel™ systems with power output from 800W to 9mW. Our products are primarily manufactured and assembled at our Wisconsin facilities and distributed through over 17,000 outlets across the United States and Canada. Our smaller kW generators for the residential, portable and commercial markets are typically built to stock, while our larger kW products for the industrial markets are generally customized and built to order.

Our net sales are affected primarily by the U.S. economy, with 96% of our net sales for the year ended December 31, 2008 generated in the United States, and the remainder generated primarily in Canada.

We are not dependent on any one industry or customer for our net sales, with no single customer representing more than 7% of our net sales for the year ended December 31, 2008 and our top ten customers representing less than 32% of our net sales for the same period.

Costs of goods sold

The principal elements of costs of goods sold in our manufacturing operations are component parts, raw materials, factory overhead and labor. Component parts and raw materials comprised over 80% of costs of goods sold for the year ended December 31, 2008. The principal component parts are engines and alternators. We design and manufacture air-cooled engines for certain of our products smaller than 20kW. We source engines for some of our smaller products and all of our products larger than 20kW. We design all the alternators for our units and manufacture alternators for certain of our units. We also manufacture other generator components where we believe we have a design and cost advantage. We source component parts from an extensive global network of reliable, low-cost suppliers.

The principal raw materials used in our manufacturing processes and in the manufacturing of the components we source are steel, copper and aluminum. We are susceptible to fluctuations in the cost of these commodities, impacting our costs of goods sold. We seek to mitigate the impact of commodity prices on our business through a continued focus on product design improvements and price increases in our products. However, there is typically a lag between raw material price fluctuations and their effect on our costs of goods sold.

Other sources of costs include our manufacturing facilities, which require significant factory overhead, labor and shipping costs, are also significant sources of costs. Factory overhead includes utilities, support personnel, depreciation, general supplies and support and maintenance. Although we maintain a low-cost, largely non-union workforce and flexible manufacturing processes, our margins can be impacted when we cannot promptly decrease labor and manufacturing costs to match declines in net sales.

Operating expenses

Our operating expenses consist of costs incurred to support our marketing, distribution, engineering, information systems, human resources, finance, purchasing, risk management, legal and tax functions. All of these categories include personnel costs such as salaries, bonuses, employee benefit costs and taxes. We classify our operating expenses into four categories: selling and service, research and development, general and administrative, and amortization of intangibles.

Selling and service. Our selling and service expenses consist primarily of personnel expense, marketing expense, warranty expense and other sales expenses. Our personnel expense recorded in selling and services expenses includes the expense of our sales force responsible for our national accounts and other personnel involved in the marketing and sales of our products. Warranty expense, which is recorded at the time of sale, is estimated based on historical trends. Our marketing expenses include direct mail costs, printed material costs, product display costs, market research expenses, trade show expenses and media advertising. Marketing expenses generally increase as our sales efforts increase and are related to the launch of new product offerings and opportunities within selected markets or associated with specific events such as awareness marketing in areas impacted by storms, participation in trade shows and other events.

Research and development. Our research and development expenses support our nearly 100 active research and development projects. We currently operate three advanced facilities and employ over 100 engineers who focus on new product development, existing product improvement and cost reduction. Our commitment to research and development has resulted in a significant portfolio of approximately 50 U.S. and international patents and patent applications. Our research and development is expensed as incurred.

General and administrative. Our general and administrative expenses include personnel costs for general and administrative employees, accounting and legal professional services fees, information technology costs, insurance, travel and entertainment expense and other corporate expense. We expect our general and administrative expenses to increase in future periods as we expect to incur additional expenses associated with being a public company, including increased personnel costs, legal costs, accounting costs, board compensation expense, investor relations costs, higher insurance premiums and costs associated with our compliance with Section 404 of the Sarbanes-Oxley Act of 2002, other applicable SEC regulations and the requirements of the NYSE.

Amortization of intangibles. Our amortization of intangibles expenses include the straight-line amortization of customer lists, patents and other intangibles assets.

Goodwill and trade name impairment charges. Goodwill represents the excess of the amount paid to acquire us over the estimated fair value of the net tangible and intangible assets acquired as of the November 2006 date of the CCMP Transactions.

Other indefinite-lived intangible assets consist of trade names. The fair value of trade names is measured using a relief-from-royalty approach, which assumes the fair value of the trade name is the discounted cash flows of the amount that would be paid had we not owned the trade name and instead licensed the trade name from another company.

In some periods, we have recorded a charge for the writedown of goodwill and trade names that was recorded in operating expenses. Please see "Critical accounting policies—Goodwill and other intangible assets" for additional detail on this charge.

Transaction-related expenses. In the year ended December 31, 2006, our operating expenses include one-time transaction-related expenses incurred during the Predecessor Period related to the CCMP Transactions.

Other income (expense)

Our other income (expense) includes the interest expense on the outstanding balances of our $950.0 million first lien term loan, $430.0 million second lien term loan and $150.0 million revolving credit facility entered into in November 2006 and the amortization of debt financing costs. No amounts were outstanding under the revolving credit facility at September 30, 2009 and December 31, 2008. The amounts borrowed under our term loans bear interest at rates based upon either a base rate or LIBOR, plus an applicable margin. We also earn interest income on our cash and cash equivalents, which is included in other income (expense). We also record expenses related to interest rate swap agreements, which had a notional amount of $675.0 million outstanding at September 30, 2009 at an average rate of 5.04%. Other income (expense) may also include other financial items such as extinguishment of debt.

Taxes

Because we made a Section 338(h)(10) election in connection with the CCMP Transactions, we have $1.5 billion of tax-deductible goodwill and intangible asset amortization remaining as of September 30, 2009 that we expect to generate cash federal tax savings of $529 million through 2021, assuming continued profitability and a 35% federal tax rate. The amortization of these assets for tax purposes is expected to be $122 million annually through 2020 and $102 million in 2021, which generates annual cash tax savings of $43 million through 2020 and $36 million in 2021, assuming profitability and a 35% federal tax rate. Additionally, we have net operating loss, or NOL, carry-forwards of $131 million as of December 31, 2008, which we expect to generate an additional $46 million of cash tax savings when and if utilized.

Based on current business plans, we believe that our cash tax obligations through 2021 will be significantly reduced by these tax attributes.

Critical accounting policies

Our critical accounting policies are more fully described in Note 2 to our audited consolidated financial statements included elsewhere in this prospectus. As discussed in Note 2, the preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results may differ from those estimates, and such differences may be material to the financial statements.

The most significant accounting estimates inherent in the preparation of our financial statements include a goodwill and other indefinite-lived intangible asset impairment assessment, estimates as to the recovery of accounts receivable and inventory reserves, and estimates used in the determination of liabilities related to customer rebates, pension obligations, product warranty, product liability, interest rate swap derivative contracts and taxation.

Goodwill and other intangible assets

We perform an annual impairment test for goodwill and trade names and more frequently if an event or circumstances indicate that an impairment loss has been incurred. Conditions that would trigger an impairment assessment include, but are not limited to, a significant adverse change in legal factors or business climate that could affect the value of an asset. The analysis of potential impairment of goodwill requires a two-step process. The first step is the estimation of fair value of the applicable reporting unit. We have determined we have one reporting unit, and all significant decisions are made on a companywide basis by our chief operating decision maker. Estimated fair value is based on management judgments and assumptions with the assistance of a third-party valuation firm, and those fair values are compared with our aggregate carrying value. If our fair value is greater than the carrying amount, there is no impairment. If our carrying amount is greater than the fair value, then the second step must be completed to measure the amount of impairment, if any.

The second step calculates the implied fair value of the goodwill, which is compared to its carrying value. The implied fair value of goodwill is calculated by valuing all of the tangible and intangible assets of the reporting unit at the hypothetical fair value, assuming the reporting unit had been acquired in a business combination. The excess of the fair value of the entire reporting unit over the fair value of its identifiable assets and liabilities is the implied fair value of goodwill. If the implied fair value of goodwill is less than the carrying value of goodwill, an impairment loss is recognized equal to the difference.

As of October 31, 2008, we performed our annual goodwill impairment test. Our fair value was estimated based on a weighted analysis of discounted cash flows and comparable public company analysis (i.e., market approach). The rate used in determining discounted cash flows is a rate corresponding to our weighted average cost of capital, adjusted for risk where appropriate. In determining the estimated future cash flows, current and future levels of income are considered as well as business trends and market conditions. Due to an increase in the our weighted average cost of capital and lower comparable public company market values resulting from weakening economic conditions, the analysis indicated the potential for impairment.

We performed the second step of the goodwill impairment evaluation with the assistance of a third-party valuation firm and determined an impairment of goodwill existed. Accordingly, a non-cash charge of $503.2 million was recognized in 2008 for goodwill impairment. Due to the current economic uncertainty and other factors, our remaining goodwill could be further impaired in future periods. There was no impairment recorded for the year ended December 31, 2007.

We performed our annual fair value-based impairment test on trade names as of October 31, 2008. As a result of the test, we recorded a non-cash charge of $80.3 million for trade name impairment. The primary reason for this impairment charge related to a re-branding strategy, which was committed to in the fourth quarter of 2008 and resulted in our plan to discontinue use of the Guardian® trade name over time as we consolidate brands under the Generac label. Accordingly, this particular trade name was written down to its estimated realizable value of $8.7 million, which will be amortized over its remaining useful life of two years.

When preparing a discounted cash flow analysis, we make a number of key estimates and assumptions. We estimate the future cash flows of the business based on historical and forecasted revenues and operating costs. This, in turn, involves further estimates, such as estimates of future growth rates and inflation rates. In addition, we apply a discount rate to

the estimated future cash flows for the purpose of the valuation. This discount rate is based on the estimated weighted average cost of capital for the business and may change from year to year. Weighted average cost of capital includes certain assumptions such as market capital structures, market betas, risk-free rate of return and estimated costs of borrowing. Changes in these key estimates and assumptions, or in other assumptions used in this process, could materially affect our impairment analysis for a given year. Additionally, since our measurement also considers a market approach, changes in comparable public company multiples can also materially impact our impairment analysis.

As previously discussed, we recognized a $503.2 million goodwill impairment charge and $80.3 million trade name impairment charge in the fourth quarter of 2008. As economic conditions, market comparables and cash flows from operations have improved from the fourth quarter of 2008, we expect the fair value of our reporting unit to improve.

Our remaining goodwill and trade name balances could be further impaired in future periods. A number of factors, many of which we have no ability to control, could affect our financial condition, operating results and business prospects and could cause actual results to differ from the estimates and assumptions we employed. These factors include:

- a prolonged global economic crisis;
- a significant decrease in the demand for our products;
- the inability to develop new and enhanced products and services in a timely manner;
- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator; and
- successful efforts by our competitors to gain market share in our markets.

Our cash flow assumptions are based on historical and forecasted revenue, operating costs and other relevant factors. If management's estimates of future operating results change or if there are changes to other assumptions, the estimate of the fair value of our business may change significantly. Such change could result in impairment charges in future periods, which could have a significant impact on our operating results and financial condition.

Defined benefit pension obligations

The funded status of our pension plans is more fully described in Note 9 to our audited consolidated financial statements included elsewhere in this prospectus. As discussed in Note 9, the pension benefit obligation and related pension expense or income are calculated in accordance with ASC 715-30, *Defined Benefit Plans—Pension*, and are impacted by certain actuarial assumptions, including the discount rate and the expected rate of return on plan assets.

Rates are evaluated on an annual basis considering such factors as market interest rates and historical asset performance. Actuarial valuations for fiscal year 2008 used a discount rate of 6.48% and an expected rate of return on plan assets of 9.0%. Our discount rate was selected using a methodology that matches plan cash flows with a selection of Moody's Aa or higher rated bonds, resulting in a discount rate that better matches a bond yield curve with comparable cash flows. In estimating the expected return on plan assets, we study historical markets and preserve the long-term historical relationships between equities and fixed-income securities. We evaluate current market factors such as inflation and interest rates before we determine long-term capital market assumptions and review peer data and historical returns to

check for reasonableness and appropriateness. Changes in the discount rate and return on assets can have a significant effect on the funded status of our pension plans, stockholders' equity and related expense. We cannot predict these changes in discount rates or investment returns and, therefore, cannot reasonably estimate whether the impact in subsequent years will be significant.

The funded status of our pension plans is the difference between the projected benefit obligation and the fair value of its plan assets. The projected benefit obligation is the actuarial present value of all benefits expected to be earned by the employees' service adjusted for future potential wage increases. At December 31, 2008, the fair value of plan assets was less than the projected benefit obligation by approximately $14.4 million.

Our funding policy for our pension plans is to contribute amounts at least equal to the minimum annual amount required by applicable regulations. We expect to contribute $850,000 to our pension plans in 2009. See Note 9 to our audited consolidated financial statements included elsewhere in this prospectus for a description of our pension plans.

We elected to freeze our pension plans effective December 31, 2008. This resulted in a cessation of all future benefit accruals for both hourly and salary pension plans. A curtailment liability gain of $5.8 million related to the salary plan was recognized as a reduction to the unrecognized net loss, as the curtailment liability gain was less than the unrecognized net loss prior to the plan amendment and therefore did not impact the statement of operations for the year ended December 31, 2008.

Allowance for doubtful accounts, excess and obsolete inventory reserves, product warranty reserves and other contingencies

The reserves, if any, for customer rebates, product warranty, product liability, litigation, excess and obsolete inventory and doubtful accounts are fact-specific and take into account such factors as specific customer situations, historical experience, and current and expected economic conditions. These reserves are reflected under Notes 2, 3, 4 and 13 to our audited consolidated financial statements included elsewhere in this prospectus.

Derivative accounting

We have interest rate swap contracts, or the Swaps, in place to fix a portion of our variable rate indebtedness. For 2006, 2007 and 2008, the Swaps were deemed highly effective per ASC 815 (formerly SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*) and therefore, any changes in fair value of these Swaps is recorded in accumulated other comprehensive income (loss). As of January 3, 2009, in accordance with the terms of our senior secured credit facilities, we changed the interest rate election from three-month LIBOR to one-month LIBOR. As a result, we concluded that as of January 3, 2009, the Swaps no longer met hedge effectiveness criteria under SFAS No. 133. Future changes in the fair value of the Swaps will be immediately recognized in our statement of operations as interest expense, while the effective portion of the Swaps prior to the change will remain in accumulated other comprehensive income (loss) and will be amortized as interest expense over the period of the originally designated hedged transactions scheduled to end on January 4, 2010.

We estimated the fair value of the Swaps pursuant to ASC 815, *Derivatives and Hedging*, which defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value. When determining the fair value of the Swaps, we considered our credit risk in accordance with ASC 815. The fair

value of the Swaps, including the impact of credit risk, at December 31, 2007 and 2008 was a liability of $18.5 million and $24.2 million, respectively.

Income taxes

We account for income taxes in accordance with ASC 740, *Income Taxes*. Our estimate of income taxes payable, deferred income taxes and the effective tax rate is based on an analysis of many factors including interpretations of federal and state income tax laws, the difference between tax and financial reporting bases of assets and liabilities, estimates of amounts currently due or owed in various jurisdictions, and current accounting standards. We review and update our estimates on a quarterly basis as facts and circumstances change and actual results are known.

We have generated significant deferred tax assets as a result of goodwill and intangible asset book versus tax differences as well as significant net operating loss carryforwards to date. In assessing the realizability of these deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the years in which those temporary differences become deductible. We consider the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. As a result of this analysis, we have recorded a full valuation allowance against these net deferred tax assets.

On January 1, 2007, we adopted the provisions of ASC 740-10 (formerly known as FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109*). ASC 740-10 prescribes a comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that a company has taken or expects to take on tax returns. As such, accruals for tax contingencies, if any, are provided for in accordance with the requirements of ASC 740-10.

Results of operations

Nine months ended September 30, 2009 compared to nine months ended September 30, 2008

The following table sets forth our consolidated statement of operations data for the periods indicated:

(Dollars in thousands)	Nine months ended September 30, 2008	2009
Net sales	$ 401,605	$ 434,284
Costs of goods sold	257,736	262,078
Gross profit	143,869	172,206
Operating expenses:		
Selling and service	41,068	44,863
Research and development	7,477	7,752
General and administrative	11,708	11,538
Amortization of intangibles	35,604	38,863
Total operating expenses	95,857	103,016
Income from operations	48,012	69,190
Total other expense, net	(75,433)	(44,491)
Income (loss) before provision (benefit) for income taxes	(27,421)	24,699
Provision (benefit) for income taxes	12,769	324
Net income (loss)	$ (40,190)	$ 24,375

Net sales. Net sales increased $32.7 million, or 8.1%, to $434.3 million for the nine months ended September 30, 2009 from $401.6 million for the nine months ended September 30, 2008. This increase was driven by a $50.0 million, or 22.9%, increase in sales to the residential markets due to the introduction of our new air-cooled product line, increases in our points of distribution, our re-entry into the small kilowatt portable generator market in May 2008, and a strong winter storm season in the beginning of 2009 partially offset by the impact of a weaker summer storm season during the third quarter of 2009. Net sales were also impacted by increased selling prices on certain residential, commercial and industrial units, which we expect to continue to benefit our operations through the remainder of the year. The increase in home standby and portable generators was partially offset by a $13.3 million, or 8.5%, decline in industrial and commercial sales as industrial national account and other customers lowered capital spending in late 2008 and 2009. Net sales for the three months ended September 30, 2009 declined $20.8 million or 12.6% compared to the three months ended September 30, 2008, largely as a result of a decline in portable generator sales due to the weaker summer storm season and the decline in industrial and commercial sales referenced above.

Costs of goods sold. Costs of goods sold increased $4.3 million, or 1.7%, to $262.1 million for the nine months ended September 30, 2009 from $257.7 million for the nine months ended September 30, 2008. This increase was driven by an $8.6 million increase in materials cost, primarily due to higher sales volumes offset by the impact of lower steel, copper and aluminum costs. Mitigating the increase in materials cost was a $2.8 million decline in freight costs and a $1.5 million decline in labor and overhead expenses.

Gross profit. Gross profit increased $28.3 million, or 19.7%, to $172.2 million for the nine months ended September 30, 2009 from $143.9 million for the nine months ended

September 30, 2008, primarily due to the increase in net sales described above. As a percentage of net sales, gross profit increased to 39.7% for the nine months ended September 30, 2009 from 35.8% for the nine months ended September 30, 2008. We realized the margin improvement from price increases and improved sourcing of certain components and products, partially offset by higher sales of lower margin products. Gross profit for the three months ended September 30, 2009 increased $8.7 million or 15.5% compared to the three months ended September 30, 2008, due to the gross margin improvement referenced above.

Operating expenses. Operating expenses increased $7.2 million, or 7.5%, to $103.0 million for the nine months ended September 30, 2009 from $95.9 million for the nine months ended September 30, 2008. This increase was attributable to a $3.8 million increase in selling and service expenses due to higher variable expenses related to our increase in net sales, such as warranty, commission and credit card fees, as well as higher advertising costs. Amortization of intangibles also increased by $3.3 million, primarily due to the recharacterization of a particular trade name with an estimated value of $8.7 million net of impairment from indefinite-lived to defined life following the implementation of our re-branding strategy, whereby we are consolidating brands under the Generac label and began phasing out the particular trade name over time as described in "Critical accounting policies—Goodwill and other intangible assets." Research and development expenses increased $0.3 million from ongoing product development. General and administrative expenses declined $0.2 million due to cost reduction initiatives across the business.

Other expense. Other expense decreased $30.9 million, or 41.0%, to $44.5 million for the nine months ended September 30, 2009 from $75.4 million for the nine months ended September 30, 2009. This decrease was driven by a $21.1 million decline in interest expense as a result of our reduction in indebtedness and lower LIBOR rates, offset by accounting for ineffectively hedged interest rate swaps resulting in additional net interest expense of $8.0 million. Gains on extinguishment of debt also increased by $9.4 million from $5.3 million for the nine months ended September 30, 2008 to $14.7 million for the nine months ended September 30, 2009. The gains on extinguishment of debt and the related decrease in interest expense are due to the debt repurchases by affiliates of CCMP of $104.3 million of our second lien term loans from September 2007 to April 2008, which such CCMP affiliates contributed to our company in exchange for shares of our Class B Voting Common Stock, and debt repurchases of $154.8 million of our first and second lien term loans from December 2008 to July 2009, which such CCMP affiliates contributed to our company in exchange for shares of our Series A Preferred Stock. See "Certain relationships and related person transactions."

Income tax expense (benefit). Income tax expense was $0.3 million for the nine months ended September 30, 2009 and $12.8 million for the nine months ended September 30, 2008. During the nine months ended September 30, 2008, our tax basis in goodwill was lower than our book basis. As such, a deferred tax liability was recognized on our consolidated balance sheet. These deferred tax liabilities were considered to have indefinite lives and therefore were ineligible to be considered as a source of future taxable income in assessing the realization of deferred tax assets. This resulted in tax expense of $12.8 million recorded in our consolidated statement of operations for the nine months ended September 30, 2008.

Net income (loss). As a result of the factors identified above, we generated net income of $24.4 million for the nine months ended September 30, 2009 and a loss of $40.2 million for the nine months ended September 30, 2008.

Year ended December 31, 2008 compared to year ended December 31, 2007

The following table sets forth our consolidated statement of operations data for the periods indicated:

(Dollars in thousands)	Year ended December 31, 2007	2008
Net sales	$ 555,705	$ 574,229
Costs of goods sold	333,428	372,199
Gross profit	222,277	202,030
Operating expenses:		
Selling and service	52,652	57,449
Research and development	9,606	9,925
General and administrative	17,581	15,869
Amortization of intangibles	47,602	47,602
Goodwill and trade name impairment charges	—	583,486
Total operating expenses	127,441	714,331
Income (loss) from operations	94,836	(512,301)
Total other expense, net	(105,121)	(43,254)
Loss before provision for income taxes	(10,285)	(555,555)
Provision (benefit) for income taxes	(571)	400
Net loss	$ (9,714)	$ (555,955)

Net sales. Net sales increased $18.5 million, or 3.3%, to $574.2 million for the year ended December 31, 2008 from $555.7 million for the year ended December 31, 2007. This increase was driven by a $25.9 million, or 8.4%, increase in sales to the residential markets, partially offset by a $9.5 million, or 21.9%, decrease in other sales driven by weakness in the RV market. The increase in sales to the residential markets was driven by our re-entry into the small kilowatt portable generator market in the second quarter of 2008, increased sales volumes of standby generators following the redesign of our air-cooled home standby generators and growth in our dealer and electrical wholesale points of distribution. Demand for home standby and portable products was also aided by heightened awareness following a strong hurricane and winter ice storm season. In 2008, we also experienced a modest increase in sales to commercial and industrial markets.

Costs of goods sold. Costs of goods sold increased $38.8 million, or 11.6%, to $372.2 million for the year ended December 31, 2008 from $333.4 million for the year ended December 31, 2007. This increase was driven primarily by a $35.1 million increase in materials cost due to higher steel, copper and aluminum prices and higher sales volumes. Additionally, labor expenses increased by $3.2 million due to higher sales volumes.

Gross profit. Gross profit decreased $20.2 million, or 9.1%, to $202.0 million for the year ended December 31, 2008 from $222.3 million for the year ended December 31, 2007. As a percentage of net sales, gross profit declined to 35.2% for the year ended December 31, 2008 from 40.0% for the year ended December 31, 2007. This decline was primarily due to the above-mentioned increases in commodity prices, as well as an increase in sales of lower margin products.

Operating expenses. Operating expenses increased $586.9 million to $714.3 million for the year ended December 31, 2008 from $127.4 million for the year ended December 31, 2007. This increase is primarily attributable to a $583.5 million goodwill and trade name impairment charge that was recorded in the fourth quarter of 2008. Excluding the goodwill and trade name impairment charge, operating expenses increased $3.4 million, or 2.7%. This was driven primarily by a $4.8 million increase in selling and service expenses due to increased sales volumes and associated increases in freight and warranty expenses. Research and development costs also increased by $0.3 million from ongoing product development. As a percentage of net sales, operating expenses, excluding the goodwill and trade name impairment charge, declined to 22.8% for the year ended December 31, 2008 from 22.9% for the year ended December 31, 2007 due to cost management efforts, including a $1.7 million decline in general and administrative expense and operating cost leverage over higher sales volumes.

Other expense. Other expense decreased $61.9 million, or 58.9%, to $43.3 million for the year ended December 31, 2008 from $105.1 million for the year ended December 31, 2007. This decline was driven by a $46.6 million increase in gains on the extinguishment of debt to $65.4 million, as well as a $17.3 million decrease in interest expense as a result of debt repurchases made during the year and the ongoing deleveraging of the business. The debt repurchases consisted of purchases by affiliates of CCMP of $104.3 million of our second lien term loans from September 2007 to April 2008, which such CCMP affiliates contributed to our company in exchange for shares of our Class B Common Stock, and $154.8 million of our first and second lien term loans from December 2008 to July 2009, which such CCMP affiliates contributed to our company in exchange for shares of our Series A Preferred Stock. See "Certain relationships and related person transactions."

Income tax expense (benefit). We incurred an income tax expense of $0.4 million for the year ended December 31, 2008 compared to an income tax benefit of $0.6 million for the year ended December 31, 2007.

Net income (loss). As a result of the factors identified above, we generated a net loss of $556.0 million, for the year ended December 31, 2008, compared to a net loss of $9.7 million for the year ended December 31, 2007.

Year ended December 31, 2007 compared to the combined year ended December 31, 2006

We compare the year ended December 31, 2007 (post-merger) and the combined periods from January 1, 2006 to November 10, 2006 (Predecessor) and from November 11, 2006 to December 31, 2006 (Successor) for purposes of management's discussion and analysis of the results of operations. Any references below to the year ended December 31, 2006 refer to the combined periods. Material fluctuations in operations resulting from the effect of purchase accounting have been highlighted.

U.S. GAAP does not allow for such combination of Predecessor and Successor financial results. We believe the combined results provide the most meaningful way to comment on our results of operations for the year ended December 31, 2006 compared to the year ended December 31, 2007 because discussion of any partial period comparisons would not be meaningful. The combined information is the result of merely adding the Predecessor and Successor columns, is not consistent with U.S. GAAP and does not include any pro forma assumptions or adjustments.

The following table sets forth our consolidated statement of operations data for the periods indicated:

(Dollars in thousands)	Predecessor Period from January 1, 2006 through November 10, 2006	Successor Period from November 11, 2006 through December 31, 2006	Combined year ended December 31, 2006	Year ended December 31, 2007
Net sales	$ 606,249	$ 74,110	$ 680,359	$ 555,705
Costs of goods sold	371,425	55,105	426,530	333,428
Gross profit	234,824	19,005	253,829	222,277
Operating expenses:				
Selling and service	45,800	5,279	51,079	52,652
Research and development	9,141	1,168	10,309	9,606
General and administrative	12,631	1,695	14,326	17,581
Amortization of intangibles	—	8,576	8,576	47,602
Transaction related expenses	149,792	—	149,792	—
Total operating expenses	217,364	16,718	234,082	127,441
Income from operations	17,460	2,287	19,747	94,836
Total other income (expense), net	846	(18,244)	(17,398)	(105,121)
Income (loss) before provision (benefit) for income taxes	18,306	(15,957)	2,349	(10,285)
Provision (benefit) for income taxes	5,519	—	5,519	(571)
Net income (loss)	$ 12,787	$ (15,957)	$ (3,170)	$ (9,714)

Net sales. Net sales declined $124.7 million, or 18.3%, to $555.7 million for the year ended December 31, 2007 from $680.4 million for the year ended December 31, 2006. This decline was driven by a $121.1 million, or 28.3%, decline in sales to the residential markets, particularly in the regions where consumer durable purchases weakened in tandem with lower awareness. Awareness declined following less active 2006 and 2007 storm seasons compared to the significant hurricane activity in 2005, which led to increased 2006 net sales above the historical trend. The decrease in net sales in 2007 followed two years of significant net sales increases, 31.2% in the year ended December 31, 2006 from $518.8 million in the year ended December 31, 2005, and 46.4% in 2005 from $354.2 million in the year ended December 31, 2004. Other sales also declined by $12.5 million, or 22.4%, for the year ended December 31, 2007 driven by lower RV generator and engine sales volumes. This decline was partially offset by continued strength in shipments to new and existing telecommunications customers and increased sales of our MPS products.

Costs of goods sold. Costs of goods sold decreased $93.1 million, or 21.8%, to $333.4 million for the year ended December 31, 2007 from $426.5 million for the year ended December 31, 2006. This decrease was primarily driven by a $74.9 million decline in materials costs as a result of lower sales volumes of home standby and portable generators. Lower sales volumes also drove a $7.5 million decline in overhead expense, $6.8 million decline in labor expense and $3.9 million decline in freight costs.

Gross profit. Gross profit decreased $31.6 million, or 12.4%, to $222.3 million for the year ended December 31, 2007 from $253.8 million for the year ended December 31, 2006, driven primarily by the decline in net sales. As a percentage of net sales, gross profit increased to 40.0% for the year ended December 31, 2007 from 37.3% for the year ended December 31, 2006. This margin improvement was driven by a combination of new product introductions, price increases and ongoing manufacturing cost reductions.

Operating expenses. Operating expenses decreased $106.6 million, or 45.6%, to $127.4 million for the year ended December 31, 2007 from $234.1 million for the year ended December 31, 2006. This was primarily attributable to $149.8 million in one-time transaction expenses incurred in 2006 during the Predecessor Period. This was partially offset by a $39.0 million increase in the amortization of intangibles as a result of the CCMP Transactions incurred for the year ended December 31, 2007 over the prior year.

As a percentage of net sales, operating expenses decreased to 22.9% for the year ended December 31, 2007 from 34.4% for the year ended December 31, 2006. Excluding the impact of the transaction and amortization expenses described above, operating expenses as a percentage of net sales increased to 14.4% in the year ended December 31, 2007 from 11.1% for the year ended December 31, 2006, driven by reduced operating cost leverage on lower sales volumes. Selling and service expenses increased by $1.6 million due to an increase in strategic marketing expenses. General and administrative expenses increased by $3.3 million due to higher severance expenses. These increases were partially offset by a $0.7 million decrease in research and development expenses due to a reduced number of product introductions.

Other expense. Other expense increased $87.7 million to $105.1 million for the year ended December 31, 2007 from $17.4 million for the year ended December 31, 2006. This was largely due to a $106.3 million increase in interest expense due to the increase in our leverage in connection with the CCMP transactions. We also recorded a gain on the extinguishment of debt of $18.8 million for the year ended December 31, 2007 as a result of debt purchases by affiliates of CCMP and contributed to us during the year.

Income tax expense (benefit). We recorded an income tax benefit of $0.6 million for the year ended December 31, 2007 versus income tax expense of $5.5 million for the year ended December 31, 2006.

Net income (loss). As a result of the factors identified above, net loss after taxes increased by $6.5 million to a net loss of $9.7 million for the year ended December 31, 2007, compared to a net loss of $3.2 million for the year ended December 31, 2006.

Liquidity and capital resources

Our primary cash requirements include the payment of our raw material and components suppliers and operating expenses, interest and principal payments on our debt, and capital expenditures. We finance our operations primarily through cash flow from operations and borrowings under our revolving credit facility. In November 2006, Generac Power Systems entered into a seven-year $950.0 million first lien term loan, a seven-and-a-half year $430.0 million second lien term loan, and a six-year $150.0 million revolving credit facility. To date, we have paid $29.4 million in principal and our affiliates have repurchased and

contributed $9.9 million in face value of Generac Power System's first lien term loan. Our affiliates have also repurchased and contributed $249.1 million in face value of Generac Power System's second lien term loan. See "Senior secured credit facilities" below.

At December 31, 2008, we had cash and cash equivalents of $81.2 million and $143.3 million of availability under our revolving credit facility, after giving effect to $6.7 million of outstanding letters of credit. Our total indebtedness was $1,130.9 million at December 31, 2008. At September 30, 2009, our principal sources of liquidity were cash and cash equivalents of $134.1 million and $144.0 million of availability under our revolving credit facility, after giving effect to $6.0 million of outstanding letters of credit. Our total indebtedness was $1,091.5 million at September 30, 2009.

Long-term liquidity

We believe that our cash flow from operations, our availability under our revolving credit facility, combined with our low capital expenditure and working capital costs, will provide us with sufficient capital to continue to grow our business in the next twelve months and beyond. However, we will use a significant portion of our cash flow to pay interest on our outstanding debt, limiting the amount available for working capital, capital expenditures and other general corporate purposes. As we continue to expand our business, we may in the future require additional capital to fund working capital, capital expenditures, or acquisitions.

Cash flow

Nine months ended September 30, 2009 compared to nine months ended September 30, 2008

The following table summarizes our cash flows by category for the periods presented:

	Nine months ended September 30,			
(Dollars in thousands)	**2008**	**2009**	**Change**	**% Change**
Net cash provided by (used in) operating activities	$ (18,845)	$ 45,131	$ 63,976	339.5%
Net cash provided by (used in) investing activities	$ (3,758)	$ (2,741)	$ 1,017	27.1%
Net cash provided by (used in) financing activities	$ (10,743)	$ 10,500	$ 21,243	197.7%

Net cash provided by operating activities was $45.1 million during the nine months ended September 30, 2009 compared to net cash used in operating activities of $18.8 million during the nine months ended September 30, 2008. This $64.0 million increase was primarily attributable to the $64.6 million increase in net income as described in "Results of operations." Fluctuations in non-cash items for the nine months ended September 30, 2009 are driven by a $9.4 million increase in gain on extinguishment of debt and $18.2 million in amortization of unrealized loss on interest rate swaps related to the loss recorded in accumulated other comprehensive income (loss) while the swaps were deemed highly effective hedges. On January 3, 2009, the Company changed its interest rate election which resulted in the swaps no longer being a highly effective hedge and hedge accounting ceased prospectively. The increase in net income was offset by a $12.4 million decrease in cash flows from net changes in operating assets and liabilities. Net changes in operating assets and liabilities were an increase of $30.1 million for the nine months ended September 30, 2009, driven by a $27.2 million decrease in other accrued liabilities and $19.7 million increase in inventories, offset by a $9.4 million increase in accounts payable and $6.1 million decrease in accounts receivable. This

increase was due to higher inventory levels in the third quarter of 2009 versus the fourth quarter of 2008 due to higher portable generator inventories, partially offset by seasonal management of accounts payable with certain of our suppliers and accounts receivable days. Net changes in operating assets and liabilities were an increase of $17.6 million for the nine months ended September 30, 2008, driven by a $35.2 increase in accounts receivable and $11.0 million increase in inventories, offset by a $17.8 million increase in accounts payable and $11.7 million increase in other accrued liabilities. This increase was primarily driven by increased sales and production volumes in the third quarter of 2008 versus the fourth quarter of 2007.

Net cash used in investing activities for the nine months ended September 30, 2009 was $2.7 million, which was the result of $2.9 million used for the purchase of property and equipment.

Net cash provided by financing activities in the nine months ended September 30, 2009 was $10.5 million due to a $20.0 million capital contribution in exchange for shares of our Series A Preferred Stock, offset by principal payments on our first lien term loan.

Year ended December 31, 2008 compared to year ended December 31, 2007

The following table summarizes our cash flows by category for the periods presented:

	Year ended December 31,			
(Dollars in thousands)	**2007**	**2008**	**Change**	**% Change**
Net cash provided by operating activities	$ 38,513	$ 10,225	$ (28,288)	(73.5)%
Net cash used in investing activities	$ (12,732)	$ (5,038)	$ 7,694	60.4%
Net cash provided by (used in) financing activities	$ (8,937)	$ 4,728	$ 13,665	152.9%

Net cash provided by operating activities was $10.2 million for 2008 compared to $38.5 million in 2007. The $28.3 million decrease was primarily due to a $9.4 million increase in net loss, excluding the impact of significant noncash charges such as a $583.5 million goodwill and trade name impairment charge in 2008 and non-cash gains on extinguishment of debt of $65.4 million in 2008 and $18.8 million in 2007. Increases in net operating assets and liabilities led to a further decrease of $18.8 million of net cash provided by operating activities, primarily driven by increased sales and production volumes in the fourth quarter of 2008 as compared to the fourth quarter of 2007. The increase in net operating assets and liabilities was primarily the result of a $20.8 million increase in accounts receivable and a $26.4 million increase in inventories, partially offset by a $34.4 million increase in accounts payable.

Net cash used for investing activities for the year ended December 31, 2008 was $5.0 million and included $5.2 million used for the purchase of property and equipment. Net cash used for investing activities for the year ended December 31, 2007 was $12.7 million and included $13.2 million used for the purchase of property and equipment and the construction of our distribution center in Whitewater, Wisconsin, partially offset by a cash inflow of $0.4 million from collections on receivable notes.

Net cash provided by financing activities was $4.7 million for the year ended December 31, 2008, driven by $15.5 million in stockholder contributions of capital, offset in part by

$10.4 million of payments on our term loans. Net cash used for financing activities was $8.9 million for the year ended December 31, 2007, primarily due to $9.5 million in principal payments on our first lien term loan.

Year ended December 31, 2007 compared to the combined year ended December 31, 2006

We compare the year ended December 31, 2007 (post-merger) and the combined periods from January 1, 2006 to November 10, 2006 (Predecessor) and from November 11, 2006 to December 31, 2006 (Successor) for purposes of management's discussion and analysis of our cash flows. Any references below to the year ended December 31, 2006 refer to the combined periods. Material fluctuations in cash flows resulting from the effect of purchase accounting have been highlighted.

U.S. GAAP does not allow for such combination of Predecessor and Successor financial results. We believe the combined information provides the most meaningful way to comment on our cash flows for the year ended December 31, 2006 compared to the year ended December 31, 2007 because discussion of any partial period comparisons would not be meaningful. The combined information is the result of merely adding the Predecessor and Successor columns, is not consistent with U.S. GAAP and does not include any pro forma assumptions or adjustments.

The following table summarizes our cash flows by category for the periods presented:

	Predecessor			Successor		
(Dollars in thousands)	Period from January 1, 2006 through November 10, 2006	Period from November 11, 2006 through December 31, 2006	Combined year ended December 31, 2006	Year ended December 31, 2007	Change	% Change
Net cash provided by operating activities	$ 2,761	$ 36,060	$ 38,821	$ 38,513	$ (308)	(0.8)%
Net cash used in investing activities	$ (5,707)	$ (1,865,003)	$ (1,870,710)	$ (12,732)	$ 1,857,978	99.3%
Net cash provided by (used in) financing activities	$ (15,227)	$ 1,883,414	$ 1,868,187	$ (8,937)	$ (1,877,124)	(100.5)%

Net cash provided by operating activities was $38.5 million in 2007 compared with $38.8 million for the combined period in 2006. The $0.3 million decrease was primarily attributable to an $18.8 million decrease in cash flows from net changes in operating assets and liabilities and the $18.8 million non-cash gain on extinguishment of debt incurred in 2007. Changes in operating assets and liabilities in 2007 were driven by a decrease in accrued liabilities of $14.2 million and a decrease in accounts payable of $3.4 million, offset by a decrease in inventories of $21.4 million and a $4.8 million decrease in accounts receivable as a result of lower sales volumes. These decreases were offset by a $39.0 million increase in amortization of intangibles as a result of the CCMP Transactions.

Net cash used for investing activities for the year ended December 31, 2007 was $12.7 million and included $13.2 million used for the purchase of property and equipment and the construction of our distribution center in Whitewater, Wisconsin. Net cash used for investing activities for the year ended December 31, 2006 was $1,870.7 million and included $1,864.3 million net cash used for the purchase of Generac Power Systems in connection with the CCMP Transactions and $6.9 million used for the purchase of property and equipment.

Net cash used for financing activities was $8.9 million for the year ended December 31, 2007, primarily due to $9.5 million in principal payments on our first lien term loan. Net cash provided by financing activities was $1,868.2 million for the year ended December 31, 2006. This was primarily due to $1,380.0 million in proceeds from long-term debt and $688.5 million in stockholder contributions of capital in connection with the CCMP Transactions.

Senior secured credit facilities

In November 2006, as part of the CCMP Transactions, Generac Power Systems entered into (i) a first lien credit facility with Goldman Sachs Credit Partners L.P., as administrative agent, composed of (x) a $950.0 million term loan, which matures in November 2013 and (y) a $150 million revolving credit facility, which matures in November 2012, and (ii) a second lien credit facility with JP Morgan Chase Bank, N.A., as administrative agent, composed of a $430.0 million term loan, which matures in May 2014. A summary of these senior secured credit facilities are described below. This description is qualified in its entirety by reference to the complete text of the related credit agreements and security agreements, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part.

The first lien credit facility bears interest at rates based upon either a base rate, plus an applicable margin (1.50% as of September 30, 2009, 1.50% as of December 31, 2008 and 1.50% as of December 31, 2007) or adjusted LIBOR rate plus an applicable margin (2.50% as of September 30, 2009, 2.50% as of December 31, 2008 and 2.50% as of December 31, 2007) determined based on a leverage ratio. The effective interest rate on the first lien credit facility term loan on September 30, 2009 was 5.7%. The second lien credit facility bears interest at rates based upon a base rate, plus an applicable margin of 5.00% or an adjusted LIBOR rate, plus an applicable margin of 6.00%. The effective interest rate on the second lien credit facility term loan on September 30, 2009 was 9.2%. Amounts under the revolving credit facility can be borrowed and repaid, from time to time, at our option, provided there is no default or event of default under either credit facility.

The obligations under the senior secured credit facilities are guaranteed by Generac Acquisition Corp. The first lien term loan facility and the revolving credit facility are secured by a first- priority perfected security interest (subject to permitted liens) in:

- substantially all tangible and intangible assets (subject to certain exceptions) owned by Generac Acquisition Corp. and Generac Power Systems;
- the capital stock of the existing and future domestic subsidiaries of Generac Acquisition Corp. and Generac Power Systems; provided that the pledge of the capital stock of non-U.S. subsidiaries is limited to 65% of the stock of the guarantors' non-U.S. subsidiaries; and
- all proceeds and products of the property and assets described above.

The second lien term loan facility is secured by a second-priority security interest in all the assets pledged to the first lien term loan facility and the revolving credit facility, as described above.

Covenant compliance

The senior secured credit facilities require Generac Power Systems to maintain a leverage ratio of consolidated total debt to EBITDA (as both terms are defined in the senior secured credit facilities). We refer to the calculation of EBITDA under and as defined in our senior secured

credit facilities in this prospectus as "Covenant EBITDA." Covenant EBITDA and the leverage ratio are calculated based on the four most recently completed fiscal quarters of Generac Power Systems. Based on the formulations set forth in the first lien credit facility, as of September 30, 2009, Generac Power Systems was required to maintain a maximum leverage ratio of 7.25 to 1.00, and the second lien credit facility required Generac Power Systems to maintain a maximum leverage ratio of 7.50 to 1.00. The maximum leverage ratio decreases over time under both facilities, and the more restrictive of the facilities requires Generac Power Systems to have a leverage ratio of no greater than 6.75 to 1.00 in the fourth quarter of 2009. As of September 30, 2009, Generac Power Systems' leverage ratio was 6.37 to 1.00. Failure to comply with this covenant would result in an event of default under our senior secured credit facilities unless waived by our lenders. As of September 30, 2008, Generac Power Systems had violated its leverage ratio covenant. As permitted by the senior secured credit facilities, this violation was remedied by an equity contribution of $15.3 million from affiliates of CCMP in the fourth quarter of 2008. Generac Power Systems was in compliance with all of its covenants as of December 31, 2007, December 31, 2008 and September 30, 2009.

The senior secured credit facilities contain other events of default that are customary for similar facilities and transactions, including a cross-default provision under the first lien credit facility with respect to any other indebtedness in an outstanding aggregate principal amount in excess of $25.0 million and a cross-default provision under the second lien credit facility with respect to any other indebtedness in an outstanding aggregate principal amount in excess of $28.75 million. An event of default under the senior secured credit facilities could result in the acceleration of our indebtedness under the facilities, and we may be unable to repay or finance the amounts due. If there were an event of default as a result of a failure to maintain our required leverage ratio or otherwise, it would have an adverse effect on our financial condition and liquidity, including preventing us from utilizing our revolving credit facility. In addition, the senior secured credit facilities restrict our ability to take certain actions, such as incur additional debt or make certain acquisitions, if we are unable to meet our leverage ratio.

We present Covenant EBITDA not only because of the maximum leverage ratio covenant in our senior secured credit facilities but also because our management uses Covenant EBITDA as a measure of our operating performance.

Covenant EBITDA represents net income (loss) as adjusted for the items reflected in the reconciliation table set forth below.

Covenant EBITDA does not represent, and should not be a substitute for net income (loss) as determined in accordance with U.S. GAAP. Covenant EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. Some of the limitations are:

- Covenant EBITDA does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- Covenant EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

- Covenant EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt; and
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Covenant EBITDA does not reflect any cash requirements for such replacements.

Because of these limitations, Covenant EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

The following table presents a reconciliation of net income (loss) to Covenant EBITDA:

(Dollars in thousands)	Year ended December 31, 2007	Year ended December 31, 2008	Twelve months ended September 30, 2009
			(Unaudited)
Net income (loss)	$ (9,714)	$ (555,955)	$ (491,390)
Interest expense	125,366	108,022	86,940
Depreciation and amortization	53,783	54,770	58,561
Income taxes provision (benefit)	(571)	400	(12,045)
Non-cash impairment and other charges(1)	5,328	585,634	584,277
Transaction costs and credit facility fees(2)	1,044	1,319	1,680
Non-cash gains(3)	(18,759)	(65,385)	(74,819)
Business optimization expenses(4)	1,944	971	247
Sponsor fees(5)	500	500	500
Letter of credit fees(6)	335	169	133
Other state taxes(7)	—	53	131
Holding company interest income(8)	(1,108)	(640)	(543)
Adjusted EBITDA	158,148	129,858	153,672
Savings(9)	—	3,343	470
Equity cure(10)	—	15,319	—
Covenant EBITDA	$ 158,148	$ 148,520	$ 154,142
Leverage ratio covenant:			
Net debt(11)	$ 1,219,094	$ 1,051,350	$ 981,597
Ratio of consolidated total debt to Covenant EBITDA	7.71x	7.08x	6.37x

(1) Represents the following non-cash charges:

- for the Predecessor Period, a loss on disposal of assets;
- for the period from November 11 through December 31, 2006, a charge for the step-up in book value of inventory as a result of the application of purchase accounting in connection with the CCMP Transactions;
- for the year ended December 31, 2007, primarily a $3.9 million charge related to the purchase accounting step-up of inventory value in connection with the CCMP Transactions. Also includes $1.4 million of other charges, including a write-off of a pre-CCMP Transactions receivable, stock compensation expense, unsettled mark to market losses on copper forward contracts and losses on disposals of assets;
- for the year ended December 31, 2008, primarily $503.2 million in goodwill impairment charges and $80.3 million in trade name impairment charges described in "Management's discussion and analysis of financial condition and results of operations—Critical accounting policies—Goodwill and other intangible assets." Also includes $1.6 million of unsettled mark to market losses on copper forward contracts, a write-off of pre-CCMP Transactions bad debts and losses on disposals of assets. Separately, the amount also includes a write-off of certain inventory; and

- for the twelve months ended September 30, 2009, primarily $503.2 million in goodwill impairment charges and $80.3 million in trade name impairment charges described above. Also includes $0.8 million of other charges, including a write-off of pre-CCMP Transactions bad debts, a write-off of certain inventory, and losses on disposals of assets.

(2) Represents the following transaction costs and fees relating to our senior secured credit facilities:

- transaction costs relating to the CCMP Transactions recorded in the Predecessor Period from January 1, 2006 through November 10, 2006 and the Successor Period from November 11, 2006 through December 31, 2008;
- for all periods after 2006, administrative agent fees and revolving credit facility commitment fees under our senior secured credit facilities; and
- for all periods after 2006, transaction costs relating to repurchases of debt under our first and second lien credit facilities by affiliates of CCMP, which CCMP's affiliates contributed to our company in exchange for the issuances of securities described in "Certain relationships and related person transactions—Issuances of securities."

(3) Represents non-cash gains on the extinguishment of debt repurchased by affiliates of CCMP, as described in note (2) above.

(4) Primarily represents severance costs incurred from restructuring-related activities. For the year ended December 31, 2007, consists of $1.4 million of severance costs and $0.6 million of other restructuring-related costs.

(5) Represents management, consulting, monitoring, transaction and advisory fees and related expenses paid or accrued to affiliates of CCMP and affiliates of Unitas under the advisory services and monitoring agreement described in "Certain relationships and related person transactions—Advisory services and monitoring agreement." Upon consummation of this offering, this agreement will automatically terminate.

(6) Represents fees on letters of credit outstanding under our senior secured credit facilities.

(7) Represents franchise and business activity taxes paid at the state level.

(8) Represents interest earned on cash held at Generac Holdings Inc. We exclude these amounts because we do not include them in the calculation of covenant "EBITDA" under and as defined in our senior secured credit facilities.

(9) Includes prospective cost savings permitted to be added back under our senior secured credit facilities. Because a portion of the prospective cost savings of $3.3 million for the year ended December 31, 2008 had been realized at September 30, 2009, the prospective cost savings at September 30, 2009 were $0.5 million.

(10) Equity cure represents a contribution by affiliates of CCMP in 2008 in order to cure a default under our leverage ratio. This contribution is permitted to be added back under our senior secured credit facilities and is not expected to be a recurring item.

(11) Represents Generac Power Systems' total debt less cash (Cash balance: $71.2 million as of December 31, 2007, $79.6 million as of December 31, 2008 and $111.9 million as of September 30, 2009). $2.0 million of second lien term loans purchased in 2009 has not yet been contributed to Generac Power Systems and is being held in treasury by the Company. As a result, this $2.0 million remains outstanding for the purposes of covenant compliance.

The differences between the definition of Covenant EBITDA and the definition of Adjusted EBITDA presented under "Prospectus summary—Summary historical consolidated financial and other data" and used in this prospectus are that the calculation of Adjusted EBITDA excludes the adjustments included under the line items "Savings" and "Equity cure" above. We did not include the adjustment for the prospective cost savings in our calculation of Adjusted EBITDA because we are presenting Adjusted EBITDA as a measure of our historical operating performance, and this adjustment represents cost savings that we expect to achieve in the future. Similarly, we did not include the adjustment for the equity cure by affiliates of CCMP in 2008 in our calculation of Adjusted EBITDA because this cash amount received from affiliates of CCMP was not generated by our operations.

In addition to the financial covenant described above, the senior secured credit facilities contain certain other affirmative and negative covenants that, among other things, provide limitations on the incurrence of additional indebtedness, liens on property, sale and leaseback transactions, investments, loans and advances, merger or consolidation, asset sales, acquisitions, transactions with affiliates, prepayments of any other indebtedness, modifications of Generac Power Systems' organizational documents and restrictions on Generac Power Systems' subsidiaries. The ability to declare or pay dividends or make any other distributions with respect to any equity interests of Generac Power Systems, or to redeem, purchase, retire or

otherwise acquire for value any equity interests of Generac Power Systems is also restricted under the first lien and second lien credit facility, subject to certain exceptions, including but not limited to dividends and distributions with the net proceeds of any issuance of qualified capital stock and a dollar basket which may be increased, subject to the restrictions set forth in the credit documents. Additionally, the senior secured credit facilities contain events of default that are customary for similar facilities and transactions, including, among others, non-payment, breach of covenants, other defaults, change of control, misrepresentations and a cross-default provision with respect to any other indebtedness. As of September 30, 2009, Generac Power Systems was in compliance with all covenants.

Both the first lien and second lien credit facility grant Generac Power Systems the option to prepay its borrowings under the term loans or the revolving credit facility, subject to the procedures set forth in the credit documents. In certain circumstances, Generac Power Systems may be required to make prepayments on its borrowings if it receives proceeds as a result of certain asset sales, debt issuances, casualty or similar events of loss or if Generac Power Systems has excess cash flow (as defined in the senior secured credit facilities).

As of September 30, 2009, $910.7 million of borrowings were outstanding under the first lien term loan, and $180.8 million of borrowing were outstanding under the second lien term loan. As of December 31, 2008, $930.1 million of borrowings were outstanding under the first lien term loan and $200.8 million of borrowing were outstanding under the second lien term loan.

Contractual obligations

The following table summarizes our expected payments for significant contractual obligations as of September 30, 2009:

(Dollars in thousands)		**Payment due by period**			
Contractual obligations	**Total**	**Less than 1 year**	**2-3 years**	**4-5 years**	**After 5 years**
Long-term debt, including current portion	$ 1,091,539	$ 7,125	$ 19,000	$ 1,065,414	—
Interest on long-term debt(1)	158,426	37,524	74,335	46,567	—
Operating leases	502	203	299	—	—
Total contractual cash obligations	$ 1,250,467	$ 44,852	$ 93,634	$ 1,111,981	$ —

(1) Assumes all debt will remain outstanding until maturity and using the interest rates in effect for our senior secured credit facilities as of September 30, 2009.

Capital expenditures

Our operations continue to require significant capital expenditures for technology, capacity expansion and upgrades. Capital expenditures were $5.2 million for the year ended December 31, 2008, and were funded through cash from operations. Capital expenditures were $13.2 million for the year ended December 31, 2007, including expenditures relating to the construction of our distribution center in Whitewater, Wisconsin. We currently project our capital expenditures for 2009 to be approximately $5 million, and we expect to fund these capital expenditures with cash from operations.

Off-balance sheet arrangements

We have an arrangement with a finance company to provide floor plan financing for selected dealers. This arrangement provides liquidity for our dealers by financing dealer purchases of

products with credit availability from the finance company. We receive payment from the finance company within a few days of shipment and our dealers are given a longer period of time to pay the finance provider. If our dealers do not pay the finance company, we may be required to repurchase the applicable inventory held by the dealer. We also indemnify the financing company for credit losses up to 50% of the financed balance where inventory cannot be returned. Total inventory financed accounted for approximately 5% of net sales for the year ended December 31, 2008. The amount financed by dealers which remained outstanding as of December 31, 2008 was $7.5 million. In 2009, we entered into a floor plan financing arrangement with another financing company under which we do not indemnify the financing company for credit losses associated with unreturnable inventory.

On October 5, 2009, we entered into a six-month commodity hedge transaction for copper with a total notional amount of $1.4 million. The primary objective of the hedge is to mitigate the impact of potential price fluctuations of copper on our financial results. Total losses or gains are recognized in the consolidated statement of operations.

Inflation

We do not believe that inflation has had a material effect on our results of operations. However, our business could be affected by inflation in the future.

Quantitative and qualitative disclosures about market risk

We are exposed to market risk from changes in foreign currency exchange rates, commodity prices and interest rates. To reduce the risk from changes in certain foreign currency exchange rates and commodity prices, we use financial instruments from time to time. We do not hold or issue financial instruments for trading purposes.

Foreign currency

We are exposed to foreign currency exchange risk as a result of purchasing from suppliers in other countries. Periodically, we utilize foreign currency forward purchase and sales contracts to manage the volatility associated with foreign currency purchases in the normal course of business. Contracts typically have maturities of one year or less. Realized and unrealized gains and losses on transactions denominated in foreign currency are recorded in earnings as a component of cost of goods sold. At September 30, 2009 and December 31, 2008, we had no foreign exchange contracts outstanding.

Commodity prices

We are a purchaser of commodities and of components manufactured from commodities, including steel, aluminum, copper and others. As a result, we are exposed to fluctuating market prices for those commodities. While such materials are typically available from numerous suppliers, commodity raw materials are subject to price fluctuations. We generally buy these commodities and components based upon market prices that are established with the supplier as part of the purchase process. Depending on the supplier, these market prices may reset on a periodic basis based on negotiated lags. To the extent that commodity prices increase and we do not have firm pricing from our suppliers, or our suppliers are not able to honor such prices, we may experience a decline in our gross margins to the extent we are not able to increase selling prices of our products or obtain manufacturing efficiencies to offset increases in commodity costs.

Periodically, we engage in certain commodity risk management activities. The primary objectives of these activities are to understand and mitigate the impact of potential price fluctuations on our financial results. Generally, these risk management transactions will involve the use of commodity derivatives to protect against exposure resulting from significant price fluctuations.

We primarily utilize commodity contracts with maturities of one year or less. These are intended to offset the effect of price fluctuations on actual inventory purchases. At December 31, 2008, there were two outstanding commodity contracts in place to hedge our projected commodity purchases. Total gains or losses recognized in the statements of operations on commodity contracts were a loss of $1,092,000 for the year ended December 31, 2008. At September 30, 2009, there were no outstanding commodity contracts in place to hedge our projected commodity purchases. Total gains or losses recognized in the statements of operations on commodity contracts were a $137,000 gain for the nine-month period ended September 30, 2009.

On October 5, 2009, we entered into a six-month commodity hedge transaction for copper with a total notional amount of $1.4 million. The primary objective of the hedge is to mitigate the impact of potential price fluctuations of copper on our financial results. Total losses or gains are recognized in the consolidated statement of operations.

Interest rates

As of September 30, 2009, a portion of the outstanding debt under our term loans was subject to floating interest rate risk. We previously entered into swaps with certain banks. The notional amount of these swaps was $675.0 million as of September 30, 2009. At September 30, 2009, the fair value of the swaps reduced for our credit risk was a liability of $14.0 million. For further information on these swaps, see Note 6 to our audited consolidated financial statements included elsewhere in this prospectus. Even after giving effect to these swaps, we are exposed to risks due to fluctuations in the market value of these swaps and changes in interest rates with respect to the portion of our term loans that are not covered by these swaps. A hypothetical change in the LIBOR interest rate of 100 basis points would have changed annual cash interest expense by approximately $4.2 million (or, without the swaps in place, $10.9 million).

Recent accounting pronouncements

In June 2009, the Financial Accounting Standards Board, or FASB, issued ASC 105 (formerly SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles—a Replacement of FASB Statement No. 162*). ASC 105 establishes the Codification as the source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. Following this Statement, the FASB will not issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates. All guidance contained in the Codification carries an equal level of authority. The GAAP hierarchy will be modified to include only two levels of GAAP: authoritative and nonauthoritative. All nongrandfathered non-SEC accounting literature not included in the Codification will become nonauthoritative. SFAS No. 168 is effective for interim or annual financial periods ending after September 15, 2009. We will adopt this

statement in the third quarter of fiscal 2009 and do not anticipate adoption will have a material impact on our consolidated financial position, results of operations or liquidity.

In May 2009, the FASB issued ASC 855, *Subsequent Events*. ASC 855 establishes general standards of accounting for the disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and whether that date represents the date the financial statements were issued or were available to be issued. ASC 855 is effective for interim or annual financial periods ending after June 15, 2009 and is applied prospectively. We adopted this statement effective June 30, 2009. There was no material financial statement impact as a result of adoption.

In March 2008, the FASB amended ASC 815, *Derivatives and Hedging*. ASC 815 is intended to help investors better understand how derivative instruments and hedging activities affect an entity's financial position, financial performance and cash flows through enhanced disclosure requirements. ASC 815 is effective for fiscal years and interim periods beginning after November 15, 2008. We adopted this statement effective January 1, 2009, which impacted our disclosures related to our hedging activities.

In December 2007, the FASB issued amended ASC 805. ASC 805 will significantly change the accounting for business combinations in a number of areas including the treatment of contingent consideration, contingencies, acquisition costs, in-process research and development, and restructuring costs. In addition, under ASC 805, changes in deferred tax asset valuation allowances and acquired income tax uncertainties in a business combination after the measurement period will impact income taxes. ASC 805 is effective for fiscal years beginning after December 15, 2008 and will impact the accounting for any business combinations entered into after the effective date.

Industry

Industry and market data

This prospectus contains market data related to our business and industry. The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, governmental publications, reports by market research firms or other independent sources. Although we believe these third-party sources are reliable, we have not independently verified the information. Also, some data are based on our management's internally derived good faith estimates, which are based on, among other things, third-party sources, internal market research, publicly available information about our competitors and feedback from distributors and customers.

Portions of this market data that relate to future market growth are based on a number of assumptions. If these assumptions turn out to be incorrect, actual market performance may differ from projected growth based on these assumptions. As a result, our markets may not grow at the rates projected by these data, or at all. The failure of these markets to grow at these projected rates may have a material adverse effect on our business, financial condition, results of operations and the market price of our common stock.

Aging U.S. power grid leading to recurring power outages

Disruptions to the aging U.S. power grid are increasing due to demand growth, equipment failures, prevalent under-investment and a variety of environmental causes. Over 20% of the power plants in the U.S. are more than 50 years old, with the average power plant having been constructed in 1964. According to the North American Electrical Reliability Council, or NERC, 30% to 50% of the transmission and distribution network in the United States is 40 to 50 years old. Under-investment in the transmission and distribution networks also compounds these challenges. The Edison Foundation estimates that approximately $880 billion will need to be invested in the U.S. transmission and distribution networks through 2030 to maintain today's level of electric service reliability.

Due to constraints on investment in the generation and transmission networks, the U.S. power grid has historically been prone to both minor and significant outage events caused by shortages in peak system capacity or equipment failure, as well as periodic outages caused by weather events. While major tropical storms and ice storms cause critical outages and receive extensive news coverage, power consumers in many regions of the country experience more frequent power quality disruptions driven by a wide variety of causes. Based on NERC reports on the causes of major power outages from 2002 to 2008, we estimate that the most significant cause of major power disturbances from 2002 to 2008 was high winds and thunderstorms with 43% of disturbances over this period, while ice and winter storms accounted only for 9%. Other important factors included grid reliability issues with 14% and other causes with 19% of disturbances over this period related to equipment failure, short circuits, vandalism and fire. Extreme weather conditions, including hurricanes, accounted for only 15% of major power disturbances over the same period.

In an effort to address these challenges, many utilities have performed feasibility and cost-benefit studies on burying above-ground power distribution lines underground, sometimes referred to as undergrounding. Undergrounding is expensive, costing up to an average of

$1 million per mile. With an estimated 4.0 million miles of overhead distribution lines across the United States according to the Edison Electric Institute, the implied cost to underground the national grid is $4.0 trillion. Given the large estimated cost to upgrade the U.S. power grid, we believe it is unlikely that the core causes of power disturbances will be addressed in the near future.

Generators are an alternative reliable power solution

The emergency standby generator market provides back-up power to a utility power source to ensure an uninterrupted power supply. Generators can be stationary or portable. A stationary standby generator is permanently installed outside a home, business or manufacturing facility. When primary utility power fails, the generator automatically starts and provides electrical power until utility power returns. Portable generators are used in locations that have no utility power source, such as construction sites, or in locations and situations where a permanent back-up power source is impractical.

Generator users can be broadly grouped into the residential, portable, commercial and industrial end markets. We estimate that the generator market in the United States and Canada was $3.6 billion in 2008, and the overall global generator market was estimated by Frost and Sullivan to be over $11 billion in 2008. The residential standby and portable market in the United States and Canada, which we estimate to be $1.1 billion in 2008, includes standby generators with a power range of 8kW to 60kW and portable generators with a power range of less than 1kW to 17.5kW. Residential standby generators are sold to homeowners and portable generators are sold to consumer and professional users.

We estimate that the light commercial and industrial market in the United States and Canada was $2.3 billion in 2008. The light-commercial market in the United States and Canada primarily uses standby generators that range between 20kW and 150kW. Light-commercial end users include grocery and convenience stores, restaurants, gas stations, pharmacies, retail banks, small hospitals and health care facilities and police and fire stations. Small businesses, such as convenience stores and restaurants, rely on standby power generation to preserve sales potentially lost during a power outage and to protect against the high cost of inventory spoilage. The U.S. industrial market utilizes emergency standby, mobile and prime generators with output ranges from 20kW to several megawatts. Industrial end users include data centers, telecommunications operators, hospitals, manufacturing facilities, water and waste water treatment plants, large retailers, and government and other municipal facilities. We estimate that other generator markets, including RV generators, comprise an additional $200 million market in the United States and Canada in 2008.

The cost of outages and the relative affordability of generators have improved their potential return on investment

According to a 2006 report by Lawrence Berkeley National Laboratory, or LBNL, quoted in the SENTECH report, the average consumer on the U.S. power grid experienced 4.3 momentary power outages (less than five minutes) and 1.2 sustained power outages (more than five minutes) per year with an average duration of 106 minutes. LBNL published an estimate in 2006 that indicates, based on 2002 data, out of an annual $79 billion total cost to all U.S electricity consumers, the estimated cost of power outages was $57 billion for commercial U.S.

electricity consumers ($3,800 per commercial consumer annually) and $20 billion for industrial U.S. electricity customers ($12,750 per industrial consumer annually).

According to the SENTECH report, it is estimated that the average annual cost of sustained power outages is $7.2 billion for the industrial sector and $11.5 billion for the commercial sector. According to the same report, the cost of one hour of downtime in the industrial sector can be between $20,000 and $50,000, while four hours of downtime can cost up to seven times as much. In the commercial sector, one hour of downtime often costs the average commercial business less than $1,500, but one hour of downtime in the food selling and services industry typically results in losses of between $3,000 and $5,000 and of up to $23,000 for refrigerated warehouses.

Compared to the potential cost of power outages, the purchase and installation of back-up power generators is relatively inexpensive, often yielding a short-term positive return on investment for commercial and industrial consumers. In the light commercial sector in particular, natural gas and liquid propane-fueled generators have begun to replace traditional diesel generators due to their lower acquisition and operating costs. As an example, due to the increased regulation of diesel engines, the acquisition cost of a typical 150kW diesel generator is approximately 35% higher than the acquisition cost of a 150 kW natural gas generator. For many light-commercial businesses, the cost of a generator can now be recouped through the savings realized during a single power outage. We believe that the lower cost of natural gas generators for small and medium commercial businesses has expanded the potential market for generators by making the purchase of a generator more economically compelling for those businesses.

Generator prices have also declined significantly for residential consumers over the last 10 years, resulting in increased affordability. Since 1999, the retail price for our entry level residential standby generator has decreased by more than 50% from over $4,500 to approximately $2,000 (before installation costs). We believe that this reduction in price has significantly narrowed the affordability gap between portable and automatic, stationary home standby generators, resulting in higher growth rates in the automatic home standby market.

Low penetration in residential and light commercial markets and opportunities for increased penetration in industrial market

We believe that the penetration in the residential and light commercial markets is significantly lower than the rate of penetration in established markets for industrial generators like hospitals, data centers and industrial facilities. We estimate that the residential standby generator market has grown at an approximate 16% CAGR since 2003. There is a substantial opportunity for further penetration in this market, since we estimate penetration to be approximately 2% of U.S. single-family, detached, owner-occupied households with a home value of over $100,000, as defined by the U.S. Census Bureau's 2007 American Housing Survey for the United States. This low penetration, when coupled with demographic and lifestyle changes and increasing reliance on home electronics for communication, recreation and work over the last decade, represents a significant opportunity for growth. We believe that each 1% of U.S. household penetration potentially represents up to an approximate $2 billion market opportunity at current product pricing. Based on warranty information consumers provide us when registering their products, most purchased generators are dedicated to existing homes, and a relatively small percentage of generators are purchased for newly constructed homes.

We also believe there are potential parallels between today's residential standby generator market and the developing central air conditioning market in the 1960s, including low penetration, improving affordability and availability, and a growing demand for convenience and comfort. Central air conditioning penetration increased rapidly from under 25% of homes in 1978 to more than 60% of U.S. homes today. Although we cannot predict future generator penetration rates, we believe there is potential for significant increases in standby generator penetration over the next several years.

Opportunities for further penetration of the residential market are enhanced by the increasing visibility of residential generators through expanded distribution in the dealer and retail channels. In the past few years, automatic, standby home generators have become standard merchandise in most national retail chains, leading home improvement chains and independent community hardware stores, and we believe the resulting product awareness and availability will facilitate the expansion of our sales to this market.

According to a 2007 Frost and Sullivan report, the light commercial market is projected to grow at a higher rate than the industrial market, as businesses evaluate the increasing affordability of back-up power solutions. Most commercial structures, such as grocery and convenience stores, restaurants, pharmacies, gas stations and retail banks, show minimal penetration by generators. This market represents an attractive opportunity in the United States, which has over two million commercial business locations.

We estimate that the market for portable generators currently has a higher penetration rate of approximately 10% to 15% of U.S. homes, however we believe there are further opportunities for growth. While portable generator purchases are driven by many factors, the first purchase is often driven by spontaneous purchases in the context of unanticipated power outages. Portable generators can also be useful for recreational purposes (such as camping and tailgating) or homeowner usage (cost-effective back-up planning). Portable generators also offer a solution for contractors or professional users who require mobile portable power on their jobsites. We believe portable generators serve as an entry point into the standby residential market, as those consumers who already own portable generators may choose to upgrade to automatic, standby generators. When comparing the ease of use of an automatic system to the more labor-intensive nature of a portable generator, these customers may view the permanently installed and automatic, standby generator as an attractive alternative. Overall, portable generators have similar consumer attributes and demographics as standby generators and share many of the same drivers of a purchase decision. In fact, according to a survey of our customers that we commissioned in 2006, over 45% of standby generator buyers own or have previously owned portable generators.

Even in the more mature industrial market, we believe there are additional opportunities for penetration, especially given the benefits provided by natural gas engines over more common diesel engine-based generators. Natural gas-fueled generators minimize spillage, spoilage, environmental or odor concerns, eliminate fuel-related storage and address the need to comply with emission regulation. According to Frost and Sullivan, in North America, smaller gas generators (less than 250kW) are expected to grow 6.1% annually by 2011, slightly faster than diesel generators, which are expected to grow 5.0% annually over the same period. However, larger gas generators (250kW to 1mW) are expected to grow 7.3% by 2011, significantly higher than diesel generators at 4.2% over the same period. In addition, continued regulation of diesel engine emissions as well as rising fuel costs and raw material prices could significantly

increase the costs involved in manufacturing and operating diesel generators in the long-term. We expect industrial customers to increasingly transition to generators powered by liquid propane gas or natural gas instead of diesel fuel.

Demographic trends lead to an increased focus on the safety and security provided by standby generators

We believe favorable consumer demographic trends provide opportunities for growth for automatic home standby generators. We believe demographic changes may lead to an increase in demand as the U.S. population becomes older, increasingly conscious of safety issues, focused on convenience and dependent on electronic devices. According to our warranty registration data, currently over 70% of home standby generators are purchased by consumers over 50 years of age. According to the U.S. Census Bureau, the population segment in the United States between 45 and 64 years of age is expected to grow 7.5% from 2008 to 2015. This generation is expected to be a key factor in the growth of the industry, since, as homeowners, they may consider standby generators a source of security. For example, many owners of second homes or people who travel away from home purchase generators for their residences because they enhance home safety and functionality in their absence by securing constant power for furnaces and preventing freezing of pipes during winter outages. Generators provide protection from home flooding in the event of a sump pump malfunction due to a power loss and help inhibit home and basement mold growth that could occur due to central air or ventilation failures from an outage. In addition, a standby power source is important for people who depend on home electronics for communication, work and recreation. Homeowners also find comfort in knowing that their generators protect against possible vandalism or theft that could occur from a power loss to their home security system.

The oldest segment of the population, those above 64 years of age, is projected to grow by 20.5% from 2008 to 2015, according to the U.S. Census Bureau and may consider generators as investment protection against potentially expensive damage or life-threatening situations caused by power loss. As this age group grows older, its members may choose to remain in their homes instead of relocating to assisted living communities and may require medical devices in their homes that depend on continuous power to function properly. A continuous power solution will be a critical issue for this population segment, which may turn to standby power generation for safety, security, convenience and peace of mind.

Individuals who purchase standby generators typically focus on factors such as affordability, availability, reliability and ease of installation, which have been improving over the past decade. In addition, the shift in population habits has driven increased reliance on electronics, and a growing number of individuals working from home depend on a constant power source to operate their electronic devices and avoid personal business disruption.

Opportunities for international expansion

The international market represents a significant opportunity for growth in the sale of generators. Market growth rates in Latin America in 2010, as estimated by Frost and Sullivan, range from 8% to 9% in Argentina and Chile to 14% to 15% in Colombia and Mexico. According to Frost and Sullivan, while the European market is expected to grow 3% annually through 2013 to $1.8 billion, other international markets are expected to grow faster, such as

Russia (expected to grow by 10% annually through 2011) and China (expected to grow annually by approximately 14% to a market size of $6.9 billion by 2015).

In emerging markets such as Brazil, Russian, India and China, the power infrastructure is generally not as developed as that of developed markets, and the majority of generators sold in these markets are designed for use in extended outages or in place of utility power. In developed markets such as the United States, generators are primarily sold for emergency standby purposes as electrical generation, transmission and distribution in these markets is generally more mature. In addition, diesel generators represent a more significant percentage of the market in many international markets than in the United States, providing an opportunity for increased sales of gaseous and Bi-Fuel™ generators for certain applications in areas with existing natural gas infrastructure.

Competitive dynamics outside North America differ by market but are generally characterized by competition between international generator manufacturers that have established distribution infrastructure and regional generator manufacturers in each market. Currently, Generac has limited sales infrastructure in markets outside of the United States, Canada and certain Latin American countries.

Regulatory changes should lead to growth in the commercial and industrial standby markets

In some industries the use of a generator is regulated. Federal, state and local governmental authorities have proposed and passed legislation requiring the use of generators within some segments of the industrial and light-commercial markets. Building, health and safety codes often require back-up standby generators in municipal and government buildings, typically for crucial applications such as life support systems, safe building egress or critical equipment functionality. Industry practice, as defined by the National Electrical Code, dictates that certain types of facilities, such as hospitals, are required to have emergency standby power systems.

Additionally, increased federal regulation of diesel engine emissions and increased municipal regulation of diesel fuel storage should encourage market growth for natural gas-powered standby generators. Generac is a leader in natural gas generators, which are currently the generator of choice for the residential standby market and are increasingly used in the commercial and industrial market.

In the event of new federal, state or municipal legislation and regulation, additional infrastructure and buildings may be required to be equipped with back-up power supplies, and these changes may have a significant impact on the generator market. For example, in 2007, the Federal Communications Commission, or FCC, proposed that all cell phone towers have eight hours of standby back-up power. Though this proposal has not been enacted, it illustrates the increased focus of regulators on ensuring adequate back-up power for crucial services. In addition, in 2006, Florida passed its Disaster Preparedness Response and Recovery bill, which required gas stations located on hurricane evacuation routes to have a back-up power generator.

Potential benefits from infrastructure spending programs and recovery in the non-residential construction market

The American Recovery and Reinvestment Act passed in February 2009 provides for $130 billion of construction-related spending for a wide range of projects, including federal buildings and hospitals. We believe that the generator market should benefit from this infusion of funds into the construction market as the construction of large municipal infrastructure usually includes the installation of back-up standby generators larger than 150kW. In addition, after the current downturn in non-residential construction, the Rosen Consulting Group estimates that spending in this sector will recover after 2010 and increase by 12.5% to $315 billion in 2011 and increase by another 20.6% to $380 billion in 2012. Any such recovery in this market should provide additional marketing opportunities for our standby and portable generator business.

Business

Overview

We are a leading designer and manufacturer of a wide range of automatic, stationary standby and portable generators. As the only significant market participant focused exclusively on these products, we have a leading market share of the standby generator market in the United States and Canada, having grown our company organically by a 16% CAGR since 2000. We design, engineer and manufacture generators with an output of between 800W and 9mW of power. We design, manufacture, source and modify engines, alternators, automatic transfer switches and other components necessary for our products. Our generators are fueled by natural gas, liquid propane, gasoline, diesel and Bi-Fuel™. Our products serve the power requirements of a wide variety of end markets including the residential, commercial, industrial and telecommunications markets.

We have what we believe is an industry leading, multi-layered distribution network, and our products are available in over 17,000 outlets across the United States and Canada. We distribute our generators through independent and industrial dealers, electrical wholesalers, national accounts, private label arrangements, retailers, catalogs and e-commerce merchants. We currently sell our products primarily in North America, and for the year ended December 31, 2008, sales in the U.S. and Canadian markets represented over 99% of our net sales. We believe that our leading market position is largely attributable to our strategy of providing high-quality, innovative and affordable products through our extensive and multi-layered distribution network.

We own and operate three manufacturing plants and one distribution facility in Eagle, Wisconsin, Waukesha, Wisconsin and Whitewater, Wisconsin, totaling approximately 1,000,000 total square feet. We also maintain inventory warehouses in the United States that accommodate the rapid response requirements of our customers.

Our competitive strengths

We believe that the following strengths contribute to our being a leading generator manufacturer and will allow us to further capitalize on growth opportunities in our industry:

Significant market share with opportunities for further penetration

We enjoy a leading industry market position with a significant market share and opportunities for future penetration. In the residential standby generator market in the United States and Canada, we believe we are the market leader with a market share that we estimate to be approximately 70%. We believe that we will have opportunities for growth in this market as spending on new homes and construction recovers and consumer awareness of the benefits of standby generators grows. Our market share in the market for portable generators was less than 10% in 2008, as we re-entered the market in the second quarter of 2008 following the expiration of a non-competition agreement in 2007.

We believe we also hold strong positions in the $2.3 billion light-commercial and industrial markets with an 8% overall market share in the United States and Canada, with a higher share in certain end markets. We believe we will experience growth in these markets as potential end-users recognize that our modular power systems and our natural gas engine platforms provide increased efficiency, affordability and flexibility, by allowing the addition of generating

capacity or the maintenance of existing generators without replacing other modules. Within this market, we believe we have a higher share in certain end markets, including light commercial applications.

We believe that our leading market position and brand recognition and our resulting sales volumes enable us to realize economies of scale in both sourcing and manufacturing, creating cost advantages and giving us a competitive edge when seeking to exploit new business opportunities.

Multi-layered distribution model

The majority of standby power systems are installed by an experienced contractor. As a result, having a network of experienced dealers who can sell, manage the installation of and service the generator is important. We believe that our multi-layered distribution model gives us an advantage over competitors who do not have as broad a distribution network and generally rely on a single channel to market and sell their products. Our distribution network includes independent and industrial dealers, electrical wholesalers, national accounts, private label arrangements, retailers, catalogs and e-commerce merchants.

Dealers. We are constantly developing the scope and strength of our dealer networks, comprised of over 3,700 dealers. Our dealers include electrical, plumbing, heating, ventilating and air conditioning, or HVAC, and home security contractors and outdoor power equipment dealers. Our dealers serve as both a nationwide direct sales channel and an after-sale service and product support network and are therefore critical to our business, growth strategy and brand management. We are committed to continually engaging new dealers and improving overall performance through training, incentive and certification programs. We have trained over 10,000 technicians on our products over the last three years alone. We believe that our dedicated training program helps us capture the best talent and retain the most profitable dealers and that our commitment to growing our dealer network positions us well to pursue opportunities for improved sales distribution in underserved markets.

Wholesale. We sell our products to electrical wholesale distributors who generally supply electrical contractors. The wholesale channel allows us broader access and exposure to electrical contractors, who represent an important source of business and referrals. We currently distribute our products through over 1,700 wholesale locations across the United States and Canada.

Private label. In addition to distributing our products under our Generac® brand name, we have entered into several private label arrangements, which allow us to further distribute our products through HVAC equipment, electrical equipment and construction machinery companies. Private label arrangements provide us with access to additional sales channels through other dealers and opportunities for deeper market penetration.

Retail and e-commerce. We have sales arrangements with top retailers and e-commerce companies, including regional and national home improvement chains, independent hardware stores, electrical supply companies and catalog businesses. We believe the visibility that our products receive through these outlets not only creates brand awareness but also sparks customer curiosity, prompting customers to research generators which they ultimately may purchase through these channels or directly through dealers.

Direct national accounts. Our direct-to-national accounts strategy provides a direct coordinated sales approach for our large customers, backed by our network of dealers and

trained technicians who can install and service the generator. We have achieved success with this strategy within the telecommunications and industrial market. Products sold through our national account sales are installed and serviced by our industrial dealers.

Our multi-layered distribution model enables us to capture new growth opportunities through evolving sales channels. Overall, our complementary network of sales channels positions us competitively for efficient customer outreach.

Broadest product line in the industry

Our product offerings include a comprehensive selection of standby and portable generators of various sizes and types with ranges of power output capable of catering to many end markets and users. Our product portfolio includes generators powered by gasoline, diesel, liquid propane and natural gas as well as Bi-Fuel™ systems. Because we manufacture units for all fuel types, we are able to take advantage of marketing opportunities created by changing emission regulations and customer preferences. For example, we believe that the lower cost of natural gas powered generators for commercial purchasers such as retail stores, nursing homes, bank branches and gas stations has expanded the market by making the return on investment more compelling for these businesses. We also manufacture a complete line of automatic transfer switches, which we pair with our generators to create a complete back-up power system.

We believe that our broad product line provides us with a competitive advantage because dealers and distributors prefer dealing with a single source for a broad range of their standby and portable generator needs.

Engineering excellence

Our primary focus on generators drives technological innovation, specialized engineering and manufacturing competencies and distinguishes us from other engine and generator manufacturers for whom the sale and manufacture of power generation equipment is not their primary business. We currently operate three advanced facilities and employ over 100 engineers who focus on new product development, existing product improvement and cost reduction. Our integrated approach to engineering and manufacturing gives us the ability to quickly modify existing products or design new ones to better satisfy customer demands and evolving regulatory requirements.

Our commitment to research and development has resulted in a portfolio of approximately 50 U.S. and international patents and patent applications. Examples of our technological advancements include our technology concerning Bi-Fuel™ and our MPS technology. Bi-Fuel™ generators run on both diesel and natural gas to allow our customers the advantage of multiple fuel sources and extended run times. Our MPS technology gives our customers the flexibility to combine the power of several smaller generators to produce the output of a larger generator, providing them with redundancy and scalability in a cost-effective manner.

Over the past 50 years, our business has earned a reputation for designing and manufacturing affordable, innovative and high-quality products.

Low-cost producer

We believe that our product engineering, manufacturing and sourcing capabilities, along with our production volume, have enabled us to be one of the lowest-cost producers in the industry. These capabilities are based on processes that we have developed and refined over our history and that provide us with significant operating flexibility and capital efficiency.

We have implemented lean manufacturing initiatives and designed our production facilities to quickly adapt to customer demand and to the development of new product offerings. Our vertical integration gives us the ability to produce both standard and customizable products efficiently.

As part of our sourcing strategy, we have developed a network of reliable, low-cost suppliers in the United States and abroad. Our volume requirements and leading market position generally enable us to obtain favorable terms from our suppliers. In 2009 to date, we sourced more than half of our product components from outside the United States through foreign suppliers with whom we have built strong relationships. We believe that this network of relationships cannot be easily replicated.

Our volume-driven purchasing advantages, manufacturing excellence and sourcing relationships enable us to reduce the cost and manufacturing time of our generators and allow us to respond favorably to changes in the market.

Financial flexibility and strong free cash flow generation

Our disciplined and flexible cost structure and low-cost global sourcing has contributed to our financial strength and strong cash flow generation. With a highly variable manufacturing and selling, general and administrative cost structure, we believe that we are well positioned for future, growth, and have the ability to respond quickly to varying market environments. Furthermore, our business model generally requires low capital expenditures with amounts that have averaged less than $9 million per year for each of the last three years. In addition, due to a tax election that was made at the time of the CCMP Transactions, we expect to have $122 million in annual amortization deductions of intangibles for tax purposes through 2020, which can be used to reduce any cash tax obligations. Any additional cash tax obligations may be further reduced by our $131 million balance of net operating losses as of December 31. 2008.

Experienced management team with substantial equity stake

Our senior management team has significant generator industry experience and a strong track record with a combined total of over 100 years of industry and related experience. This team has been highly successful at expanding our product line, distribution channels, and technology leadership, positioning our business for growth through innovation. We expect that upon consummation of this offering, members of our senior management team will own approximately % of our outstanding common stock on a fully-diluted basis.

Our strategy

We believe we can capitalize on our competitive strengths to grow our business through the following strategies:

Further develop domestic distribution and sales channels

New dealers. We intend to further expand our geographic and product markets in North America through new dealer recruitment and the continued development of our dealer network. Our dealer recruitment efforts have yielded non-exclusive relationships with over 600 new dealers in 2009, and we have trained over 10,000 technicians on our products over the last three years. We do not own any of the dealers that distribute our products. We believe that we can create an enhanced dealer network with qualified dealers capable of improving sales

distribution in underserved and under-penetrated markets and providing critical after-sale support of our products to new end users.

Private labels. We continue to explore additional strategic partnerships to expand our distribution reach. We have entered into several successful private label arrangements, and we expect to expand these and other programs. Our management identifies and endeavors to establish mutually beneficial relationships with companies that manufacture complementary products and provide additional distribution opportunities. We employ similar efforts with companies that could act as referrals for Generac® products in their respective markets.

Direct national accounts. We target commercial and industrial customers through national accounts programs that are serviced by our industrial dealers. These efforts generally are directed at companies that have the potential to generate large commitments, such as our existing non-exclusive supply contracts with several leading telecommunications operators. In the light commercial market, we are focusing on opportunities to grow our existing customer base while increasing penetration in smaller, non-traditional end markets. This approach targets potential customers such as smaller health care facilities, nursing homes and medical clinics, grocery and convenience stores, pharmacies and other stores with needs for stationary standby generators, and we seek to develop sales programs with higher volume customers through our national accounts program.

Homebuilders. We believe homebuilders represent an attractive sales channel opportunity given the size of the industry and its potential for recovery from the current economic climate. The installation of a stationary standby generator is less expensive during the initial construction of a house and can be financed by the homeowner as a part of the mortgage for the property. Alternatively, new homes can be wired as "generator ready," making the subsequent installation of a generator relatively easy and inexpensive. In the year ended December 31, 2008, we believe that less than 10% of our net sales were generated in the new home construction market. Moreover, of the approximately 550,000 new homes constructed this year in the United States, we estimate that fewer than 5% had a stationary standby generator installed at construction.

Increase awareness of standby power solutions

We believe that through our extensive dealer network, our private label partnerships and our targeted marketing initiatives, residential and light-commercial potential customers are becoming increasingly aware of the benefits of standby power solutions, and we intend to continue our efforts to further increase that awareness. As recently as 10 years ago, stationary standby generators were available only at select dealers. Today, in large part due to our sales, marketing and distribution efforts, standby generators can be purchased at more than 9,000 retail locations, 1,700 electrical wholesale outlets and through several leading electrical supply catalogs and e-commerce sites, as well as through over 3,700 Generac dealers and our private label partners.

We also believe that standby power solutions benefit from natural marketing awareness created by power outage events. When outage events occur (whether related to typical seasonal winds and storms, power grid failures or severe weather incidents), potential customers become increasingly aware of the advantages of generators as reliable sources of back-up electrical power in the affected area and beyond. Although these events do not always lead to immediate increases in short-term sales, we believe they support long-term

demand by increasing interest in our products. We seek to extend the impact of the increase in awareness created by outage events by targeted marketing initiatives. We believe that as the frequency of outages and the duration of the outage period increases, more customers will seek backup protection from a standby generator.

We believe we are well positioned to benefit from any increased awareness of generator solutions because we believe our products are more accessible than those of our competitors. We also continue to identify initiatives to take advantage of increased product awareness to further improve penetration rates and gain market share. We believe firmly in increasing product visibility through national retail chains and through our marketing campaigns. Product visibility not only increases awareness of the standby power market, but more importantly markets our name as a reputable and prominent brand. We are committed to marketing our superior quality and innovation to further develop Generac® as the leading brand in standby power generation.

Focus on innovation and product development

We intend to continue to provide innovative and affordable products to all of our customers. For instance, in the industrial market, we market our proprietary MPS technology, which provides increased affordability, redundancy and scalability within the 600kW to 9,000kW output ranges when compared to single engine generators. We believe that our natural gas powered generators represent a key opportunity within the light commercial market as well. These generators provide an affordable standby power solution that does not include the fuel storage, spillage, spoilage, environmental or odor concerns of traditional diesel units. We have had over 30 years of experience using natural gas engines, and have developed proprietary fuel systems, emissions technology and control systems. Our XG line of portable generators was recently named as an Editor's Choice by Popular Mechanics magazine. We intend to use our engineering expertise and experience to build upon these and other technological advances and respond to shifting customer demands.

Further develop international distribution opportunities

With less than 1% of our 2008 net sales from markets outside of the United States and Canada, international sales represent a significant growth opportunity for us. We have focused our initial international sales efforts on our industrial and light-commercial generators and have successfully built a network of 34 distributors in 16 international markets, primarily in Mexico and Central and South America. International sales of residential generators represent a longer term growth opportunity, with Frost and Sullivan predicting Argentina and Chile to grow by 8% to 9% in 2010, and Colombia and Mexico expected to show growth rates in the 14% to 15% range. To further penetrate these and other international markets, we are actively pursuing partnerships with established international companies with complementary products and distribution capabilities. Over the next few years, we expect to initially leverage our proprietary technology and innovation to increase our presence in the international industrial and light-commercial generator markets.

Expand product offering in complementary markets

We believe that, in addition to the standby market, the portable generator market represents an attractive opportunity to sell products that are strategic to our customer base and complementary to our manufacturing capabilities. We made the decision to re-enter the portable generator market following the expiration of a non-competition agreement in 2007. We introduced an expanded line of portable generators in 2008 and subsequently have added significant distribution capacity in the portable generator market. We believe our dealers and distributors of portable generators make our products more visible in the market, which has enabled us to increase opportunities to sell standby generators.

We also expect to continuously evaluate opportunities to expand organically or through opportunistic acquisitions into other complementary engine-driven adjacent products where we can leverage our manufacturing and sourcing capabilities, technological expertise and strength in distribution.

History

Generac is a Delaware corporation that was founded in 2006. Generac Power Systems, our principal operating subsidiary, is a Wisconsin corporation, which was founded in 1959 to market a line of affordable portable generators that offered superior performance and features. We expanded beyond portable generators in 1980 into the industrial market with the introduction of our first stationary generators that provided up to 200 kW. We entered the residential market in 1989 with a residential standby generator, and expanded our product development and global distribution system in the 1990s, forming a series of alliances that tripled our higher output generator net sales. In 1998, we sold our Generac® portable products business to The Beacon Group, a private equity firm, which eventually sold this business to Briggs & Stratton. Our growth accelerated in 2000 when our products entered retail distribution, and our offering of quiet-running QT Series generators in 2005 accelerated our penetration in the commercial market. In 2008 we successfully expanded our position in the portable generator market after the expiration of a non-compete agreement entered into in connection with the aforementioned Beacon Group transaction. Today, we manufacture a full line of standby and portable generators for a wide variety of applications and markets. Our success is built on engineering expertise, manufacturing excellence and our innovative approaches to the market.

Our products

We design, engineer and manufacture generators with an output of between 800W and 9mW. In the manufacturing process for our generators, we design, manufacture, source and modify engines, alternators, transfer switches and other components necessary to production. Generators and related transfer switches sold to the residential markets (portable and residential standby) comprised 62.9%, 55.2% and 57.9%, respectively, of total net sales in 2006, 2007, and 2008. Generators and related transfer switches sold to the light commercial and industrial market (light commercial, industrial and telecommunications) comprised 28.9%, 37.0% and 36.2%, respectively, of total net sales in 2006, 2007 and 2008. Other sales (RV generators, engines and parts) comprised the remainder of net sales in each period.

Our automatic residential standby generators range in output from 8kW to 60kW, with manufacturer's suggested retail prices, or MSRPs, from approximately $2,000 to $15,000. They operate on either natural gas or liquid propane and are permanently installed with an automatic transfer switch. Our air-cooled residential standby generators range in outputs from 8kW to 20kW and are available in steel and aluminum enclosures. Our liquid-cooled generators range in outputs from 22kW to 60kW, including the Guardian® Series and the premium Quietsource® Series, with a quiet, low-speed engine and a standard aluminum enclosure. We believe that we have the broadest residential standby product line in the generator industry.

We provide portable generators fueled by gasoline that range in size from 800W to 17,500W. Following the expiration of a non-compete agreement in 2007, we expanded our portable product line to introduce portable generators below 12,500W. We have currently have four portable product lines: the GP series, targeted at homeowners, ranging from 1,850W to 17,5005W; the XG series, targeted at the premium homeowner markets, ranging from 4,000 to 8,000W; the XP series, targeted at the professional contractor market, ranging from 4,000 to 8,000W; and the iX series, targeted at the recreational market, ranging from 800W to 2,000W.

Our light commercial product line includes a full range of affordable generators from 22kW to 150kW, providing three-phase power that is sufficient for most small and mid-sized businesses including grocery stores, convenience stores, restaurants, gas stations, pharmacies, retail banks, small health care facilities. Our light commercial generators run on natural gas or liquid propane, which avoids the fuel spillages, spoilage, environmental or odor concerns that are common with traditional diesel units.

We manufacture a broad line of standard and configured industrial standby generators through our industrial dealers. Our single-engine industrial generators range in output from 10kW to 600kW with our MPS extending our product range up to 9mW. We offer four fuel options including gasoline, diesel, natural gas, liquid propane or Bi-Fuel™. Bi-Fuel™ generators run on both diesel and natural gas to allow our customers the advantage of multiple fuel sources and extended run times.

Our MPS combines the power of several smaller generators to produce the output of a larger generator, providing our customers with redundancy and scalability in a cost-effective manner. For larger industrial applications, our MPS product line offers customers an efficient, affordable way to scale their standby power needs. By offering a series of smaller Generac generators integrated with Generac's proprietary PowerManager control system, we provide a lower cost alternative to traditional large, single-engine generators. The MPS product line also offers superior functionality due to the redundancy and scalability of the generator systems.

We provide the telecommunications market our full range of generator systems, ranging from 20kW air-cooled generators to 3mW MPS.

We also manufacture automatic transfer switches that are either packaged with our residential standby generators or sold separately. Automatic transfer switches are devices that transfer power from the electrical grid to a generator without interruption.

Our RV generators range in size from 3.4kW to 8.5kW and are available in gasoline, liquid propane or diesel fuel models. These generators are sold directly to original equipment manufacturers, or OEMs, as well as aftermarket dealers.

Distribution channels and customers

We distribute our product through several channels to increase awareness of our product categories and the Generac® brand, and to ensure our products reach a broad customer base. This distribution network includes independent and industrial dealers, electrical wholesalers, national accounts, private label arrangements, retailers, catalogs and e-commerce merchants. We believe our distribution network is a competitive advantage that we have strengthened over the last decade by expanding our network from our base of industrial dealers to include other channels of distribution as we have increased our product offerings. Our network is well balanced with no one sales channel providing more than 24% of our sales and no customer providing more than 7% of our sales in 2008.

Our dealer network of over 3,700 dealers, which are mainly located in the United States and Canada, is the industry's largest network of independent generator contractors.

Our residential dealer network sells, installs and services our residential and commercial products to end users. We have developed a number of proprietary dealer management systems to evaluate, manage and incentivize our dealers, which we believe has improved the level of customer service provided to end customers. These systems include both technical and sales training programs, under which we train new and existing dealers about our products, service and installation. We regularly perform market analyses to determine if a given market is either under-served or has poor independent distributor representation. Within these locations, we selectively add distribution or invest resources in existing dealer support and training to improve dealer performance.

Our industrial dealer network provides industrial and commercial end-users with on-going, local and nationwide product support. Our sales group works in conjunction with our industrial dealers to ensure that national accounts receive engineering support, competitive pricing and nationwide service. We promote our industrial generators through the use of traveling demonstrations, specifying engineer education events, dealer forums and training events. In recent years, we have been particularly focused on expanding our industrial dealer network in Canada and Latin America in order to expand our international sales opportunities.

Our direct to national accounts strategy provides national coverage for large customers in a coordinated sales approach. We have achieved success with this strategy within the telecommunications and industrial market as we have won business from major wireless telecommunications providers. We seek to duplicate this success within the health care and retail sectors. Products sold through our national account sales are installed and serviced by our industrial dealers.

Our electrical wholesaler network consists of over 1,700 selling branches of both national and local distribution houses. Our electrical wholesalers distribute our residential, light-commercial, industrial and portable generators and are a key introduction to the category for electrical contractors.

On a selective basis, we have established arrangements with private label partners to provide residential and light-commercial generators. The partners include leading HVAC equipment, electrical equipment and construction machinery companies, each of which provides access to incremental channels of distribution for our products. We have multi-year contracts with

certain of these partners with terms of between three and four years establishing the terms of these arrangements.

Our retail distribution network includes over 9,000 locations, which includes regional and national home improvement chains, retailers, clubs, buying groups and farm supply stores. This is supplemented with a number of catalogue and e-commerce retailers. This network sells our residential standby, portable and light commercial generators. In some cases, we have worked with our retail partners to create installation networks using our dealers to support the sale and installation of standby generator products sold at retail. We also use a combination of advertising through our partners and other national retail accounts to promote our products within the network.

We also sell our generators for RVs directly to OEM manufacturers and after-market dealers.

Manufacturing

Our excellence in manufacturing reflects our philosophy of high standards, continuous measurement and commitment to quality. Our facilities showcase our advanced manufacturing techniques and demonstrate the effectiveness of lean manufacturing.

We are focused on low-cost production techniques and technology and continually seek to reduce manufacturing costs while improving product quality. We deliver an affordable product to our customers through our low-cost design philosophy, foreign sourcing strategy and adherence to lean manufacturing principles. We believe we have sufficient capacity to achieve our business goals for the foreseeable future without the need for further expansion.

Our product quality is essential to maintaining a leading market position. Incoming shipments from our suppliers are tested to ensure engineering specifications are met. Purchased components are tested for quality before entering production lines and are continuously tested throughout the manufacturing process. Internal product and production audits are performed to ensure a quality product and process. We test finished products under a variety of simulated conditions at each of our manufacturing facilities.

Research and development and intellectual property

Research and development is a core competency and includes a staff of over 100 engineers working on nearly 100 active projects. Our sponsored research and development expense was $9.9 million, $9.6 million, $9.1 million and $1.2 million for the years ended December 2008 and 2007, for the period from January 1, 2006 through November 10, 2006 and for the period from November 11, 2006 through December 31, 2006, respectively. Research and development is conducted at each of our manufacturing facilities with dedicated teams for each product line. Research and development is focused on developing new technologies and product enhancements as well as maintaining product competitiveness by improving manufacturing costs, safety characteristics, reliability and performance while ensuring compliance with governmental standards. We have had over 30 years of experience using natural gas engines, including our proprietary fuel systems and emissions technology. In the residential market we have developed proprietary engines, cooling packages, controls and fuel and emissions systems.

We rely on a combination of patents and trademarks to establish and protect our proprietary rights. We currently own approximately 45 U.S. and international registered issued patents,

2 patent applications, approximately 20 trademark registrations and applications in the United States and approximately 30 registrations and applications for the "Generac" trademark in other countries. Our patents expire between June 2014 and September 2029. U.S. trademark registrations generally have a perpetual duration if they are properly maintained and renewed. New U.S. patents that are issued generally have a life of 20 years from the date the patent application is initially filed. We believe the existence of these patents and trademarks, along with our ongoing processes to register additional patents and trademarks, protect our intellectual property rights and enhance our competitive position. We also use proprietary manufacturing processes that require customized equipment.

Suppliers of raw materials

Our primary raw materials are steel, copper and aluminum, all of which are purchased from third parties and, in many cases, as part of machined components. We have developed an extensive network of reliable, low-cost suppliers in the United States and abroad. In 2009 to date, we sourced more than half of our components from outside the United States. We source liquid-cooled natural gas/liquid propane engines and diesel engines from multiple suppliers, in many cases customizing these engines to our own proprietary specifications. We source from over 2,000 suppliers with our largest supplier accounting for 8% and our top ten suppliers accounting for 36% of our purchases in the year ended December 31, 2008.

Quality control

We maintain rigorous standards of performance using manufacturing methods that measure individuals, departments and plant metrics. Our manufacturing group measures itself daily, weekly and monthly in five key areas: quality, productivity, delivery, materials management and safety. Monthly conferences with upper management maintain focus on meeting operational challenges and working in a productive and cost effective manner.

We were an early adopter of the UL 2200 Listings for standby generator products, and all of our products meet UL 2200 specifications. We conduct our own self-certification for sound and exhaust emissions to help ensure compliance with the regulatory standards of the EPA, CARB and the South Coast Air Quality Management District.

Warranties

Our warranty policies differ by product line. The majority of our sales are of products carrying a standard two- or three-year warranty, with certain variations in the second or third year that cover reimbursement of the parts cost only. Our provision for warranty expense averaged less than 3.0% of net sales for the last three years.

Properties

We own and operate three manufacturing facilities located in Eagle, Wisconsin, Waukesha, Wisconsin and Whitewater, Wisconsin, which total approximately 800,000 square feet. We also operate a dealer training center at our Eagle, Wisconsin facility, which allows us to train new industrial and residential dealers on the service and installation of our products and provide existing dealers with training on product innovations.

We own a distribution center totaling 200,000 square feet and an undeveloped lot of approximately 18.1 acres in Whitewater, Wisconsin. We also have leased inventory warehouses in the United States that accommodate the rapid response requirements of our customers.

The following table shows the location and activities of our operations.

Location	Owned/ Leased	Square footage	Activities
Manufacturing:			
Waukesha, WI	Owned	265,000	Corporate headquarters and manufacturing of water-cooled generators and transfer switches
Eagle, WI	Owned	242,000	Manufacturing of water-cooled generators and metal fabrication
Eagle, WI	Owned	6,000	Training facility
Whitewater, WI	Owned	295,000	Manufacturing of vertically integrated engines and generators
Distribution:			
Whitewater, WI	Owned	200,000	Distribution center
Other:			
Maquoketa, IA	Owned	137,000	Rental property

All of our properties are subject to mortgages under our senior secured credit facilities.

Information systems

Our current Enterprise Resource Planning, or ERP, is AS/400 based and has been in place for over eight years. This system provides an integrated link between our manufacturing, inventory, purchasing, engineering, order entry, sales, planning, customer relationship management, accounting and human resources functions. In addition, we have made significant investments in customizing our ERP software for our business needs.

Competition

The market for onsite generators is competitive and continually evolving. We face competition from a variety of large diversified industrial technology companies as well as smaller generator manufacturers abroad. However, most of the traditional participants in the standby generator market compete on a more specialized basis, focused on specific applications within their larger diversified product mix. We are the only significant market participant focused exclusively on standby and portable generators with broad capabilities across the residential, industrial and light-commercial generator markets. We believe that our engineering capabilities and core focus on generators provide us with manufacturing flexibility and enable us to maintain a first-mover advantage over our competition for product innovation.

Our competitors include Briggs & Stratton, Caterpillar, Cummins, Honda, Kohler, MTU (Katolight division), and Techtronics International (TTI). In the market for standby industrial and commercial generators, our primary competitors are Caterpillar, Cummins, Kohler and MTU, most of which also focus on the market for diesel generators as they are also diesel engine manufacturers. In the market for residential standby generators, our primary competitors include Briggs & Stratton, Cummins (Onan division) and Kohler, which also have broad operations in other manufacturing businesses. In the portable generator market, our primary

competitors include Briggs & Stratton, Honda and Techtronics International (TTI), along with a number of smaller domestic and foreign competitors.

There are a number of other standby generator manufacturers located outside North America, but most supply their products mainly to their respective regional markets. In a continuously evolving sector, we think our size and broad capabilities make us well positioned to remain competitive. Furthermore, we view several of these international manufacturers as potential candidates for future strategic partnerships.

We compete primarily on the basis of brand reputation, quality, reliability, pricing, innovative features, breadth of product and product availability.

Employees

As of September 30, 2009, we had 1,486 employees (1,361 full time and 125 part-time and temporary employees). Of those, 880 employees were directly involved in manufacturing at our manufacturing facilities, 91 employees were involved in research and development, 298 employees were part of our sales, distribution and service groups, and 217 employees were involved in corporate or other functions.

We have had an "open shop" bargaining agreement for the past 45 years. Our current agreement is with the Communication Workers of America, Local 5503. The current agreement, which expires October 14, 2011, covers our Waukesha and Eagle facilities, but because membership is voluntary, only 33 of the 416 eligible employees at those locations are members of the union. Our facility in Whitewater, Wisconsin is not unionized.

Regulation, including environmental matters

As a manufacturing company, our operations are subject to a variety of foreign, federal, state and local environmental, health and safety laws and regulations including those governing, among other things, emissions to air, discharges to water, noise and the generation, handling, storage, transportation, treatment and disposal of waste and other materials. In addition, our products are subject to various laws and regulations relating to, among other things, emissions and fuel requirements, as well as labeling and marketing.

Our products are regulated by the EPA and CARB. These governing bodies continuously pass regulations that require us to meet more stringent emission standards. With the adoption of a recent regulation covering stationary propane and natural gas-fueled generators, the EPA now regulates all products we produce for sale in the United States. New regulations could require us to redesign our products and could affect market growth for our products.

For example, the EPA has developed multiple phases of national emission standards for small air-cooled engines. In 2008, the EPA adopted a proposed Phase III regulation that further reduces permitted exhaust emissions from small engines and also requires the engines and equipment in which engines are used to meet new evaporative emission standards. The EPA's Phase III program requires the use of evaporative controls that must be phased in starting in 2009 and take full effect in 2011 for Class II engines (225 cubic center displacement and larger) and 2012 for Class I engines (less than 225 cubic center displacement). The Phase III program's more stringent exhaust emission requirements also apply starting in 2011 for Class II engines and 2012 for Class I engines. The Phase III standards are similar to the CARB's Tier 3 emission

standards which were fully phased in during fiscal year 2008. CARB's Tier 3 regulation required additional reductions to engine exhaust emissions as well as new controls on evaporative emissions from small engines.

We believe that our operations and our products are in material compliance with applicable laws and regulations, including environmental and workplace safety regulations. We are not subject to any pending investigations, claims, or proceedings by any foreign, federal, state, or local governmental agency or administration that would materially impact our financial condition or our results.

Litigation

From time to time, we are involved in legal proceedings primarily involving product liability and employment matters and general commercial disputes arising in the ordinary course of our business. We believe that there is no litigation pending that would have a material effect on our results of operations or financial condition.

Management

Board of directors

The following table sets forth information regarding the board of directors of Generac as of November 2009. Within one year after the consummation of this offering, we intend to appoint enough additional independent persons to our board of directors to meet SEC and NYSE guidelines. The full composition of the board of directors will be determined at that time. Executive officers serve at the request of the board of directors:

Name	Age	Position
Aaron Jagdfeld	38	Chief Executive Officer and Director
Stephen Murray	47	Director
Timothy Walsh	46	Director
Stephen V. McKenna	40	Director
John D. Bowlin	58	Director
Edward A. LeBlanc	62	Director
Barry J. Goldstein	66	Director

The following biographies describe the business experience of each director:

Aaron Jagdfeld has served as our Chief Executive Officer since September 30, 2008. Prior to becoming Chief Executive Officer, Mr. Jagdfeld worked for Generac for 15 years. He began his career in the finance department in 1994 and became our Chief Financial Officer in 2002. In 2007, he was appointed president and was responsible for sales, marketing, engineering and product development. Prior to joining Generac, Mr. Jagdfeld worked in the audit practice of the Milwaukee, Wisconsin office of Deloitte and Touche. Mr. Jagdfeld holds a Bachelor of Business Administration in Accounting from the University of Wisconsin-Whitewater.

Stephen Murray has served as a director of Generac since November 2006. Mr. Murray currently serves as President and Chief Executive Officer of CCMP Capital Advisors, LLC. Prior to joining CCMP when it was founded in August 2006, Mr. Murray was a Partner at J.P. Morgan Partners, LLC. Prior to joining J.P. Morgan Partners in 1989, Mr. Murray was a Vice President with the Middle-Market Lending Division of Manufacturers Hanover. Mr. Murray holds a B.A. from Boston College and an M.B.A. from Columbia Business School. He also serves on the board of directors of AMC Entertainment, ARAMARK Corporation, CareMore Medical Enterprises, Chefs' Warehouse, Crestcom, Hanley Wood, Jetro Holdings, Legacy Hospital Partners, Noble Environmental Power, Octagon Credit Investors, Quiznos Sub, Strongwood Insurance and Warner Chilcott.

Timothy Walsh has served as a director of Generac since November 2006. Mr. Walsh currently serves as a Managing Director in the New York office of CCMP. Prior to joining CCMP when it was founded in August 2006, Mr. Walsh was a Partner at J.P. Morgan Partners, LLC. Prior to joining J.P. Morgan Partners in 1993, Mr. Walsh worked on various industry-focused client teams within The Chase Manhattan Corporation. Mr. Walsh holds a B.S. from Trinity College and an M.B.A. from the University of Chicago Graduate School of Business. He also serves on

the board of directors of KRATON Polymers, MetoKote, Octagon Credit Investors and Pliant Corporation.

Stephen V. McKenna has served as a director of Generac since November 2006. Mr. McKenna currently serves as a Managing Director in the New York office of CCMP. Prior to joining CCMP when it was founded in August 2006, Mr. McKenna was a Partner at J.P. Morgan Partners, LLC. Prior to joining J.P. Morgan Partners in 2000, Mr. McKenna worked in the Consumer Investment Banking Group of Morgan Stanley. Prior to Morgan Stanley, he worked in the Industrial Mergers & Acquisitions Group of J.P. Morgan. Mr. McKenna holds a B.A. from Dartmouth College and an M.B.A. from the University of Chicago Graduate School of Business. Mr. McKenna currently also serves on the board of directors of Jetro Holdings and Pliant Corporation.

John D. Bowlin has served as a director of Generac since December 2006. Mr. Bowlin is a consultant to CCMP Capital Advisors, LLC. Mr. Bowlin previously served as President and Chief Executive Officer of Miller Brewing Company from 1999 until 2003. From 1985 until 2002, Mr. Bowlin was employed by Philip Morris Companies, Inc., in various leadership capacities, including President, Kraft International, Inc. (1996-1999), President and Chief Operating Officer, Kraft Foods North America (1994-1996), President and Chief Operating Officer, Miller Brewing Company (1993-1994), and President, Oscar Mayer Food Corporation (1991-1993). He also serves as a director and Non-Executive Chairman of Pliant Corporation and Spectrum Brands.

Edward A. LeBlanc has served as a director of Generac since December 2006. Prior to founding the management consulting firm Focus Associates, LLC in the fall of 2008, Mr. LeBlanc served in an interim capacity as Chairman and CEO of Generac from October 2007 to September 2008. From 2000 to 2005 Mr. LeBlanc was Chief Executive Officer of Kidde PLC's R&C Division, the world's premier manufacturer of smoke and carbon monoxide alarms and fire extinguishers headquartered in Mebane, North Carolina. He served as President and CEO of Regent Lighting Corporation from 1997 through 2000. Prior to joining Regent he held numerous senior level positions at Macklanburg-Duncan, Oklahoma City, Oklahoma serving as President and COO from 1987 to 1997. Mr. LeBlanc also serves on the Board of Directors for Ames True Temp, Pro-Build Holding, Inc., Calera Capital and IPS Corporation. He is also currently serving as Immediate Past Chairman of the Home Safety Council in Washington, DC.

Barry J. Goldstein has served as a director of Generac since September 2009. In October 2000, Mr. Goldstein retired as Executive Vice President and Chief Financial Officer of Office Depot, Inc., which he joined as Chief Financial Officer in May 1987. Mr. Goldstein was with Grant Thornton from 1969 through May 1987, where he was named a Partner in 1976. Mr. Goldstein also currently serves on the board of directors of Interline Brands Inc., Noble Environmental Power, LLC and Kraton Polymers, LLC.

Our board of directors currently consists of seven members. Following the consummation of this offering, our amended and restated certificate of incorporation and by-laws will provide that our board of directors may be divided into three classes, with one class being elected each year. Each director will serve a three-year term, with termination staggered according to class.

Director compensation

For 2008, Mr. Bowlin received $50,000 in board fees; none of our other directors received any compensation for 2008.

Following the consummation of this offering, the non-employee members of the board of directors will be compensated for their services as directors, through board fees of $ for each board meeting and $ for each committee meeting and reimbursement for out-of-pocket expenses incurred in connection with rendering such services. In addition, certain non-employee members of the board of directors may also participate in the future in our Omnibus Plan as described under "Executive compensation—Equity incentive plan."

Executive officers

The following table sets forth information regarding our executive officers:

Name	Age	Position
Aaron Jagdfeld	38	Chief Executive Officer and Director
York A. Ragen	38	Chief Financial Officer
Dawn Tabat	57	Chief Operating Officer
Clement Feng	46	Executive Vice President and Chief Marketing Officer
Allen Gillette	53	Senior Vice President, Engineering
Roger Schaus, Jr.	55	Senior Vice President, Service Operations
Roger Pascavis	49	Senior Vice President, Operations

York A. Ragen has served as our Chief Financial Officer since September 30, 2008. Prior to becoming Chief Financial Officer, Mr. Ragen held Director of Finance and Vice President of Finance positions at Generac. Prior to joining Generac in 2005, Mr. Ragen was Vice President, Corporate Controller at APW Ltd., a spin-off from Applied Power Inc., now known as Actuant Corporation. Mr. Ragen began his career in the Audit division of Arthur Andersen's Milwaukee office. Mr. Ragen holds a Bachelor of Business Administration from the University of Wisconsin-Whitewater.

Dawn Tabat has served as our Chief Operating Officer since 2002. Ms. Tabat joined Generac in 1972 and served as Personnel Manager and Personnel Director before being promoted to Vice President of Human Resources in 1992. During this period, Ms. Tabat was responsible for creating the human resource function within Generac, including recruiting, compensation, training and workforce relations. In her current position, Ms. Tabat oversees manufacturing, logistics, global supply chain, quality, safety, information services and human resources.

Clement Feng has served as our Chief Marketing Officer and Executive Vice President since 2007. Prior to joining Generac, Mr. Feng was the Vice President of Marketing at Broan-NuTone from 2003 to 2007. From 2000-2003 Mr. Feng was the Vice President of Marketing for Robert Bosch Tool Corporation. From 1994 to 2000, Mr. Feng was the Director of Marketing at Mast Lock Company. Mr. Feng holds and M.B.A from the University of Chicago School of Business, a B.S. in Chemical Engineering from Stanford University, and is a Certified Public Accountant.

Allen Gillette is our Senior Vice President of Engineering. Mr. Gillette joined Generac in 1998 and has served as Engineering Manager, Director of Engineering and Vice President of Engineering. Prior to joining Generac, Mr. Gillette was Manager of Engineering at Transamerica Delaval Enterprise Division, Chief Engineer—High-Speed Engines at Ajax-Superior Division and Manager of Design & Development, Cooper-Bessemer Reciprocating Products Division.

Mr. Gillette holds an M.S. in Mechanical Engineering from Purdue University and a B.S. in Mechanical Engineering from Gonzaga University.

Roger Schaus, Jr. serves as our Senior Vice President of Service Operations. Mr. Schaus joined Generac in 1988 and has served as Director of Manufacturing Services, Vice President of Manufacturing Services and Senior Vice President of Operations. Prior to joining Generac, Mr. Schaus was a Manufacturing Area Manager for Harley Davidson Motor Company in Wauwatosa, Wisconsin and a Plant Manager for Custom Products in Menomonee Falls, Wisconsin. Mr. Schaus holds and B.S. in Agricultural Economics from the University of Wisconsin, Madison.

Roger Pascavis has served as our Senior Vice President of Operations since January 2008. Mr. Pascavis joined Generac in 1995 and has served as Director of Materials and Vice President of Operations. Prior to joining Generac, Mr. Pascavis was a Plant Manager for MTI in Waukesha, Wisconsin. Mr. Pascavis holds a B.S. in Industrial Technology from the University of Wisconsin, Stout and an M.B.A. from Lake Forest Graduate School of Management.

Code of ethics

Upon completion of this offering, we intend to adopt a code of ethical conduct for directors and all employees of Generac. We intend to post our code of ethical conduct on our website at www.generac.com. To the extent permitted, we intend to post on our website any amendments to, or waivers from, our code of ethical conduct.

Director independence and controlled company exception

Our board of directors has affirmatively determined that Barry J. Goldstein will be an independent director under the applicable rules of the NYSE and as such term is defined in Rule 10A-3(b)(1) under the Exchange Act.

After completion of this offering, affiliates of CCMP will continue to control a majority of our outstanding common stock. As a result, we are a "controlled company" within the meaning of the NYSE corporate governance standards. Under these rules, a "controlled company" may elect not to comply with certain NYSE corporate governance standards, including:

- the requirement that a majority of the board of directors consist of independent directors;
- the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating and corporate governance committee and compensation committee.

Following this offering, we intend to utilize these exemptions. As a result, we will not have a majority of independent directors, our nominating and corporate governance committee and compensation committee will not consist entirely of independent directors and such

committees will not be subject to annual performance evaluations. Accordingly, our stockholders will not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

Board committees

Audit committee

The purpose of the audit committee is set forth in the audit committee charter. The committee's primary duties and responsibilities are to:

- appoint, compensate, retain and oversee the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services and review and appraise the audit efforts of our independent accountants;
- establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters;
- engage independent counsel and other advisers, as necessary;
- determine funding of various services provided by accountants or advisers retained by the committee;
- serve as an independent and objective party to oversee our internal controls and procedures system; and
- provide an open avenue of communication among the independent accountants, financial and senior management and the board.

Upon the completion of this offering, the members of the audit committee will be Messrs. Barry J. Goldstein, Stephen McKenna and Timothy Walsh. Mr. Goldstein will serve as the chairman of the audit committee and the board of directors has determined that he is an "audit committee financial expert" as defined in Item 407(d)(5) of Regulation S-K. The board is satisfied that all members or our audit committee have sufficient expertise and business and financial experience necessary to effectively perform their duties as members of the audit committee. Upon completion of the offering, we will add additional "independent directors," as required by SEC and NYSE rules, within the time limits described by such rules. Under those rules, we will be required to have a majority of independent directors on the audit committee within 90 days after the date of effectiveness of the registration statement in connection with this offering and all members will be required to be independent within one year from such date.

Compensation committee

The purpose of the compensation committee is to review and approve the compensation of our executives. The compensation committee approves compensation objectives and policies as well as compensation plans and specific compensation levels for all executive officers.

With respect to compensation matters for each named executive officer other than Mr. Jagdfeld, Mr. Jagdfeld solicits information and recommendations on each executive's duties, responsibilities, business goals, objectives and upcoming challenges from York A. Ragen, the Chief Financial Officer, or CFO, and Dawn Tabat, the Chief Operating Officer, or COO.

Mr. Jagdfeld provides the compensation committee his recommendation of compensation for each named executive officer. Mr. Jagdfeld also provides publicly available compensation data for senior executives, including chief executive officers, of various companies. After reviewing and discussing Mr. Jagdfeld's recommendations for each named executive officer, the compensation committee and Mr. Jagdfeld establish the compensation of the management team generally and the compensation committee establishes Mr. Jagdfeld's compensation independently.

Upon the completion of this offering, Messrs. Timothy Walsh and John D. Bowlin will serve on the compensation committee, and Mr. Walsh will serve as the chairman. Our board of directors will affirmatively determine that each of Mr. Walsh and Mr. Bowlin meets the definition of "outside director" for the purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

Nominating and corporate governance committee

The primary purpose of the nominating and corporate governance committee is to:

- identify and recommend to the board individuals qualified to serve as directors of our company and on committees of the board;
- advise the board with respect to the board composition, procedures and committees;
- develop and recommend to the board a set of corporate governance guidelines and principles applicable to us; and
- review the overall corporate governance of our company and recommend improvements when necessary.

Upon the completion of this offering, Messrs. Stephen Murray and Edward A. LeBlanc will serve on the nominating and corporate governance committee, and Mr. Murray will serve as the chairman.

Compensation committee interlocks and insider participation

During 2008, the members of our compensation committee were Messrs. Timothy Walsh and John D. Bowlin. Mr. Walsh is a Managing Director of CCMP. Mr. Bowlin is a consultant to CCMP. CCMP provides Generac with advisory services pursuant to its advisory services and monitoring agreement and has entered into other transactions with us. See "Certain relationships and related party transactions."

Upon the completion of this offering, none of our executive officers will serve on the compensation committee or board of directors of any other company of which any of the members of our compensation committee or any of our directors is an executive officer.

Compensation discussion and analysis

Compensation philosophy and objectives

Generac's executive compensation policy, as established by our compensation committee, is designed to drive share value creation over the long term. The principal components of its pay plan, including base pay, annual incentive and long-term incentives are designed to attract and retain high caliber executive talent. The pay plan is also designed to motivate executives to achieve the sustainable share value creation at the heart of Generac's compensation philosophy.

The compensation committee looks to the aggregate compensation package for each named executive officer to determine the individual elements of each such named executive officer's pay. The compensation committee and board of directors of Generac approve an annual variable compensation plan targeted to pay at competitive levels, provided that pre-established individual and Generac performance goals are achieved. The compensation committee currently expects to engage Hewitt Associates LLC as its independent compensation consultant. In that role, the compensation committee expects that Hewitt will supply the committee with compensation data from its database relating to compensation paid to executives at similar sized public companies which operate in Generac's industry. The compensation committee also expects that Hewitt will also provide advice on market practices, as well as support regarding specific decisions regarding compensation for named executive officers. In addition, the compensation committee expects that Messrs. Jagdfeld and Ragen, in consultation with the board of directors, will establish an annual budget that will include sales targets and other performance-related goals, which the compensation committee may consult in making decisions with respect to bonuses and other payments. The compensation committee may also approve the grant of shares of restricted stock, options or other equity or equity-based awards from time to time, the value of which is intended to retain and motivate our chief executive officer, chief financial officer and each of our three other most highly compensated executive officers (referred to as our "named executive officers"), as well as align a portion of their compensation with our performance.

We expect that, upon completion of our initial public offering, each of the named executive officers will receive one or more of the types of awards described below. These awards are intended to align the long-term interests of the named executive officers with those of Generac and its stockholders, while also promoting retention by utilizing multi-year vesting periods. Generally, we will grant equity awards to executives in connection with their commencement of employment with us. The compensation committee will determine the value of such grants by reviewing compensation practices of peer companies, our past practice, and individual negotiations with the executive. In addition, the compensation committee has the discretion to grant additional equity awards to executives, including the named executive officers, based on the individual's contributions to Generac.

Role of the Compensation Committee

Our compensation committee discharges the responsibility of the board of directors relating to the compensation of the named executive officers. In 2008, the members of the compensation committee were Messrs. Timothy Walsh and John D. Bowlin.

The compensation committee annually reviews our goals and objectives related to the compensation of the named executive officers. During that review, the compensation committee considers the balance between short-term compensation and long-term incentives, evaluates the performance of the named executive officers in light of established goals and objectives and sets the compensation levels of the named executive officers based on that evaluation. In determining appropriate compensation levels, the compensation committee considers our performance and relative shareholder return, the compensation levels of persons holding comparable positions at manufacturing companies with comparable net sales and the compensation given to the named executive officers in previous years. The compensation committee has the ultimate authority and responsibility to engage and terminate any outside consultant to assist in determining appropriate compensation levels for the named executive officers. Historically, the compensation committee has not hired outside compensation consultants to conduct a direct analysis of our compensation levels; however, we subscribe to databases maintained by two independent consultant companies, which include data with respect to manufacturing companies with comparable net sales. These databases indicate that there is a wide range in salaries across the industry. The compensation committee reviews this data by position annually and attempts to award competitive salaries based on current market practices. The Chief Executive Officer and the Vice President of Human Resources analyze the data to develop recommendations as to the compensation of the named executive officers. The compensation committee then reviews and recommends any changes for subsequent board approval. Neither the Chief Executive Officer nor the Vice President of Human Resources makes recommendations about his/her own compensation to the compensation committee.

Components of compensation

Base salary

Employment agreements for certain of the named executive officers were established as a result of negotiations between the individual and Generac at the time of hire and contain a reasonable range of compensation determined by competitive data and experience. The employment agreements currently in effect for our named executive officers are described below under "Executive compensation—Employment agreements and severance benefits." The compensation committee reviews the base salaries of the named executive officers on an annual basis. In December of each year, the Chief Executive Officer and the Vice President of Human Resources provide the compensation committee with an evaluation of each named executive officer's performance, with the exception of the Chief Executive Officer's performance, covering the prior twelve months and provide their recommendation for base salary adjustments. The base salary adjustments are based on several considerations, which include scope and complexity of the individual's role, salary comparison to market data in our industry, market projections for executive base salary adjustments, individual performance, experience, internal pay relationships and retention. Evaluation of the individual performance for each named executive officer is based on established annual goals that vary for each role. Annual goals are not weighted and may change from year to year. Additionally, named executive officers are evaluated on our core values, which include practicing integrity, driving innovation, delivering value, operating lean, continually improving quality, developing employees, putting our customers first and environmental stewardship.

As of January 1, 2008, Mr. Jagdfeld served as President and Chief Financial Officer with a base salary of $400,000. Mr. Ragen served as Vice President of Finance with a base salary of

$150,000. Ms. Tabat served as Chief Operating Officer, Executive Vice President and Secretary with a base salary of $450,000. Mr. Feng served as Chief Marketing Officer and Executive Vice President with a base salary of $262,000. Mr. Schaus served as Vice President of Operations-Whitewater with a base salary of $176,805. On January 21, 2008, the compensation committee approved an increase to Mr. Schaus' compensation to $200,000 upon his appointment to Senior Vice President of Service Operations. On October 1, 2008, the compensation committee approved an increase to Mr. Ragen's base salary to $165,000 upon his appointment as Chief Financial Officer and also approved general increases for Mr. Feng to $270,000 and Mr. Schaus to $206,611. On October 12, 2009, the compensation committee approved an increase to Mr. Ragen's base salary to $246,500 as a result of a compensation comparison using third party salary surveys.

Annual bonus: incentive compensation plan

The named executive officers are eligible to receive annual bonuses based upon target bonus award levels, or Target Bonus Levels, equal to 35% of base salary for Messrs. Jagdfeld, Tabat, and Ragen, 30% of base salary for Mr. Feng and 25% of base salary for Mr. Schaus, with maximum bonuses of 105% of base salary for Messrs. Jagdfeld, Tabat, and Ragen, 90% of base salary for Mr. Feng and 75% of base salary for Mr. Schaus. All annual bonuses are paid pursuant to the Incentive Compensation Plan, subject to the discretion of the compensation committee to make such adjustments as it deems appropriate.

The compensation committee determines Generac's target earnings before interest, taxes, depreciation and amortization factor, or Target EBITDA Factor, through the use of a sliding scale. The Target EBITDA Factor is a number on a sliding scale ranging from zero (0) to three (3) with the target factor of 0 set at 90%, the target factor of 1 set at 95%, the target factor of 2 set at 100% and the target factor of 3 set at 110% of Generac's Business Plan EBITDA. A participant's annual bonus is the product of his or her Target Bonus Level, multiplied by Generac's Target EBITDA Factor achieved, multiplied by his or her base salary.

For the bonus year ended December 31, 2008, Generac's actual EBITDA was 72.7% of the Business Plan EBITDA resulting in a Target EBITDA Factor of zero (0). As a result, the compensation committee did not grant any performance bonuses under the Incentive Compensation Plan for the year ended December 31, 2008.

In addition, Mr. Feng's employment agreement allows for his participation in Generac's corporate quarterly bonus program. This program provides Mr. Feng with the opportunity to receive a bonus payment in the event we achieve certain target quarterly Cash Earnings margins with Cash Earnings defined as net income plus amortization of intangibles and deferred interest less gain on extinguishment of debt. In the event we achieve a Cash Earnings margin greater than 6% but less than 12% of gross sales, Mr. Feng is entitled to a bonus payment of $2,000. If our Cash Earnings margin is greater than 12% but less than 18% of gross sales, Mr. Feng is entitled to a bonus payment of $4,000, and if our Cash Earnings margin is greater than 18%, Mr. Feng is entitled to a bonus payment of $6,000. Mr. Feng must be employed for the entire quarter to be eligible to receive any bonus payments made for that quarter's Cash Earnings margin performance. In the quarter ended December 31, 2008, Mr. Feng earned a bonus payment of $2,000 as a result of our achieving a Cash Earnings margin of 6.6%.

Equity-based compensation

In November 2006, we adopted a 2006 Management Equity Incentive Plan, or the 2006 Equity Incentive Plan, providing for the grant or sale of equity awards to certain members of our management and employees, including our named executive officers, of up to a maximum of 9,350.0098 shares of Class A Common Stock and 5,000 shares of Class B Common Stock, subject to certain adjustments. In connection with this offering, we intend to terminate the 2006 Equity Incentive Plan and adopt a new equity incentive plan, or the Omnibus Plan. The Omnibus Plan will provide for grants of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, other stock-based awards and performance-based compensation. Directors, officers and other employees of us and our subsidiaries and affiliates, as well as other individuals performing services for us, will be eligible for grants under the Omnibus Plan. The purpose of the Omnibus Plan will be to provide incentives that will attract, retain and motivate highly competent officers, directors, employees and other service providers by providing them with appropriate incentives and rewards either through a proprietary interest in our long-term success or compensation based on their performance in fulfilling their personal responsibilities.

Pension plans

We provide retirement benefits to the named executive officers under the terms of qualified defined benefit plans. The Generac Power Systems Inc. Salaried, Technical & Clerical Employees Pension Plan, or the Plan, is a tax qualified retirement plan in which the named executive officers participate on the same terms as our other participating employees.

The Plan is a non-contributory defined benefit pension plan subject to the provisions of the Employee Retirement Income Security Act. The Plan was frozen effective December 31, 2008. This resulted in a cessation of all future benefit accruals under the Plan.

401(k) plan

Beginning on January 1, 2009, we elected to sponsor a voluntary 401(k) tax-qualified savings plan covering employees, including our named executive officers. We match 50% of the first 6% of each eligible employee's compensation that he or she contributes to the plan each year up to 20%.

Section 162(m) deductibility

After the consummation of this offering, Section 162(m) of the Internal Revenue Code would limit the deductibility of the compensation of our named executive officers to $1,000,000 per individual to the extent that such compensation is not "performance-based" as defined in Section 162(m). We intend to rely on an exemption from Internal Revenue Code Section 162(m) for compensation plans adopted prior to a company's initial public offering. This transition exemption for our compensation plans will no longer be available to us after the date of our annual meeting that occurs after the third calendar year following the year of our initial public offering or if we materially modify the plan earlier. We will continue to consider the implications of Internal Revenue Code Section 162(m) and the limits of deductibility of compensation in excess of $1,000,000 as we design our compensation programs going forward.

Executive compensation

Summary compensation table

The following table shows compensation information for 2008 for our named executive officers.

Name and principal position	Year	Salary ($)	Bonus ($)	Change in pension value ($)	All other compensation ($)	Total ($)
Aaron Jagdfeld *Chief Executive Officer*	2008	400,000	—	28,334	9,936	438,270
Edward LeBlanc *Interim Chief Executive Officer*	2008	373,973	—	—	23,869	397,842
York Ragen *Chief Financial Officer*	2008	153,740	—	2,992	497	157,229
Dawn Tabat *Chief Operating Officer, Executive Vice President and Secretary*	2008	450,000	—	101,862	9,936	561,798
Clement Feng *Chief Marketing Officer and Executive Vice President*	2008	263,846	2,000	10,620	2,484	278,950
Roger Schaus, Jr. *Senior Vice President of Service Operations*	2008	200,377	—	59,643	994	261,014

On September 30, 2008, Edward LeBlanc resigned as interim Chief Executive Officer. The compensation disclosed above under the column titled "All other compensation" represents the pro rata share of his housing allowance. Upon his resignation from the company, Mr. LeBlanc entered a separation agreement, which provides for 19 months of continuing medical and dental coverage ($12,965 value). In connection with the separation agreement. Mr. LeBlanc entered into a consulting agreement that began on October 1, 2008 with an annual fee of $150,000. This consulting agreement is in place through December 31, 2009 and can be extended upon our mutual agreement.

The compensation disclosed above under the column titled "All other compensation," for all but Mr. LeBlanc, consists of the amortization of restricted Class A Common Stock expense.

Grants of plan-based awards in 2008

In 2008, there were no bonuses awarded under our Incentive Compensation Plan. The table below shows threshold, target and maximum payouts under our Incentive Compensation Plan.

		Estimated future payouts under non-equity incentive plan awards			Estimated future payouts under equity incentive plan awards						
Name	Grant date	Threshold	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All other stock awards: number of shares of stock or units (#)	All other option awards: number of securities underlying options (#)	Exercise or base price of option awards ($/Sh)	Grant date fair value of stock and option awards
Aaron Jagdfeld	—	—	280,000	420,000	—	—	—	—	—	—	—
Edward LeBlanc	—	—	—	—	—	—	—	—	—	—	—
York Ragen	—	—	115,500	173,250	—	—	—	—	—	—	—
Dawn Tabat	—	—	315,000	472,500	—	—	—	—	—	—	—
Clement Feng	—	—	162,000	243,000	—	—	—	—	—	—	—
Roger Schaus, Jr.	—	—	103,306	154,958	—	—	—	—	—	—	—

None of these amounts were payable in 2008 under the Incentive Compensation Plan, which is described in "Compensation discussion and analysis."

Equity incentive plan

We intend to adopt an equity incentive plan, or the Omnibus Plan, in connection with this offering. The Omnibus Plan will become effective prior to the consummation of this offering and a total of shares of our common stock will be reserved for sale.

Administration

The Omnibus Plan will provide for its administration by the Compensation Committee of our board of directors or any committee designated by our board of directors to administer the Omnibus Plan.

Eligibility for participation

Members of our board of directors, as well as employees of, and service providers to, us or any of our subsidiaries and affiliates will be eligible to participate in the Omnibus Plan.

Types of awards

The Omnibus Plan will provide for the grant of nonqualified stock options, incentive stock options, stock appreciation rights, shares of restricted stock, other stock-based awards and performance-based compensation, collectively, the awards. The committee will, with regard to each award, determine the terms and conditions of the award, including the number of shares subject to the award, the vesting terms of the award, and the purchase price for the award. Awards may be made in assumption of or in substitution for outstanding awards previously granted by us or our affiliates, or a company acquired by us or with which we combine.

Pension benefits for 2008

The following table presents information regarding the present value of accumulated benefits that may become payable to the named executive officers under the Plan:

Name	Plan Name	Number of years credited service	Present value of accumulated benefit(1)	Payments during last fiscal year
Aaron Jagdfeld	Generac Power Systems Inc. Salaried, Technical & Clerical Employees Pension Plan	14.0	86,200	—
Edward LeBlanc	Generac Power Systems Inc. Salaried, Technical & Clerical Employees Pension Plan	—	—	—
York Ragen	Generac Power Systems Inc. Salaried, Technical & Clerical Employees Pension Plan	3.0	9,397	—
Dawn Tabat	Generac Power Systems Inc. Salaried, Technical & Clerical Employees Pension Plan	36.0	747,079	—
Clement Feng	Generac Power Systems Inc. Salaried, Technical & Clerical Employees Pension Plan	1.0	10,620	—
Roger Schaus, Jr	Generac Power Systems Inc. Salaried, Technical & Clerical Employees Pension Plan	20.0	317,653	—

(1) The accumulated benefit is based on service and earnings considered by the Plan for the period through December 31, 2008, at which time the Plan was frozen. Present value has been calculated assuming the named executive officers will remain in service until age 65, the age at which may occur without any reduction in benefits, and that the benefit is payable under the available forms of annuity consistent with the Plan. The interest assumption is 6.48%. The post retirement mortality assumption is based on the RP 2000 Combined Healthy Mortality for males or females, as appropriate, projected to 2007 with Projection Scale AA. See Note 9—Benefit Plans to our consolidated financial statements included elsewhere in this prospectus for more information.

(2) Mr. LeBlanc is not eligible for a pension benefit. At the time of his resignation on September 30, 2008, he did not meet the five-year vesting requirement of the plan.

The benefits under the Plan are based upon years of service and each participant's defined final average monthly compensation. For purposes of calculating benefits, average annual compensation is limited by Section 401(a)(17) of the Internal Revenue Code and is based upon wages, salaries and other amounts paid to the employee. Under the Plan, a participant earns a vested right to an accrued benefit upon completion of five years of vesting service.

Employment agreements and severance benefits

We have entered into employment agreements with Mr. Jagdfeld and Ms. Tabat under which, in the event the agreement is terminated, the relevant executive is entitled to severance payments determined by whether or not the agreement was terminated without Cause or Good Reason. The term of each employment agreement commenced on November 10, 2006 and continues unless terminated until November 10, 2011.

Cause is defined as the executive's: (a) willful and continued failure to substantially perform his/her duties; (b) gross negligence or willful misconduct in the performance of his or her duties; (c) commission of fraud, embezzlement, misappropriation of funds, breach of fiduciary duty or a material act of dishonesty against us; (d) indictment for a felony; or (e) drug addiction or habitual intoxication that adversely effects his or her performance or the reputation or best interest of the company.

Good Reason is defined as: (a) a reduction in the executive's base salary; (b) a material reduction of the executive's duties or responsibilities that has not been cured within 20 days after written notice has been given; and (c) a requirement by us that the executive be based in an office that is 50 miles more than his or her principal place of employment as of November 10, 2006.

All severance payments are subject to the executive's execution and effectiveness of a release of claims in the form attached to each employment agreement, and the executive's continued compliance with the Non-Competition Agreement (as defined herein).

If we terminate an employment agreement for Cause, or if the executive terminates his or her employment agreement without Good Reason, the executive is entitled only to the obligations already accrued under his or her employment agreement. If we terminate an employment agreement without Cause or if an executive terminates his or her employment agreement for Good Reason, the executive is entitled to receive from us (1) any accrued but unpaid base salary and vacation pay through the Termination Date (as defined in each employment agreement), payable as soon as practicable following such Termination Date, (2) any earned annual bonus for the fiscal year during which the Termination Date occurred (and the annual bonus for the prior fiscal year, if earned but not yet paid), payable in accordance with our usual bonus payment schedule, and (3) for a period of 18 months commencing on the Termination Date, 150% of the executive's then current base salary, payable in accordance with our standard payroll practices. In addition, we shall maintain the medical, hospitalization, dental and life insurance programs that the executive participated in prior to the Termination Date, in full force and effect, for the continued benefit of the executive, his or her spouse and dependents for a period of 18 months commencing on the Termination Date, and the executive would be entitled to full COBRA rights following the termination of such benefits. If we terminated Mr. Jagdfeld's or Ms. Tabat's employment agreement without Cause on December 31, 2008 or if either of them terminated his or her employment agreement for Good Reason, Mr. Jagdfeld would have been entitled to receive an aggregate of $919,442 ($900,000 for salary and $19,442 for benefits) and Ms. Tabat would have been entitled to receive an aggregate of $1,018,538 ($1,012,500 for salary and $6,038 for benefits), payable as described above, plus any accrued and unpaid base salary and bonus.

Simultaneously with the execution of each employment agreement, we entered into a confidentiality, non-competition and intellectual property agreement or Non-Competition Agreement. Pursuant to each of the Non-Competition Agreements, Mr. Jagdfeld and Ms. Tabat have agreed to maintain Confidential Information (as defined in each Non-Competition Agreement) in confidence and secrecy and have agreed not to compete with us or solicit any of our employees during his or her employment and for a period following eighteen months of his or her termination.

Although he has not entered into an employment agreement, Mr. Ragen has signed a Non-Competition Agreement. Our salary and bonus arrangements with Mr. Ragen are described under "Compensation discussion and analysis—Components of compensation."

In addition to the previously discussed employment agreements, Mr. Feng has an employment letter dated August 7, 2007 that provides salary and benefit continuation for a 12 month period commencing on his termination date, in the event he is terminated without Cause. If Mr. Feng had been terminated on December 31, 2008 without Cause, he would have been

entitled to receive an aggregate of $282,961 ($270,000 for salary and $12,961 for benefits), payable as described above, plus any accrued and unpaid base salary and bonus. Mr. Feng has also entered into a Non-Competition Agreement.

Equity vesting upon a change of control

One-half of the restricted shares that have been issued to date under the 2006 Equity Incentive Plan pursuant to restricted stock agreements vest over time, or Time Vesting Shares, with 25% vesting on November 10, 2007 and on the next three anniversaries thereof, so long as the participant is still employed by us or one of our subsidiaries on the applicable vesting date. Upon the occurrence of a change of control of Generac, any unvested Time Vesting Shares immediately vest in full, so long as the participant is still employed by us or one of our subsidiaries. The other half of the restricted shares immediately vest in full upon the occurrence, provided the participant is still then employed by us or one of our subsidiaries, of either: (1) a change of control of Generac that results in a quotient equal or greater than two when the aggregate net proceeds received by the Sponsors with respect to their shares of capital stock of Generac is divided by the dollar amount of the Sponsors' equity investment in Generac; or (2) from and after the date of the consummation of this offering, the achievement with respect to shares of the Class A Common Stock of an average closing trading price exceeding, in any 60 consecutive trading day period starting prior to the later of (a) the fifth year anniversary of the date of grant of the restricted shares, and (b) one year after the date of the consummation of this offering, the lowest amount which when multiplied by the number of shares of Class A Common Stock then held by the Sponsors and added to the aggregate net proceeds received by the Sponsors with respect to their shares of capital stock of Generac would yield a quotient of equal or greater than two when divided by the Sponsors' equity investment in Generac. In connection with any change in control, the aggregate net proceeds the Sponsors would need to receive with respect to shares of capital stock of Generac to cause the restricted shares to vest in full is $. In connection with this offering, the lowest average trading price per share in any period meeting the requirements of (2)(b) above needed to cause the restricted shares to vest in full is $.

As described in the preceding paragraph, if a change of control had occurred on December 31, 2008, whether or not all of the restricted shares held by our named executive officers would have vested on an accelerated basis, we would not have been required to pay any consideration to the named executive officers pursuant to the 2006 Equity Incentive Plan. The amount that the named executive officers could have realized on the sale of their shares in the change of control transaction would have depended on the price paid by the purchaser in such transaction.

Certain relationships and related person transactions

Shareholders agreement

On November 10, 2006, Generac entered into a shareholders agreement, or Shareholders Agreement, with its shareholders, or Shareholders, including CCMP Capital Investors II, L.P., various of its affiliated funds, various funds affiliated with Unitas and the management shareholders party thereto, including Roger Schaus Jr., Roger Pascavis, Allen Gillette, York A. Ragen, Dawn Tabat and Aaron Jagdfeld.

The Shareholders Agreement includes provisions regarding the election of members of our boards of directors, share transfer restrictions, tag-along rights, drag-along rights and certain preemptive rights, all of which provisions terminate upon the occurrence of an initial public offering, or IPO. The preemptive rights provisions of the Shareholders Agreement and their exercise by the parties to the Shareholders Agreement are described under "—Issuances of securities—Preemptive rights."

The Shareholders Agreement also provides for: (1) demand registration rights, which require Generac to effect registration of the Registrable Securities (as defined in the Shareholders Agreement) upon a written request from CCMP, subject to certain limitations; (2) piggy-back registration rights, after the occurrence of an IPO of Generac; and (3) shelf demand registration rights at any time after the one-year anniversary of an IPO of Generac when Generac becomes eligible to use a registration statement on Form S-3. In addition, under the Shareholders Agreement, Generac agrees to indemnify any selling stockholders with respect to registrations made pursuant to the above-mentioned registration rights.

The Shareholders Agreement also includes provisions regarding the repurchase of shares held by management shareholders who cease to be employed by Generac or any of its subsidiaries. After the occurrence of an IPO, Generac will continue to have a right (but not an obligation) to repurchase shares of common stock held by our employees, in the case of vested shares, if any such employee is terminated for cause prior to the first anniversary of the IPO or in the event a management shareholder violates the terms of any non-competition or non-solicitation covenant applicable to such employee, and in the case of unvested shares, if such employee's employment is terminated for any reason prior to the time when such shares vest, whereupon the Company's repurchase right terminates.

Advisory services and monitoring agreement

On November 10, 2006, Generac, Generac Acquisition Corp., and Generac Power Systems entered into a five-year advisory services and monitoring agreement with CCMP, Unitas Capital Pte. Ltd. and Unitas Capital Consulting Company Ltd., together, the "Sponsors", pursuant to which the Sponsors (or their affiliates) provide us with business monitoring and transaction advisory services. We pay the Sponsors (or their designees), collectively, a quarterly advisory fee in an amount equal to $125,000 and are obligated to reimburse for (1) reasonable out-of-pocket expenses incurred in connection with the provision of such management services, in connection with any enforcement of remedies under the agreement, and (2) reasonable out-of-pocket expenses incurred by each director appointed to the board of directors of any of Generac, Generac Acquisition Corp., and Generac Power Systems in connection with attending regular and special meetings of such board of directors and any committee thereof. In 2007,

the Sponsors received a total of $563,000 under this agreement, consisting of $500,000 of advisory fees and $63,000 for the reimbursement of out-of-pocket expenses. In 2008, the Sponsors received a total of $580,000 under this agreement consisting of $500,000 of advisory fees and $80,000 for the reimbursement of out-of-pocket expenses. In the nine months ended September 30, 2009, the Sponsors have received a total of $250,000 in advisory fees and have not been reimbursed for any out-of-pocket expenses.

In connection with and upon the consummation of the CCMP Transactions, the Sponsors received an aggregate fee of $15 million for, among other things, advisory services provided by them related to, and payable upon the completion of, the CCMP Transactions. In addition, pursuant to the advisory services and monitoring agreement, in January 2007 the Sponsors received a fee of $15 million in the aggregate as a result of our having a specified level of borrowing capacity under our revolving credit facility for a specified period of time.

Upon the consummation of an IPO (including this offering), the advisory services and monitoring agreement will automatically terminate, and we are required to promptly pay to the Sponsors the final installment of the quarterly advisory fee referred to above, pro rated if the final period is less than 90 days, and any unreimbursed expenses. The advisory fee and unreimbursed expenses will not be paid with the proceeds of this offering.

The advisory services and monitoring agreement also includes indemnification provisions in favor of the Sponsors and their affiliates.

2006 management equity incentive plan

On November 10, 2006, we adopted the 2006 Equity Incentive Plan, which provided for the grant or sale of equity awards to certain members of our management and employees, including our named executive officers, of up to a maximum of 9,350.0098 shares of our Class A Common Stock and 5,000 shares of our Class B Common Stock, subject to certain adjustments. For a discussion of the effect of change in control on the vesting of these shares, see "Executive compensation—Equity vesting upon a change of control."

As a condition to the purchases by members of management of restricted shares under the 2006 Equity Incentive Plan, members of management executed confidentiality, non-competition and intellectual property agreements, requiring them, for the period of their employment with Generac and for 18 months thereafter, to (1) keep certain information relating to Generac confidential, (2) not participate in a business competing with Generac and (3) not solicit any employee to leave his or her employment whom such member of management supervised or about whom such member or management gained confidential information during the last 18 months of such member of management's employment with Generac.

Issuances of securities

Sales of Class B Voting Common Stock. Between September 2007 and April 2008, we issued an aggregate of 10,425 shares of our Class B Voting Common Stock to affiliates of CCMP in exchange for certain term loans under our second lien credit facility that such CCMP affiliates had purchased for an aggregate purchase price of $78,202,000. The exchange ratio in connection with the exchange was one share of our Class B Voting Common Stock per $10,000

of the aggregate outstanding principal amount of the loans that were so exchanged. Such purchased term loans had an aggregate outstanding principal amount equal to $104,250,000.

In February 2007, we issued 5, 50 and 90 shares of our Class B Voting Common Stock to Edward A. LeBlanc, Harry Hornish and John D. Bowlin, respectively, for an aggregate purchase price of $1,450,000. Messrs. LeBlanc and Bowlin are currently serving on our board of directors. Mr. Hornish is a former director.

Sales of Series A Preferred Stock. In November 2008, we issued 1,550 shares of our Series A Preferred Stock to affiliates of CCMP for an aggregate purchase price of $15,500,000. Between December 2008 and July 2009, we issued an aggregate of 7,760.8845 shares of our Series A Preferred Stock to affiliates of CCMP in exchange for certain term loans under our first and second lien credit facility that such CCMP affiliates had purchased. The exchange ratio in connection with the exchange was one share of our Series A Preferred Stock per $10,000 of the amount paid by the CCMP affiliates for the loans that were so exchanged. Such purchased term loans had an aggregate outstanding principal amount equal to $154,814,528. In September 2009, we issued 14.8166, 2.9891, 6.0000, 2.1325, 2.4791 and 1,950.3427 shares of our Series A Preferred Stock to John Bowlin, Ed LeBlanc, Roger W. Shaus, Jr., Allen Gillette, York A. Ragen and CCMP Generac Co-Invest, L.P., respectively, for an aggregate purchase price of $19,787,600. In addition, Barry Goldstein and CCMP Generac Co-Invest LP purchased 20.0000 and 444.0373 shares, respectively, from CCMP for an aggregate purchase price of $4,640,373. Mr. Goldstein is currently serving on our board of directors. Messrs. Schaus, Gillette and Ragen are executive officers.

Preemptive rights. Pursuant to the preemptive rights provisions in the Shareholders Agreement, with respect to certain new issuances of equity securities by Generac, each shareholder of Generac that is an "accredited investor" (as such term is defined in Rule 501(a) of the Securities Act) has the right to purchase an amount of such equity securities being issued based on a percentage that is equivalent to such stockholder's then current equity ownership interest in Generac. Preemptive rights were available to the stockholders under the Shareholders Agreement in connection with the issuances of Class B Common Stock to affiliates of CCMP from September 2007 to April 2008 and the issuances of Series A Preferred Stock to affiliates of CCMP from December 2008 to July 2009. In connection with such issuances, CCMP Generac Co-Invest, L.P., Unitas, Aaron Jagdfeld, Allen Gillette, Roger Schaus, Jr., John D. Bowlin, Edward A. LeBlanc and Harry Hornish exercised their preemptive rights to purchase shares of Class B Common Stock in December 2007 and CCMP Generac Co-Invest, L.P., York A. Ragen, Allen Gillette, Roger Schaus, Jr., John D. Bowlin and Edward A. LeBlanc exercised their preemptive rights to purchase shares of Series A Preferred Stock in September 2009. The preemptive rights under the Shareholders Agreement do not apply to, and will terminate upon the consummation of, this offering.

Repurchases of securities

In November 2007, we repurchased all of the shares of Class A Nonvoting Common Stock held in a trust affiliated with William Treffert for an aggregate purchase price of $797,929.83. Each share of Class A Nonvoting Stock was repurchased for $341.36, the price which Mr. Treffert initially paid for the securities. Mr. Treffert is the former Chief Executive Officer of Generac.

CCMP transactions

In November 2006, affiliates of CCMP, together with affiliates of Unitas and members of our management, purchased an aggregate of $689 million of our equity capital. For information concerning the CCMP Transactions, see "CCMP transactions" and Note 1—Merger transaction and Note 11 to our audited consolidated financial statements included elsewhere in this prospectus.

Indemnification of directors and officers

Prior to the closing of this offering, we will enter into indemnification agreements with each of our directors and executive officers. These agreements, among other things, will require us to indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines, and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer. At present, we are not aware of any pending or threatened litigation or proceeding involving any of our directors, executive officers, employees, or agents in which indemnification would be required or permitted. We believe these indemnification agreements are necessary to attract and retain qualified persons as directors and executive officers.

Policies for approval of related person transactions

In connection with this offering, we will adopt a written policy relating to the approval of related person transactions. Our audit committee will review and approve or ratify all relationships and related person transactions between us and (1) our directors, director nominees, executive officers or their immediate family members, (2) any 5% record or beneficial owner of our common stock or (3) any immediate family member of any person specified in (1) and (2) above. Our controller will be primarily responsible for the development and implementation of processes and controls to obtain information from our directors and executive officers with respect to related party transactions and for determining, based on the facts and circumstances, whether we or a related person have a direct or indirect material interest in the transaction.

As set forth in the related person transaction policy, in the course of its review and approval or ratification of a related party transaction, the committee will consider:

- the nature of the related person's interest in the transaction;
- the availability of other sources of comparable products or services;
- the material terms of the transaction, including, without limitation, the amount and type of transaction; and
- the importance of the transaction to us.

Any member of the audit committee who is a related person with respect to a transaction under review will not be permitted to participate in the discussions or approval or ratification of the transaction. However, such member of the audit committee will provide all material information concerning the transaction to the audit committee.

Principal stockholders

Security ownership

As of September 30, 2009, affiliates of CCMP owned 76.5% of our Class B Common Stock and 99.4% of our Series A Preferred Stock; affiliates of Unitas owned 10.9% of our Class B Common Stock; and some of our current and former members of the management team, employees and members of our board of directors owned all of our outstanding Class A Common Stock and the remainder of our Class B Common Stock and Series A Preferred Stock.

The following table shows information regarding the beneficial ownership of our common stock (1) immediately prior to and (2) as adjusted to give effect to this offering by:

- each person or group who is known by us to own beneficially more than 5% of our common stock;
- each member of our board of directors and each of our named executive officers; and
- all members of our board of directors and our named executive officers as a group.

Beneficial ownership of shares is determined under rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. Except as noted by footnote, and subject to community property laws where applicable, we believe based on the information provided to us that the persons and entities named in the table below have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them. Percentage of beneficial ownership is based on shares of common stock outstanding as of September 30, 2009 after giving effect to our Corporate Reorganization and assuming an initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus), shares of common stock to be outstanding after the completion of this offering, assuming no exercise of the underwriters' option to purchase additional shares. Except as otherwise indicated, the persons named in the table below have sole voting and investment power with respect to all shares of

capital stock held by them. Unless otherwise indicated, the address for each holder listed below is Generac Holdings Inc., S45 W29290 Hwy. 59, Waukesha, Wisconsin 53187.

Name and address of beneficial owner	Shares beneficially owned before this offering		Shares beneficially owned after this offering		Shares beneficially owned after this offering assuming full exercise of the option to purchase additional shares	
	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares
Principal stockholders						
CCMP Capital, LLC(1)						
Unitas Capital Ltd.(2)						
Directors and Executive Officers						
Aaron Jagdfeld						
York A. Ragen						
Dawn Tabat						
Clement Feng						
Allen Gillette						
Roger Schaus						
Roger Pascavis						
Stephen McKenna(1)						
John D. Bowlin						
Edward A. LeBlanc						
Barry J. Goldstein						
Stephen Murray(1)						
Timothy Walsh(1)						
All board of director members and named executive officers as a group 13 persons						

(1) In the case of CCMP Capital, LLC, or CCMP Capital, includes shares of common stock owned by CCMP Capital Investors II, L.P., or CCMP Capital Investors, shares of common stock owned by CCMP Capital Investors (Cayman) II, L.P., or CCMP Cayman, and together with CCMP Capital Investors, the CCMP Capital Funds, and shares of common stock owned by CCMP Generac Co-Invest, L.P., or Generac Co-Invest.

The general partner of the CCMP Capital Funds is CCMP Capital Associates, L.P., or CCMP Capital Associates. The general partner of CCMP Capital Associates is CCMP Capital Associates GP, LLC, or CCMP Capital Associates GP. CCMP Capital Associates GP is wholly-owned by CCMP Capital. The general partner of Generac Co-Invest is CCMP Generac Co-Invest GP, LLC, or Generac Co-Invest GP. Generac Co-Invest GP is wholly-owned by CCMP Capital.

CCMP Capital ultimately exercises voting and dispositive power over the securities held by the CCMP Capital Funds and Generac Co-Invest. Voting and disposition decisions at CCMP Capital are made by three or more of its officers, and therefore no individual officer of CCMP Capital is the beneficial owner of the securities.

Stephen Murray is President and Chief Executive Officer of CCMP Capital. Each of Timothy Walsh and Stephen McKenna is a Managing Director of CCMP Capital. Each of Messrs. Murray, Walsh and McKenna disclaims any beneficial ownership of any shares beneficially owned by the CCMP Capital entities. The address of each of Messrs. Murray, Walsh and McKenna and each of the CCMP Capital entities (other than CCMP Cayman) is c/o CCMP Capital, LLC, 245 Park Avenue, New York, New York 10167. The address of CCMP Cayman is c/o Walkers SPV Limited, PO Box 908 GT, Walker House, George Town, Grand Cayman, Cayman Islands.

(2) In the case of Unitas includes shares of common stock owned by Asia Opportunity Fund II, L.P. , or AOF II, and shares of common stock owned by AOF II Employee Co-Invest Fund, L.P. , or AOF II Co-Invest, and together with AOF II , the AOF Funds.

The general partner of the AOF Funds is Unitas Capital Equity Partners II, L.P., or Unitas Equity Partners. The general partner of Unitas Equity Partners is Liu Asia Equity Company II, or Liu Asia Equity. Liu Asia Equity is wholly-owned by Andrew Liu.

Unitas ultimately exercises voting and dispositive power over the securities held by the AOF Funds. Voting and disposition decisions at Unitas are made by three or more of its officers, and therefore no individual officer of Unitas is the beneficial owner of the securities.

The address of each of the Unitas entities is c/o Walkers Corporate Services Limited, PO Box 908 GT, Walker House, George Town, Grand Cayman, Cayman Islands.

Description of capital stock

The following is a description of the material terms of our amended and restated certificate of incorporation and bylaws as they will be in effect following the Corporate Reorganization and immediately prior to the consummation of this offering. This summary does not purport to be complete and is qualified in its entirety by reference to the actual terms and provisions of our amended and restated certificate of incorporation and bylaws, copies of which will be filed as exhibits to the registration statement of which this prospectus is a part.

Authorized capitalization

Our shares of capital stock are currently held by 41 holders. Upon the completion of the Corporate Reorganization immediately prior to the consummation of this offering, our authorized capital stock will consist of shares of common stock, par value $0.01 per share, and shares of preferred stock, par value $ per share. Immediately following the completion of this offering, shares of common stock, or shares if the underwriters exercise their option to purchase additional shares in full, will be outstanding, and there will be no outstanding shares of preferred stock.

Common stock

The holders of our common stock are entitled to the following rights.

Voting rights

Each share of common stock entitles the holder to one vote with respect to each matter presented to our stockholders on which the holders of common stock are entitled to vote. Our common stock votes as a single class on all matters relating to the election and removal of directors on our board of directors and as provided by law, with each share of common stock entitling its holder to one vote. Holders of our common stock will not have cumulative voting rights. Except as otherwise provided in our amended and restated certificate of incorporation or required by law, all matters to be voted on by our stockholders must be approved by a majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter.

Dividend rights

Holders of common stock will share equally in any dividend declared by our board of directors, subject to any preferential rights of the holders of any outstanding preferred stock.

Liquidation rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, holders of our common stock would be entitled to share ratably in our assets that are legally available for distribution to stockholders after payment of liabilities. If we have any preferred stock outstanding at such time, holders of the preferred stock may be entitled to distribution and/or liquidation preferences. In either such case, we must pay the applicable distribution to the holders of our preferred stock before we may pay distributions to the holders of our common stock.

Other rights

Our stockholders have no subscription, redemption or conversion privileges. Our common stock does not entitle its holders to preemptive rights for additional shares and does not have any sinking fund provisions. All of the outstanding shares of our common stock are fully paid and nonassessable. The rights, preferences and privileges of the holders of our common stock are subject to the rights of the holders of shares of any series of preferred stock which we may issue.

Registration rights

Our existing stockholders have certain registration rights with respect to our common stock pursuant to a registration rights agreement. For further information regarding this agreement, see "Certain relationships and related person transactions" and "Shares eligible for future sale."

Preferred stock

Our board of directors is authorized to provide for the issuance of preferred stock in one or more series and to fix the preferences, powers and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including the dividend rate, conversion rights, voting rights, redemption rights and liquidation preference and to fix the number of shares to be included in any such series without any further vote or action by our stockholders. Any preferred stock so issued may rank senior to our common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up, or both. In addition, any such shares of preferred stock may have class or series voting rights. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders and may adversely affect the voting and other rights of the holders of our common stock.

Anti-takeover effects of our amended and restated certificate of incorporation and bylaws

Upon the closing of this offering, our amended and restated certificate of incorporation and bylaws will contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our board the power to discourage acquisitions that some stockholders may favor.

Delaware Anti-Takeover Statute

Upon the closing of this offering, our amended and restated certificate of incorporation will provide that the provisions of Section 203 of the Delaware General Corporation Law, which relate to business combinations with interested stockholders, do not apply to us.

Amended and restated certificate of incorporation and bylaw provisions

Board composition and filling vacancies. We will have a classified board of directors upon the closing of this offering. See "Management—Board of directors." It will take at least three

annual meetings of stockholders to elect a majority of the board of directors given our classified board. As a result, it may discourage third-party proxy contests, tender offers or attempts to obtain control of us even if such changes would be beneficial to us and our stockholders.

Our bylaws will provide that directors may be removed only for cause by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of common stock entitled to vote. Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board, may only be filled by the affirmative vote of a majority of our directors then in office even if less than a quorum.

No stockholder action by written consent. Our amended and restated certificate of incorporation will provide that, subject to the rights of any holders of preferred stock to act by written consent instead of a meeting, stockholder action may be taken only at an annual meeting or special meeting of stockholders and may not be taken by written consent instead of a meeting, unless the action to be taken by written consent of stockholders and the taking of this action by written consent has been expressly approved in advance by the board of directors. Failure to satisfy any of the requirements for a stockholder meeting could delay, prevent or invalidate stockholder action.

Meetings of stockholders. Our bylaws will provide that only a majority of the members of our board of directors then in office or the Chief Executive Officer may call special meetings of the stockholders and only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders. Our bylaws will limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

Advance notice requirements. Our bylaws will establish an advance notice procedure for stockholders to make nominations of candidates for election as directors or to bring other business before an annual meeting of our stockholders. The bylaws will provide that any stockholder wishing to nominate persons for election as directors at, or bring other business before, an annual meeting must deliver to our secretary a written notice of the stockholder's intention to do so. To be timely, the stockholder's notice must be delivered to or mailed and received by us not later than the 60th day nor earlier than the 90th day prior to the anniversary date of the preceding annual meeting, except that if the annual meeting is changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, we must receive the notice not earlier than the 90th day prior to such annual meeting and not later than the 60th day prior to such annual meeting. If a public announcement of the date of such annual meeting is made fewer than 70 days prior to the date of such annual meeting, then notice must be received by us no later than the tenth day following the public announcement of the date of the meeting. The notice must include the information specified in the bylaws.

Amendment to bylaws and certificate of incorporation. As required by Delaware law, any amendment to our amended and restated certificate of incorporation must first be approved by a majority of our board of directors and, if required by law or our amended and restated certificate of incorporation, thereafter be approved by a majority of the outstanding shares entitled to vote on the amendment. Our bylaws may be amended by the affirmative vote of a

majority of the directors then in office, subject to any limitations set forth in the bylaws, without further stockholder action.

Blank check preferred stock. The board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. Issuing preferred stock provides flexibility in connection with possible acquisitions and other corporate purposes, but could also, among other things, have the effect of delaying, deferring or preventing a change in control of our company and may adversely affect the market price of our common stock and the voting and other rights of the holders of common stock.

Listing

We intend to apply to have our common stock listed on the NYSE under the symbol "GNRC."

Transfer agent and registrar

The transfer agent and registrar for our common stock is .

Shares eligible for future sale

Prior to this offering, there was no public market for our common stock.

Sale of restricted securities

After this offering, there will be outstanding shares (assuming no exercise of the underwriters' option to purchase additional shares), or shares (assuming full exercise of the underwriters' option to purchase additional shares), of our common stock. Of these shares, all of the shares sold in this offering will be freely tradable without restriction under the Securities Act, unless purchased by our "affiliates" as that term is defined in Rule 144 under the Securities Act. The remaining shares of common stock that will be outstanding after this offering are "restricted securities" within the meaning of Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered under the Securities Act or are sold pursuant to an exemption from registration under Rule 144 under the Securities Act, which is summarized below. Subject to the lock-up agreements described below, shares held by our affiliates that are not restricted securities may be sold subject to compliance with Rule 144 of the Securities Act without regard to the prescribed one-year holding period under Rule 144.

Lock-up arrangements

In connection with this offering, we, each of our directors, executive officers and certain of our significant stockholders, representing shares of our common stock, will enter into lock-up agreements as described under "Underwriting" that restrict the sale of shares of our common stock for up to 180 days after the date of this prospectus, subject to an extension in certain circumstances.

In addition, following the expiration of the lock-up period, certain stockholders will have the right, subject to certain conditions, to require us to register the sale of their shares of our common stock under federal securities laws. If these stockholders exercise this right, our other existing stockholders may require us to register their registrable securities. By exercising their registration rights, and selling a large number of shares, these selling stockholders could cause the prevailing market price of our common stock to decline.

Following the lock-up periods described above, all of the shares of our common stock that are restricted securities or are held by our affiliates as of the date of this prospectus will be eligible for sale in the public market in compliance with Rule 144 under the Securities Act.

Rule 144

The shares of our common stock sold in this offering will generally be freely transferable without restriction or further registration under the Securities Act, except that any shares of our common stock held by an "affiliate" of ours may not be resold publicly except in compliance with the registration requirements of the Securities Act or under an exemption under Rule 144 or otherwise. Rule 144 permits our common stock that has been acquired by a person who is an affiliate of ours, or has been an affiliate of ours within the past three

months, to be sold into the market in an amount that does not exceed, during any three-month period, the greater of:

- one percent of the total number of shares of our common stock outstanding; or
- the average weekly reported trading volume of our common stock for the four calendar weeks prior to the sale.

Such sales are also subject to specific manner of sale provisions, a six-month holding period requirement, notice requirements and the availability of current public information about us.

Approximately shares of our common stock that are not subject to the lock-up arrangements described above will be eligible for sale under Rule 144 immediately upon closing this offering.

Rule 144 also provides that a person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has for at least six months beneficially owned shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock subject only to the availability of current public information regarding us. A person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned for at least one year shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock under Rule 144 without regard to the current public information requirements of Rule 144.

Equity incentive plan

We intend to file one or more registration statements on Form S-8 under the Securities Act to register shares of our common stock issued or reserved for issuance under the Omnibus Plan, referred to under "Executive compensation—Equity incentive plan." The first such registration statement is expected to be filed soon after the date of this prospectus and will automatically become effective upon filing with the SEC. Accordingly, shares registered under such registration statement will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described above.

Certain material U.S. federal income and estate tax considerations

The following is a general discussion of the material U.S. federal income and estate tax consequences of the purchase, ownership and disposition of common stock that may be relevant to you if you are a non-U.S. Holder (as defined below). This discussion is based on current law, which is subject to change, possibly with retroactive effect. This discussion is limited to non-U.S. Holders who hold shares of common stock as capital assets within the meaning of the U.S. Internal Revenue Code. Moreover, this discussion is for general information only and does not address all the tax consequences that may be relevant to you in light of your particular circumstances, nor does it discuss special tax provisions, which may apply to you if you relinquished U.S. citizenship or residence, are a "controlled foreign corporation," "passive foreign investment company" or a partnership or other pass-through entity for U.S. federal income tax purposes.

As used in this discussion, the term "non-U.S. Holder" means a beneficial owner of our common stock that is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity classified as a corporation for these purposes) created or organized in or under the laws of the United States or of any political subdivision of the United States;
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust, if (1) a U.S. court is able to exercise primary supervision over the trust's administration and one or more "United States persons" (within the meaning of the U.S. Internal Revenue Code) has the authority to control all of the trust's substantial decisions, or (2) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a "United States person."

If you are an individual, you may, in many cases, be deemed to be a resident alien, as opposed to a nonresident alien, by virtue of being present in the United States (1) for at least 183 days during the calendar year, or (2) for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. For purposes of (2), all the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year are counted. Resident aliens are subject to U.S. federal income tax as if they were U.S. citizens.

If a partnership, including any entity or arrangement treated as a partnership for U.S. federal income tax purposes, is a holder of our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. A holder that is a partnership, and the partners in such partnership, should consult their own tax advisors regarding the tax consequences of the purchase, ownership and disposition of our common stock.

EACH PROSPECTIVE PURCHASER OF COMMON STOCK IS ADVISED TO CONSULT A TAX ADVISOR WITH RESPECT TO CURRENT AND POSSIBLE FUTURE TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES THAT MAY ARISE UNDER THE LAWS OF ANY U.S. STATE, MUNICIPALITY OR OTHER TAXING JURISDICTION, IN LIGHT OF THE PROSPECTIVE PURCHASER'S PARTICULAR CIRCUMSTANCES.

Dividends

We do not anticipate making any distributions on our common stock. See "Dividend policy." If distributions are paid on shares of our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, such excess will constitute a return of capital that reduces, but not below zero, a non-U.S. Holder's tax basis in our common stock. Any remainder will constitute gain from the sale or exchange of our common stock. If dividends are paid, as a non-U.S. Holder, you will be subject to withholding of U.S. federal income tax at a 30% rate, or a lower rate as may be specified by an applicable income tax treaty, on the gross amount of the dividends paid to you. To claim the benefit of a lower rate under an income tax treaty, you must properly file with the payor an Internal Revenue Service Form W-8BEN, or other applicable form, claiming an exemption from or reduction in withholding under the applicable tax treaty. In addition, where dividends are paid to a non-U.S. Holder that is a partnership or other pass-through entity, persons holding an interest in the entity may need to provide certification claiming an exemption or reduction in withholding under the applicable treaty.

If dividends are considered effectively connected with the conduct of a trade or business by you within the United States and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment of yours, those dividends will be subject to U.S. federal income tax on a net basis at applicable graduated individual or corporate rates but will not be subject to withholding tax, provided an Internal Revenue Service Form W-8ECI, or other applicable form, is filed with the payor. If you are a foreign corporation, any effectively connected dividends may, under certain circumstances, be subject to an additional "branch profits tax" at a rate of 30% or a lower rate as may be specified by an applicable income tax treaty.

You must comply with the certification procedures described above, or, in the case of payments made outside the United States with respect to an offshore account, certain documentary evidence procedures, directly or, under certain circumstances, through an intermediary, to obtain the benefits of a reduced rate under an income tax treaty with respect to dividends paid with respect to your common stock. In addition, if you are required to provide an Internal Revenue Service Form W-8ECI or other applicable form, as discussed above, you must also provide your tax identification number.

If you are eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the Internal Revenue Service.

Gain on disposition of common stock

As a non-U.S. Holder, you generally will not be subject to U.S. federal income or withholding tax on any gain recognized on a sale or other disposition of common stock unless:

- the gain is considered effectively connected with the conduct of a trade or business by you within the United States and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of yours (in which case the gain will be subject to U.S. federal income tax on a net basis at applicable individual or corporate rates and, if you are a foreign corporation, the gain may, under certain circumstances, be subject to an additional branch profits tax equal to 30% or a lower rate as may be specified by an applicable income tax treaty);
- you are an individual who is present in the United States for 183 or more days in the taxable year of the sale or other disposition and certain other conditions are met (in which case, except as otherwise provided by an applicable income tax treaty, the gain, which may be offset by U.S. source capital losses, generally will be subject to a flat 30% U.S. federal income tax, even though you are not considered a resident alien under the U.S. Internal Revenue Code); or
- we are or become a U.S. real property holding corporation ("USRPHC"). We believe that we are not currently, and are not likely not to become, a USRPHC. Even if we were to become a USRPHC, gain on the sale or other disposition of common stock by you generally would not be subject to U.S. federal income tax provided:
    - the common stock was "regularly traded on an established securities market"; and
    - you do not actually or constructively own more than 5% of the common stock during the shorter of (i) the five-year period ending on the date of such disposition or (ii) the period of time during which you held such shares.

Federal estate tax

Individuals, or an entity the property of which is includable in an individual's gross estate for U.S. federal estate tax purposes, should note that common stock held at the time of such individual's death will be included in such individual's gross estate for U.S. federal estate tax purposes and may be subject to U.S. federal estate tax, unless an applicable estate tax treaty provides otherwise.

Information reporting and backup withholding tax

We must report annually to the Internal Revenue Service and to each of you the amount of dividends paid to you and the tax withheld with respect to those dividends, regardless of whether withholding was required. Copies of the information returns reporting those dividends and withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty or other applicable agreements.

Backup withholding is generally imposed (currently at a 28% rate, which rate currently is scheduled to increase to 31% for taxable years beginning on or after January 1, 2011) on certain payments to persons that fail to furnish the necessary identifying information to the

payor. You generally will be subject to backup withholding tax with respect to dividends paid on your common stock unless you certify your non-U.S. status. Dividends subject to withholding of U.S. federal income tax as described above in "Dividends" would not be subject to backup withholding.

The payment of proceeds of a sale of common stock effected by or through a U.S. office of a broker is subject to both backup withholding and information reporting unless you provide the payor with your name and address and you certify your non-U.S. status or you otherwise establish an exemption. In general, backup withholding and information reporting will not apply to the payment of the proceeds of a sale of common stock by or through a foreign office of a broker. If, however, such broker is, for U.S. federal income tax purposes, a U.S. person, a controlled foreign corporation, a foreign person that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States or a foreign partnership that at any time during its tax year either is engaged in the conduct of a trade or business in the United States or has as partners one or more U.S. persons that, in the aggregate, hold more than 50% of the income or capital interest in the partnership, backup withholding will not apply but such payments will be subject to information reporting, unless such broker has documentary evidence in its records that you are a non-U.S. Holder and certain other conditions are met or you otherwise establish an exemption.

Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against your U.S. federal income tax liability provided the required information is furnished in a timely manner to the Internal Revenue Service.

Underwriting

We are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities Inc. and Goldman, Sachs & Co. are acting as joint book running managers of the offering and as representatives of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of Shares
J.P. Morgan Securities Inc.	
Goldman, Sachs & Co.	
Total	

The underwriters are committed to purchase all the shares of our common stock offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares of our common stock directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. After the initial public offering of the shares of our common stock, the offering price and other selling terms may be changed by the underwriters. The representatives have advised us that the underwriters do not intend to confirm discretionary sales in excess of 5% of the common shares offered in this offering.

The underwriters have an option to buy up to additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option. If any shares of common stock are purchased with such option, the underwriters will purchase shares of common stock in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares of common stock on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts

and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without exercise of option	With full exercise of option
Per share	$	$
Total	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities Inc. and Goldman, Sachs & Co. for a period of 180 days after the date of this prospectus, other than the shares of our common stock to be sold hereunder and any shares of our common stock issued upon the exercise of options granted under our existing management incentive plans. Notwithstanding the foregoing, if (1) during the last 17 days of the 180-day restricted period, we issue an earnings release or material news or a material event relating to our company occurs; or (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Our directors and executive officers, and our significant stockholders will enter into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of J.P. Morgan Securities Inc. and Goldman, Sachs & Co., (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or

indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such directors, executive officers, managers and members in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant) or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock. Notwithstanding the foregoing, if (1) during the last 17 days of the 180-day restricted period, we issue an earnings release or material news or a material event relating to our company occurs; or (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

We will apply to have our common stock approved for listing/quotation on the NYSE under the symbol "GNRC."

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' option to purchase additional shares of our common stock referred to above, or may be "naked" shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares of our common stock, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through this option. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to

cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the NYSE, in the over the counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common shares, or that the shares will trade in the public market at or above the initial public offering price.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling with Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with,

relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each, a Relevant Member State, from and including the date on which the European Union Prospectus Directive, or the EU Prospectus Directive, is implemented in that Relevant Member State, or the Relevant Implementation Date, an offer of securities described in this prospectus may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the EU Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- to fewer than 100 natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive) subject to obtaining the prior consent of the joint book-running mangers for any such offer; or
- in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of securities to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State and the expression EU Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The securities offered by this prospectus may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of

the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the securities offered by this prospectus are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

The securities offered by this prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. J.P. Morgan Securities Inc. and Goldman, Sachs & Co. have acted as an administrative agent under our first lien secured credit facility and our second lien secured credit facility, respectively, as well as lenders under the revolving credit facility included within the first lien secured credit facility. Furthermore, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

One or more affiliates of J.P. Morgan Securities Inc. are limited partners in CCMP Capital Investors II, L.P., which is a stockholder of our company. One or more affiliates of Goldman, Sachs & Co. are limited partners in CCMP Capital Investors (Cayman) II, L.P. and CCMP Generac Co-Invest, L.P., which are stockholders of our company.

Conflicts of interest

One or more affiliates of J.P. Morgan Securities Inc. beneficially own more than 10% of CCMP Capital Investors II, L.P., which is a stockholder in our company. Because J.P. Morgan Securities Inc. is an underwriter and its affiliates beneficially, through CCMP Capital Investors II, L.P., own more than 10% of our company, J.P. Morgan Securities Inc. is deemed to have a "conflict of interest" under Rule 2720 of the Conduct Rules of the National Association of Securities Dealers, Inc., which is overseen by the Financial Industry Regulatory Authority. Accordingly, this offering will be made in compliance with the applicable provisions of Rule 2720. Rule 2720 requires that a "qualified independent underwriter" meeting certain standards to participate in the preparation of the registration statement and prospectus and exercise the usual standards of due diligence with respect thereto. has agreed to act as a "qualified independent underwriter" within the meaning of NASD Rule 2720 of FINRA in connection with this offering. will not receive any additional compensation for acting as a qualified independent underwriter. J.P. Morgan Securities Inc. will not confirm any sales to any accounts over which it exercises discretionary authority without first receiving a written consent from those accounts. We have agreed to indemnify against certain liabilities incurred in connection with acting as a "qualified independent underwriter," including liabilities under the Securities Act.

Legal matters

Weil, Gotshal & Manges LLP, New York, New York has passed upon the validity of the common stock offered hereby on behalf of us. The validity of the common stock offered hereby will be passed upon on behalf of the underwriters by Simpson Thacher & Bartlett LLP, New York, New York.

Experts

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements at December 31, 2008 and 2007, and for the years ended December 31, 2008 and 2007, and the period from November 11, 2006 to December 31, 2006 (Successor) as set forth in their report. Ernst & Young LLP also audited the consolidated financial statements of our predecessor, Generac Power Systems, Inc., for the period from January 1, 2006 through November 10, 2006 (Predecessor), as set forth in their report. We have included our financial statements in the prospectus and elsewhere in this registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

Where you can find additional information

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. For further information with respect to Generac and the shares of common stock offered hereby, you should refer to the registration statement and to the exhibits and schedules filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. A copy of the Generac registration statement and the exhibits and schedules thereto may be inspected without charge at the public reference room maintained by the SEC located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of all or any portion of the registration statements and the filings may be obtained from such offices upon payment of prescribed fees. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330 or (202) 551-8090. The SEC maintains a website at *www.sec.gov* that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC.

You may obtain a copy of any of our filings, at no cost, by writing or telephoning us at:

Generac Holdings Inc.
S45 W29290 Hwy. 59
Waukesha, WI 53187
(262) 544-4811

Index to consolidated financial statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
of Generac Holdings Inc.

We have audited the accompanying consolidated balance sheets of Generac Holdings Inc. and subsidiaries (the Company) as of December 31, 2008 and 2007, and the related consolidated statements of operations, redeemable stock and stockholders' equity (deficit), and cash flows for the years ended December 31, 2008 and 2007, and the period from November 11, 2006 to December 31, 2006 (Successor). We have also audited the statements of operations, redeemable stock and stockholders' equity (deficit), and cash flows of Generac Power Systems, Inc. (Predecessor) for the period from January 1, 2006 through November 10, 2006. 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. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits 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, and 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 consolidated financial position of Generac Holdings Inc. and subsidiaries at December 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for the years ended December 31, 2008 and 2007, and the period from November 11, 2006 to December 31, 2006, and the results of operations and cash flows of Generac Power Systems, Inc. (Predecessor) for the period from January 1, 2006 through November 10, 2006, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2 and 9 to the consolidated financial statements, the accompanying financial statements have been retrospectively adjusted for the adoption of the guidance originally issued in Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106, and 132(R)* (codified in FASB ASC Topic 715 Compensation—Retirement Benefits), effective December 31, 2006, and the guidance originally issued in Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109* (codified in FASB ASC Topic 740 Income Taxes), effective January 1, 2007.

/s/ Ernst & Young LLP

Milwaukee, Wisconsin
October 20, 2009

Audited consolidated financial statements

Generac Holdings Inc.
Consolidated balance sheets
(Dollars in thousands, except share and per share data)

	December 31,	
	2008	2007
Assets		
Current assets:		
Cash and cash equivalents	$ 81,229	$ 71,314
Accounts receivable, less allowance for doubtful accounts of $1,020 in 2008 and $808 in 2007	66,107	45,551
Notes receivable, less allowance of $965 in 2008 and $850 in 2007	134	305
Inventories	123,980	97,614
Prepaid expenses and other assets	3,547	2,966
Total current assets	274,997	217,750
Property and equipment:		
Land and improvements	3,913	3,901
Buildings and improvements	48,148	47,613
Leasehold improvements	—	21
Machinery and equipment	24,010	21,880
Dies and tools	9,077	7,650
Vehicles	984	1,094
Office equipment	4,542	3,916
Construction-in-progress	139	—
	90,813	86,075
Less accumulated depreciation	14,139	7,093
Property and equipment, net	76,674	78,982
Customer lists, net	173,104	211,535
Patents, net	100,574	108,394
Other intangible assets, net	9,142	10,493
Deferred financing costs, net	16,885	23,217
Trade names	148,765	229,058
Goodwill	525,875	1,029,068
Other assets	198	162
Total assets	$ 1,326,214	$ 1,908,659
Liabilities and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	$ 54,525	$ 20,076
Accrued wages and employee benefits	5,064	5,637
Other accrued liabilities	58,892	59,477
Current portion of long-term debt	9,500	9,500
Total current liabilities	127,981	94,690
Long-term debt	1,121,437	1,280,750
Other long-term liabilities	43,539	27,439
Total liabilities	1,292,957	1,402,879
Class B convertible voting common stock, par value $0.01, 110,000 shares authorized, 79,114 and 76,737 shares issued at December 31, 2008 and 2007, respectively	765,096	747,070
Series A convertible nonvoting preferred stock, par value $0.01, 20,000 shares authorized, 7,835 shares issued at December 31, 2008	78,355	—
Stockholders' equity (deficit):		
Class A non-voting common stock, par value $0.01, 31,200 shares authorized, 5,717 and 6,272 shares issued at December 31, 2008 and 2007, respectively	—	—
Additional paid-in capital	2,356	2,505
Excess purchase price over predecessor basis	(202,116)	(202,116)
Accumulated deficit	(581,626)	(25,671)
Accumulated other comprehensive loss	(28,650)	(15,813)
Stockholder notes receivable	(158)	(195)
Total stockholders' equity (deficit)	(810,194)	(241,290)
Total liabilities and stockholders' equity (deficit)	$ 1,326,214	$ 1,908,659

See notes to consolidated financial statements.

Generac Holdings Inc.
Consolidated statements of operations
(Dollars in thousands, except share and per share data)

	Year ended December 31,		Successor	Predecessor
	2008	2007	Period from November 11, 2006 through December 31, 2006	Period from January 1, 2006 through November 10, 2006
Net sales	$ 574,229	$ 555,705	$ 74,110	$ 606,249
Costs of goods sold	372,199	333,428	55,105	371,425
Gross profit	202,030	222,277	19,005	234,824
Operating expenses:				
Selling and service	57,449	52,652	5,279	45,800
Research and development	9,925	9,606	1,168	9,141
General and administrative	15,869	17,581	1,695	12,631
Amortization of intangibles	47,602	47,602	8,576	—
Transaction-related expenses	—	—	—	149,792
Goodwill impairment	503,193	—	—	—
Trade name impairment	80,293	—	—	—
Total operating expenses	714,331	127,441	16,718	217,364
(Loss) income from operations	(512,301)	94,836	2,287	17,460
Other (expense) income:				
Interest expense	(108,022)	(125,366)	(18,354)	(673)
Gain on extinguishment of debt	65,385	18,759	—	—
Investment income	600	2,682	302	1,571
Other, net	(1,217)	(1,196)	(192)	(52)
Total other (expense) income, net	(43,254)	(105,121)	(18,244)	846
(Loss) income before provision (benefit) for income taxes	(555,555)	(10,285)	(15,957)	18,306
Provision (benefit) for income taxes	400	(571)	—	5,519
Net (loss) income	$ (555,955)	$ (9,714)	$ (15,957)	$ 12,787
Preferential distribution to:				
Series A preferred stock holders	(785)	—	—	—
Class B common stockholders	(90,567)	(73,676)	(9,502)	—
Net loss attributable to Class A common stockholders	$ (647,307)	$ (83,390)	$ (25,459)	$ 12,787
Net loss per common share, basic and diluted				
Class A Common Stock	(108,581)	(10,626)	(3,068)	n/m
Class B Common Stock	1,148	1,051	139	n/m
Weighted average common shares outstanding				
Class A Common Stock	5,962	7,848	8,298	n/m
Class B Common Stock	78,926	70,102	68,567	n/m

See notes to consolidated financial statements.

n/m—earnings per share on predecessor has not been presented since it is not meaningful due to changes in equity structure which resulted from the acquisition of the company in 2006.

Generac Holdings Inc.
Consolidated statements of redeemable stock and stockholders' equity (deficit)
(Dollars in thousands, except share data)

	Redeemable																	
	Series A preferred stock		Class B common stock		Preferred stock		Class A common stock		Class B common stock		Additional paid-in capital	Excess purchase price over predecessor basis	Retained earnings (accumulated deficit)	Accumulated other comprehensive income (loss)	Treasury stock	Stockholder notes receivable	Total stockholders' equity (deficit)	Comprehensive income (loss)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount								
														(As adjusted)			(Adjusted)	(Adjusted)
Predecessor																		
Balance at January 1, 2006	—	$ —	—	$ —	600	$39	12,000	$—	142,820	$ 1	$7,261	$ —	$ 156,763	$ (4,205)	$(14,259)	$(3,388)	$142,212	$ —
Net earnings	—	—	—	—	—	—	—	—	—	—	—	—	12,787	—	—	—	12,787	12,787
Payment of stockholder note receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,388	3,388	—
Minimum pension liability adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	683	—	—	683	683
Discretionary distributions to stockholders	—	—	—	—	—	—	—	—	—	—	—	—	(107,413)	—	—	—	(107,413)	—
S Corporation distributions to stockholders	—	—	—	—	—	—	—	—	—	—	—	—	(41,074)	—	—	—	(41,074)	—
Balance at November 10, 2006	—	$ —	—	$ —	600	$39	12,000	$—	142,820	$ 1	$7,261	$ —	$ 21,063	$ (3,522)	$(14,259)	$ —	$ 10,583	$ 13,470
Successor																		
Balance at November 11, 2006	—	$ —	—	$ —	—	$—	—	$—	—	$—	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Contribution of capital	—	—	68,567	685,667	—	—	8,298	—	—	—	2,833	—	—	—	—	—	2,833	—
Impact of Predecessor basis adjustment on acquisition	—	—	—	—	—	—	—	—	—	—	—	(202,116)	—	—	—	—	(202,116)	—
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	(15,957)	—	—	—	(15,957)	(15,957)
Unrealized gain on interest rate swaps	—	—	—	—	—	—	—	—	—	—	—	—	—	3	—	—	3	3
Amortization of restricted stock expense	—	—	—	—	—	—	—	—	—	—	7	—	—	—	—	—	7	—
																		$ (15,954)
Recording of underfunded pension liability upon adoption of SFAS No. 158 (as adjusted)	—	—	—	—	—	—	—	—	—	—	—	—	—	457	—	—	457	
Balance at December 31, 2006 (as adjusted)	—	$ —	68,567	$685,667	—	$—	8,298	$—	—	$—	$2,840	$(202,116)	$ (15,957)	$ 460	$ —	$ —	$(214,773)	
Unrealized loss on interest rate swaps	—	—	—	—	—	—	—	—	—	—	—	—	—	(18,511)	—	—	(18,511)	(18,511)
Issuance of stockholder notes receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(195)	(195)	—
Contribution of capital related to debt extinguishment	—	—	8,025	59,953	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds from shares issued to directors	—	—	145	1,450	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds from shares issued to management	—	—	—	—	—	—	623	—	—	—	212	—	—	—	—	—	212	—
Repurchase of shares from management	—	—	—	—	—	—	(2,649)	—	—	—	(904)	—	—	—	—	—	(904)	—
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	—	304	—	—	—	—	—	304	—
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	(9,714)	—	—	—	(9,714)	(9,714)
Pension liability adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	2,238	—	—	2,238	2,238
Amortization of restricted stock expense	—	—	—	—	—	—	—	—	—	—	53	—	—	—	—	—	53	—
																		$ (25,987)
Balance at December 31, 2007	—	—	76,737	747,070	—	—	6,272	—	—	—	2,505	(202,116)	(25,671)	(15,813)	—	(195)	(241,290)	
Unrealized loss on interest rate swaps	—	—	—	—	—	—	—	—	—	—	—	—	—	(5,715)	—	—	(5,715)	$ (5,715)
Repayment of stockholder notes receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	37	37	—
Contribution of capital related to debt extinguishment	6,285	62,855	2,400	18,249	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contribution of capital	1,550	15,500	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Repurchase of shares from management	—	—	(23)	(223)	—	—	(555)	—	—	—	(189)	—	—	—	—	—	(189)	—
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	(555,955)	—	—	—	(555,955)	(555,955)
Amortization of restricted stock expense	—	—	—	—	—	—	—	—	—	—	40	—	—	—	—	—	40	—
Pension liability adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	(7,122)	—	—	(7,122)	(7,122)
																		$(568,792)
Balance at December 31, 2008	7,835	$ 78,355	79,114	$765,096	—	$—	5,717	$—	—	$—	$2,356	$(202,116)	$(581,626)	$(28,650)	$ —	$ (158)	$(810,194)	

See notes to consolidated financial statements.

Generac Holdings Inc.
Consolidated statements of cash flows
(Dollars in thousands)

	Year ended December 31,		Successor	Predecessor
	2008	2007	Period from November 11, 2006 through December 31, 2006	Period from January 1, 2006 through November 10, 2006
Operating activities				
Net (loss) income	$ (555,955)	$ (9,714)	$ (15,957)	$ 12,787
Adjustment to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation	7,168	6,181	936	4,654
Amortization	47,602	47,602	8,576	24
Goodwill and tradename impairment charge	583,486	—	—	—
Gain on extinguishment of debt	(65,385)	(18,759)	—	—
Amortization of deferred finance costs	3,905	4,225	590	—
Provision for losses on accounts receivable	212	82	29	321
Provision for losses on notes receivable	115	850	—	—
Loss on disposal of property and equipment	234	60	—	416
Stock-based compensation expense—restricted stock	40	53	7	—
Stock-based compensation expense—Class B common stock	—	304	—	—
Net changes in operating assets and liabilities:				
Accounts receivable	(20,768)	4,808	7,002	(10,052)
Inventories	(26,366)	21,372	18,225	(30,206)
Other assets	(617)	(1,794)	(55)	2,049
Accounts payable	34,449	(3,369)	4,894	(3,467)
Accrued wages and employee benefits	(806)	776	(20,205)	8,512
Other accrued liabilities	2,911	(14,164)	32,018	17,723
Net cash provided by operating activities	10,225	38,513	36,060	2,761
Investing activities				
Proceeds from sale of property and equipment	92	56	1	63
Expenditures for property and equipment	(5,186)	(13,191)	(720)	(6,225)
Collections on receivable notes	56	403	35	455
Acquisition of business, net of cash acquired	—	—	(1,864,319)	—
Net cash used in investing activities	(5,038)	(12,732)	(1,865,003)	(5,707)

	Year ended December 31,		Successor Period from November 11, 2006 through December 31, 2006,	Predecessor Period from January 1, 2006 2006 through November 10, 2006
	2008	2007		
Financing activities				
Stockholders' contributions of capital—Class B common stock	$ —	$ 1,450	$ 685,667	$ —
Stockholders' contributions of capital—Class A common stock	—	212	2,833	—
Stockholders' contributions of capital—Series A preferred stock	15,500	—	—	—
Repurchase of shares from management—Class B common stock	(224)	—	—	—
Repurchase of shares from management—Class A common stock	(189)	(904)	—	—
Issuance of stockholder notes receivable	—	(195)	—	—
Repayment of stockholder notes receivable	37	—	—	—
Proceeds from long-term debt	—	—	1,380,000	—
Payment of long-term debt	(10,396)	(9,500)	—	—
Proceeds from term loan	—	—	—	155,000
Payment of term loan	—	—	(155,000)	—
Payment of debt financing costs	—	—	(30,086)	—
Payment of industrial revenue bond	—	—	—	(4,800)
Collection of stockholder note receivable	—	—	—	3,388
S Corporation distributions to stockholders	—	—	—	(168,815)
Net cash provided by (used in) financing activities	4,728	(8,937)	1,883,414	(15,227)
Net increase in cash and cash equivalents	9,915	16,844	54,471	(18,173)
Cash and cash equivalents at beginning of period	71,315	54,471	—	33,351
Cash and cash equivalents at end of period	$ 81,230	$ 71,315	$ 54,471	$ 15,178
Supplemental disclosure of cash flow information				
Cash paid during the period				
Interest	$ 109,431	$ 101,632	$ 8,713	$ 185
Income taxes	295	4,777	51	348
Supplemental disclosure of noncash financing and investing activities				
Contributions of capital related to debt extinguishment	$ 81,105	$ 59,953	$ —	$ —

See notes to consolidated financial statements

Generac Holdings Inc.
Notes to consolidated financial statements
Years ended December 31, 2008 and 2007 and the period from November 11, 2006 to December 31, 2006 and its predecessor for the period from January 1, 2006 to November 10, 2006

1. Description of business

Generac Holdings Inc. (the Company) owns all of the common stock of Generac Acquisition Corp., which in turn, owns all of the common stock of Generac Power Systems, Inc. (the Subsidiary). The Company designs, manufactures, and markets a complete line of automatic standby generators for residential, light-commercial, and industrial usage, as well as portable generators and air-cooled engines, for domestic and international markets.

Financial statement periods

The Subsidiary was owned by a principal executive and certain members of management through November 10, 2006. Financial statements of this company for the period from January 1, 2006 through November 10, 2006, are referred to as Predecessor financial statements and such period is hereafter referred to as Predecessor Period.

As described below, on September 13, 2006, GPS CCMP Merger Corp. (Merger Corp.) was formed and on November 10, 2006, was merged into the Subsidiary with the Subsidiary being the surviving entity. Merger Corp. had no operations between September 13, 2006 through November 10, 2006, the date it merged into the Subsidiary, other than entering into agreements to facilitate the merger transaction. The consolidated financial statements for the period from Merger Corp's incorporation, September 13, 2006 to December 31, 2006, are referred to as Successor financial statements and reflect the results of operations of the merged entity effective November 11, 2006 and such period is hereafter referred to as Successor Period.

Merger transaction

On September 13, 2006, the Subsidiary, Merger Corp., and its then parent company, GPS CCMP Acquisition Corp., and a shareholder representative, entered into an Agreement and Plan of Merger, pursuant to which Merger Corp. merged with and into the Subsidiary, on November 10, 2006, with the Subsidiary continuing as the surviving entity and a wholly owned subsidiary of Generac Acquisition Corp. (which was formed on October 26, 2006), which in turn is a wholly owned subsidiary of Generac Holdings Inc. Generac Holdings Inc. is a Delaware corporation, the outstanding common stock of which is owned by affiliates of CCMP Capital, LLC (collectively, CCMP) and related entities, affiliates of Unitas Capital Ltd., certain members of management of the Subsidiary and board of directors of the Company.

At the time of the merger transaction, previous owners of the Predecessor became the holders of 3,896 shares of the Company's Class A common stock and 7,790 shares of the Company's Class B common stock. As a result of this residual ownership interest in the Subsidiary and the form of the leveraged transaction, the transaction was accounted for under the provisions of Emerging Issues Task Force (EITF) Issue No. 88-16, *Basis in Leveraged Buy-Out Transactions*. The

application of EITF 88-16 to the merger transaction resulted in a new reporting entity as of the leveraged transaction closing date, but only a partial (89.19%) adjustment was made to the carrying values of the assets and liabilities acquired based on the purchase price. Approximately 10.81% of the carrying values of the acquired assets and liabilities were carried over at the predecessor company's basis.

The purchase price, net of cash acquired, of $1,864.3 million (including direct costs associated with the acquisition such as the CCMP transaction fee, legal costs, and other professional costs) was financed through the issuance of $1,380 million of term loans and common stock with a value of $688.5 million. The Predecessor incurred transaction-related expenses of approximately $149.8 million, which primarily related to the settlement of the employee share appreciation program (See Note 9). The transaction was accounted for as a purchase, whereby the purchase price was allocated to the underlying assets and liabilities based on the estimated fair values of those assets and liabilities, as adjusted for the Predecessor basis adjustment accounting described above.

The following represents the estimated fair values of the assets acquired and the liabilities assumed, net of the Predecessor basis adjustment, at the date of acquisition as finalized in 2007 (dollars in thousands):

Current assets	$ 212,731
Property and equipment	72,304
Customer list, patents, trade names, and other intangibles	615,658
Goodwill	1,029,068
Excess purchase price over predecessor basis (contra equity)	202,116
Short-term liabilities assumed	(97,380)
Long-term debt assumed and subsequently settled	(155,000)
Net assets acquired	1,879,497
Less cash acquired	(15,178)
Net cash payment for acquisition	$ 1,864,319

The tax basis for goodwill at the acquisition date was approximately $1.14 billion.

2. Significant accounting policies

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany amounts and transactions have been eliminated in consolidation.

Cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of credit risk

The Company maintains the majority of its cash in one commercial bank. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured.

Two customers accounted for approximately 13% and 11% of accounts receivable at December 31, 2008. No one customer accounted for greater than 10% of accounts receivable at December 31, 2007. No one customer accounted for greater than 10% of net sales during the years ended December 31, 2008 or 2007. One customer accounted for approximately 8% of net sales for the period from November 11, 2006 through December 31, 2006 (the Successor Period). One customer accounted for approximately 13% of net sales for the period from January 1, 2006 through November 10, 2006 (the Predecessor Period).

Accounts receivable

Receivables are recorded at their face value amount less an allowance for doubtful accounts. The Company estimates and records an allowance for doubtful accounts based on specific identification and historical experience. The Company writes off uncollectible accounts against the allowance for doubtful accounts after all collection efforts have been exhausted. Sales are generally made on an unsecured basis.

Inventories

Inventories are stated at the lower of cost or market, with cost determined using the first-in, first-out method.

Property and equipment

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets, which are summarized below (in years). Costs of leasehold improvements are amortized over the lesser of the term of the lease (including renewal option periods) or the estimated useful lives of the improvements.

Land improvements	15
Buildings and improvements	40
Leasehold improvements	10 - 20
Machinery and equipment	5 - 10
Dies and tools	3 - 5
Vehicles	3 - 5
Office equipment	3 - 10

Customer lists, patents, and other intangible assets

The following table summarizes intangible assets by major category as of December 31, 2008 and 2007 (dollars in thousands):

	Weighted average amortization years	2008			2007		
		Cost	Accumulated amortization	Amortized cost	Cost	Accumulated amortization	Amortized cost
Indefinite lived intangible assets							
Tradenames		$ 140,050	$ —	$ 140,050	$ 229,058	$ —	$ 229,058
Finite lived intangible assets							
Tradenames	2	8,715	—	8,715	—	—	—
Customer lists	7	256,760	(83,656)	173,104	256,760	(45,225)	211,535
Patents	15	117,811	(17,237)	100,574	117,811	(9,417)	108,394
Unpatented technology	9	11,015	(2,616)	8,399	11,015	(1,391)	9,624
Software	8	1,014	(271)	743	1,014	(145)	869
Total finite lived intangible assets	9	$ 395,315	$ (103,780)	$ 291,535	$ 386,600	$ (56,178)	$ 330,422

Amortization of intangible assets was $47,602,000 in 2008 and 2007, and $8,576,000 in the Successor Period. During the fourth quarter of 2008, the Company recorded an impairment related to its indefinite lived intangible assets. See the Goodwill and Other Indefinite-Lived Intangible Assets section for further discussion. Estimated amortization expense each year for the five years subsequent to December 31, 2008 is as follows: 2009 and 2010, $51,829,000; 2011, $47,471,000, 2012, $43,220,000; 2013, $21,347,000.

Deferred financing costs

Costs incurred in connection with the issuance of long-term debt have been capitalized and are being amortized using the effective interest rate method over the life of the related debt agreements. Deferred financing costs incurred in connection with the financing on November 10, 2006, totaled $29,571,000, and amortization expense for 2008 and accumulated amortization at December 31, 2008, were $3,905,000 and $8,720,000, respectively. Amortization expense for 2007 and accumulated amortization at December 31, 2007, were $4,225,000 and $4,815,000, respectively. In connection with the merger transaction and repayment of the Predecessor term debt, the Successor paid $515,000 of debt financing costs during the Successor Period. Amortization expense for the Successor Period was $590,000. As a result of the debt extinguishments in 2008 and 2007 (see Note 6), $2,427,000 and $1,539,000 of the deferred financing costs were written off, respectively, and recorded as a reduction to the gain on the extinguishment of debt. Amortization expense is included in interest expense in the consolidated statements of operations. Amortization expense for each of the next four years is expected to be approximately $3,474,000 and $2,989,000 in year five.

Long-lived assets

The Company periodically evaluates the carrying value of long-lived assets (including property and equipment, customer lists, patents and other intangible assets, but excluding goodwill and indefinite-lived trade names). Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of an asset, a loss is recognized for the difference between the fair value and carrying value of the asset. Such analyses necessarily involve significant judgements.

Because the Company recorded a goodwill impairment charge in the fourth quarter of fiscal 2008, the Company reviewed its long-lived assets, performed the undiscounted cash flow analysis and concluded there was no impairment as future undiscounted cash flows exceeded the carrying values as of December 31, 2008.

Goodwill and other indefinite-lived intangible assets

Goodwill represents the excess of the amount paid to acquire the Company over the estimated fair value of the net tangible and intangible assets acquired as of the acquisition date.

Other indefinite-lived intangible assets consist of trade names. The fair value of trade names was measured using a relief-from-royalty approach, which assumes the fair value of the trade name is the discounted cash flows of the amount that would be paid had the Company not owned the trade name and instead licensed the trade name from another company.

The Company performs an annual impairment test for goodwill and trade names and more frequently if an event or circumstances indicate that an impairment loss has been incurred. Conditions that would trigger an impairment assessment include, but are not limited to, a significant adverse change in legal factors or business climate that could affect the value of an asset. The analysis of potential impairment of goodwill requires a two-step process. The first step is the estimation of fair value of the applicable reporting unit. The Company has determined it has one reporting unit as the Company considers itself one business, and all significant decisions are made on a companywide basis by its chief decision maker. Estimated fair value is based on management judgments and assumptions with the assistance of a third-party valuation firm, and those fair values are compared with the aggregate carrying value of the Company. If the fair value of the Company is greater than its carrying amount, there is no impairment. If the Company carrying amount is greater than the fair value, then the second step must be completed to measure the amount of impairment, if any.

The second step calculates the implied fair value of the goodwill, which is compared to its carrying value. The implied fair value of goodwill is calculated by hypothetically valuing all of the tangible and intangible assets of the reporting unit at fair value as if the reporting unit had been acquired in a business combination. The excess of the fair value of the entire reporting unit over the fair value of its identifiable assets and liabilities is the implied fair value of goodwill. If the implied fair value of goodwill is less than the carrying value of goodwill, an impairment is recognized equal to the difference.

As of October 31, 2008, the Company performed its annual goodwill impairment test. The fair value of the Company was estimated based on a weighted average of a discounted cash flow analysis and comparable public company analysis (i.e. market approach). The rate used in determining discounted cash flows is a rate corresponding to the Company's cost of capital, adjusted for risk where appropriate. In determining the estimated future cash flows, current and future levels of income are considered as well as business trends and market conditions. Due to an increase in the Company's weighted average cost of capital and lower comparable public company market values resulting from weakening economic conditions, the analysis indicated the potential for impairment.

The Company performed the second step of the goodwill impairment evaluation with the assistance of a third-party valuation firm, and determined an impairment of goodwill existed. Accordingly, a non-cash charge of $503,193,000 was recognized in 2008 for goodwill impairment. Due to the current economic uncertainty and other factors, the Company cannot assure remaining goodwill will not be further impaired in future periods. There was no impairment recorded for the year ended December 31, 2007 or the Successor Period.

The changes in the carrying amount of goodwill for the years ended December 31, 2008 and 2007 are as follows (dollars in thousands):

	December 31	
	2008	2007
Balance at beginning of year	$ 1,029,068	$ 847,442
Adjustment to finalize purchase accounting	—	181,626
Impairment charge	(503,193)	—
Balance at end of year	$ 525,875	$ 1,029,068

The Company performed its annual fair value-based impairment test on trade names as of October 31, 2008 using a relief-from-royalty approach. As a result of the test, the Company recorded a non-cash charge of $80,293,000 for trade name impairment. The primary reason for this impairment charge related to a re-branding strategy, which was committed to in the fourth quarter of 2008 and resulted in the Company's plan to discontinue use of a particular trade name over time as the Company consolidates its brands under the Generac label. Accordingly, this particular trade name was written down to its estimated realizable value of $8,715,000, which will be amortized over its remaining useful life of 2 years. There was no impairment recorded for the year ended December 31, 2007 or the Successor Period.

Income taxes

Successor

The Company is a C Corporation and, therefore, accounts for income taxes pursuant to the liability method. Accordingly, the current or deferred tax consequences of a transaction are measured by applying the provision of enacted tax laws to determine the amount of taxes payable currently or in future years. Deferred income taxes are provided for temporary differences between the income tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the years in which those temporary differences become deductible. The Company considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies, as appropriate, in making this assessment.

Effective January 1, 2007, the Company adopted the guidance on accounting for uncertainty in income taxes in ASC 740-10 (formerly referred to as FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes*), which provides a comprehensive model for the recognition, measurement, and disclosure in financial statements of uncertain income tax positions a company has taken or expects to take on an income tax return. Additionally, when applicable, the Company would classify interest and penalties related to uncertain tax positions in income tax expense. Upon adoption, the Company determined no additional reserves for uncertain tax positions were required.

Predecessor

The Predecessor Company and its stockholders elected for federal and certain state income tax purposes to be treated as an S Corporation under the provisions of the Internal Revenue Code. Accordingly, the Predecessor Company's taxable income was included in the individual tax returns of its stockholders, and generally, there was no provision for income taxes or deferred tax assets or liabilities in the financial statements except for certain state income taxes imposed at the corporate level.

Revenue recognition

Sales, net of estimated returns and allowances, are recognized upon shipment of product to the customer, which is when title passes, the Company has no further obligations, and the customer is required to pay. The Company, at the request of certain customers, will warehouse inventory billed to the customer but not delivered. The Company does not recognize revenue on these transactions until the customers take possession of the product. The funds collected on product warehoused for these customers are recorded as a customer advance until the customer takes possession of the product and the Company's obligation to deliver the goods is completed. Customer advances are included in accrued liabilities in the accompanying consolidated balance sheets.

The Company provides for estimated sales promotion and incentive expenses which are recognized as a reduction of sales. Historically, product returns, whether in the normal course of business or resulting from repurchases made under a floor plan financing program, have not been material. The Company has agreed to repurchase product repossessed by a finance company (see Note 10), which has resulted in minimal losses to the Company. However, an adverse change in dealer sales could cause this situation to change.

Shipping and handling costs

Shipping and handling costs billed to customers are included in net sales, and the related costs are included in cost of goods sold in the consolidated statements of operations.

Advertising and co-op advertising

Expenditures for advertising, included in selling and service expenses in the accompanying consolidated statements of operations, are expensed as incurred. Total expenditures for advertising were $9,210,000, $11,236,000, $836,000, and $9,088,000 for the years ended December 31, 2008 and 2007, the Successor Period, and the Predecessor Period, respectively.

Research and development

The Company expenses research and development costs as incurred. Total expenditures incurred for research and development were $9,925,000, $9,606,000, $1,168,000, and $9,141,000 for the years ended December 31, 2008 and 2007, the Successor Period, and the Predecessor Period, respectively.

Foreign currency transactions

Realized and unrealized gains and losses on transactions denominated in foreign currency are recorded in earnings as a component of cost of goods sold.

Accumulated other comprehensive income (loss)

Accumulated other comprehensive income (OCI) includes unrealized losses on certain cash flow hedges and the pension liability. The components of OCI at December 31, 2008 and 2007 were (dollars in thousands):

	December 31	
	2008	2007
Pension liability	$ (4,427)	$ 2,695
Unrealized losses on cash flow hedges	(24,223)	(18,508)
Accumulated other comprehensive loss	$ (28,650)	$ (15,813)

Fair value of financial instruments

The Company believes the carrying amount of its financial instruments (cash and cash equivalents, accounts receivable, notes receivable, accounts payable, and accrued liabilities), excluding long-term debt, approximates the fair value of these instruments based upon their short-term nature. The fair value of long-term debt was approximately $558.6 million at December 31, 2008, as calculated based on current quotations.

Fair value measurements

The Company adopted Accounting Standards Codification (ASC) 820-10 *Fair Value Measurements and Disclosures* (formerly SFAS No. 157, *Fair Value Measurements*) on January 1, 2008. ASC 820-10, among other things, defines fair value, establishes a consistent framework for measuring fair value, and expands disclosure for each major asset and liability category measured at fair value on either a recurring basis or nonrecurring basis. ASC 820-10 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the pronouncement establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value are based on the market approach, which is prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Liabilities measured at fair value on a recurring basis are as follows (dollars in millions):

	Total December 31, 2008	Fair value measurement using: Quoted prices in active markets for identical contracts (Level 1)	Fair value measurement using: Significant other observable inputs (Level 2)
Net derivative contracts	$ 25.6	$ —	$ 25.6

The fair value of derivative contracts above consider the Company's credit risk in accordance with ASC 820-10. Excluding the impact of credit risk, the fair value of derivatives at December 31, 2008, was $29,000,000 and this represents the amount the Company would need to pay to exit the agreements on this date.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Derivative instruments and hedging activities

The Company records all derivatives in accordance with ASC 815, *Derivatives and Hedging*, which requires all derivative instruments be reported on the consolidated balance sheets at fair value and establishes criteria for designation and effectiveness of hedging relationships. The Company is exposed to market risk such as changes in commodity prices, foreign currencies, and interest rates. The Company does not hold or issue derivative financial instruments for trading purposes.

Commodities

The primary objectives of the commodity risk management activities are to understand and mitigate the impact of potential price fluctuations on the Company's financial results and its economic well-being. While the Company's risk management objectives and strategies will be driven from an economic perspective, the Company attempts, where possible and practical, to ensure that the hedging strategies it engages in can be treated as "hedges" from an accounting perspective or otherwise result in accounting treatment where the earnings effect of the hedging instrument provides substantial offset (in the same period) to the earnings effect of the hedged item. Generally, these risk management transactions will involve the use of commodity derivatives to protect against exposure resulting from significant price fluctuations.

The Company primarily utilizes commodity contracts with maturities of less than 12 months. These are intended to offset the effect of price fluctuations on actual inventory purchases. At December 31, 2008 and 2007, there were two outstanding commodity contracts in place to hedge its projected commodity purchases. In October 2008, the Company entered into commodity swaps to purchase $4,180,000 of copper. The swaps are effective from October 1

and November 1, 2008, and terminate on March 31, 2009. In November 2007, the Company entered into commodity swaps to purchase $3,271,000 of copper. The swaps were effective from November 7 and 8, 2007, and terminated on July 2, 2008.

Total losses or gains recognized in the consolidated statements of operations on commodity contracts were a loss of $1,092,000, gains of $1,120,000, $0, and $862,000 for the years ended December 31, 2008 and 2007, the Successor Period and the Predecessor Period, respectively.

Foreign currencies

The Company is exposed to foreign currency exchange risk as a result of transactions in other currencies. The Company utilizes foreign currency forward purchase and sales contracts to manage the volatility associated with foreign currency purchases in the normal course of business. Contracts typically have maturities of one year or less. There were no outstanding foreign currency hedge contracts outstanding as of December 31, 2008 or 2007. The Predecessor Company entered into a Yen foreign currency contract in the Predecessor Period. The total loss recorded on this contract was $184,000.

Interest rates

During the Successor Period, the Company entered into various interest rate swap agreements. The Company has formally documented all relationships between interest rate hedging instruments and hedged items, as well as its risk-management objectives and strategies for undertaking various hedge transactions. The Company's interest rate swap agreements qualify as cash flow hedges. For derivatives that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of accumulated other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. The ineffective portion of the derivatives' change in fair value, if any, is immediately recognized in earnings. The Company assesses on an ongoing basis whether derivatives used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items. The impact of hedge ineffectiveness on earnings was not material for the years ended December 31, 2008 and 2007, and the Successor Period. The Predecessor did not have any interest rate swaps.

Stock-based compensation

The Company accounts for its restricted stock awards and other stock-based payments in accordance with ASC 718 *Compensation—Stock Compensation*. On January 1, 2006, the Company adopted the guidance originally issued in the FASB Statement FAS123(R) *Share Based Payments* (codified in FASB ASC Topic 718 Compensation—Stock Compensation) using the prospective method, accordingly, the provisions of FAS 123(R) are applied prospectively to new awards and to awards modified, repurchased or cancelled after the adoption date.

Segment reporting

The Company operates in and reports as a single operating segment, which is the manufacture and sale of power products. Net sales are generated through the sale of generators and service parts to distributors and retailers. All of the Company's identifiable assets are located in the United States. The Company's sales outside North America are not material, representing less than 1% of net sales.

New accounting standards to be adopted

In December 2007, the FASB originally issued SFAS No. 141(R), *Business Combinations* (codified in FASB ASC Topic 805—*Business Combinations*). This statement requires the acquiring entity in a business combination to recognize all assets acquired and liabilities assumed in the transaction, establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed, and requires the acquirer to disclose certain information related to the nature and financial effect of the business combination. SFAS 141(R) is effective for business combinations entered into in fiscal years beginning on or after December 15, 2008. Depending on the terms, conditions, and details of the business combination, if any, that take place on or subsequent to January 1, 2009, SFAS 141(R) may have a material impact on the Company's consolidated financial statements.

In March 2008, the FASB originally issued *SFAS No. 161 Disclosures about Derivative Instruments and Hedging Activities, an amendment of SFAS No. 133* (codified in FASB ASC Topic 815 *Derivatives and Hedging*). SFAS No. 161 is intended to improve financial standards for derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand the effect these instruments and activities have on an entity's financial position, financial performance, and cash flows. Entities are required to provide enhanced disclosures about: how and why an entity uses derivative instruments; how derivative instruments and related hedged items are accounted for under SFAS No. 161 and its related interpretations; and how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 is effective for the Company in the year beginning January 1, 2009 and will impact future disclosures relating to the Company's hedging activities.

In December 2008, the FASB originally issued FSP No. FAS 132(R)-1 *Employer's Disclosures about Postretirement Benefit Assets* (FSP No. FAS 132R) (codified in FASB ASC Topic 715 *Compensation—Retirement Benefits*). FSP No. 132(R) requires additional disclosures regarding assets held in an employer's defined benefit pension or other postretirement plan. FSP No. 132(R) replaces the requirement to disclose the percentage of the fair value of total plan assets with a requirement to disclose the fair value of each major asset category, requires disclosure of the level within the fair value hierarchy in which each major category of plan assets falls using the guidance in FSP No. 132(R) and requires a reconciliation of beginning and ending balances of plan asset fair values that are derived using significant unobservable inputs. FSP No. 132(R) will be adopted as of January 1, 2010. We are currently reviewing the requirements of FSP No. 132(R) to determine the disclosure impact on our consolidated financial statements.

In April 2008, the FASB originally issued FSP No. FASB 142-3, *Determination of the Useful Life of Intangible Assets* (FSP No. FAS No. 142-3) (codified in *FASB ASC Topic 350—Intangibles—Goodwill and Other*). FSP No. FASB 142-3 prospectively amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset. The intent of the position is to improve the consistency between the useful life of a recognized intangible asset under FSP No. FASB 142-3 and the period of expected cash flows used to measure the fair value of the asset under FSP No. FASB 142-3. The Company is required to adopt this pronouncement on January 1, 2009. The Company does not believe the adoption of this pronouncement will have a material impact to the Company's consolidated financial statements.

3. Balance sheet details

Inventories consist of the following (dollars in thousands):

	December 31,	
	2008	2007
Raw material	$ 104,310	$ 69,358
Work-in-process	1,217	379
Finished goods	23,361	31,533
Reserves for excess and obsolescence	(4,908)	(3,656)
	$ 123,980	$ 97,614

Other accrued liabilities consist of the following (dollars in thousands):

	December 31,	
	2008	2007
Accrued commissions	$ 6,444	$ 6,211
Accrued interest	25,228	29,785
Accrued warranties—short term	14,015	13,542
Other accrued liabilities	13,205	9,939
	$ 58,892	$ 59,477

4. Product warranty obligations

The Company records a liability for product warranty obligations at the time of sale to a customer based upon historical warranty experience. The Company also records a liability for specific warranty matters when they become known and are reasonably estimatable. The Company's product warranty obligations are included in other accrued liabilities and other long-term liabilities in the balance sheets.

Changes in the product warranty obligations are as follows (dollars in thousands):

	Year ended December 31,		Successor	Predecessor
	2008	2007	For the period from November 11, 2006 through December 31, 2006	For the period January 1, 2006 through November 10, 2006
Balance at beginning of period	$ 14,807	$ 14,788	$ —	$ 11,454
Obligations assumed in acquisition	—	—	15,144	—
Payments	(15,946)	(13,935)	(1,492)	(7,192)
Charged to operations	18,678	13,954	1,136	10,882
Balance at end of period	$ 17,539	$ 14,807	$ 14,788	$ 15,144

The product warranty obligations are included in the balance sheets as follows (dollars in thousands):

	December 31,	
	2008	2007
Other accrued liabilities	$ 14,015	$ 13,542
Other long-term liabilities	3,524	1,265
Balance at end of period	$ 17,539	$ 14,807

5. Credit agreements

Long-term debt consists of the following (dollars in thousands):

	December 31,	
	2008	2007
First lien term loan	$ 930,104	$ 940,500
Second lien term loan	430,000	430,000
	1,360,104	1,370,500
Less treasury debt	229,167	80,250
Less current portion	9,500	9,500
	$ 1,121,437	$ 1,280,750

Maturities of long-term debt outstanding at December 31, 2008, are as follows (dollars in thousands):

Year	
2009	$ 9,500
2010	9,500
2011	9,500
2012	9,500
2013	892,104
2014	200,833
Total	$ 1,130,937

Successor

At December 31, 2008, the Subsidiary had credit agreements which provided for borrowings under a revolving credit facility (the Revolving Credit Facility) and two term loans (collectively, the Credit Agreements), which are described further below. The Credit Agreements of the Subsidiary are secured by the associated collateral agreements which pledge virtually all assets of the Subsidiary.

Borrowings available under the Revolving Credit Facility are limited to a maximum of $150,000,000. Availability under the Revolving Credit Facility is reduced by the amount of outstanding undrawn letters of credit. Interest on the Revolving Credit Facility is payable at LIBOR plus 2.5%, or ABR plus 1.5%, as selected by the Subsidiary. ABR is the greater of the prime rate or the federal funds rate plus 0.5%. The spreads on these rates may be reduced as a result of the Subsidiary meeting certain financial ratios. As of December 31, 2008, the Subsidiary's interest rate on the Revolving Credit Facility was 6.65%. As of December 31, 2008,

the Subsidiary had $143,347,000 available under its Revolving Credit Facility and no outstanding borrowings. The Subsidiary pays a Revolving Credit Facility commitment fee of 0.50% on the average available unused commitment. The Revolving Credit Facility matures and is due on November 10, 2012, unless terminated earlier under certain conditions contained in the Credit Agreements.

The Credit Agreements provide the Subsidiary the ability to issue letters of credit. Outstanding undrawn letters of credit reduce availability under the Subsidiary's Revolving Credit Facility. The letters of credit accrue interest at a rate of 2.63%, paid quarterly on the undrawn daily aggregate exposure of the preceding quarter. This rate may be reduced as a result of meeting certain financial ratios. At December 31, 2008 and 2007, letters of credit outstanding were $6,653,000 and $2,504,000, respectively.

The principal amount of and the outstanding balance under the First Lien Term Loan (the First Lien) were $930,104,000 and $940,500,000 at December 31, 2008 and 2007, respectively. Principal payments are due in quarterly installments of $2,375,000. Interest on the First Lien is payable at LIBOR plus 2.5%, or ABR plus 1.5%, as selected by the Subsidiary. The spreads on these rates may be reduced as a result of the Subsidiary meeting certain financial ratios. At December 31, 2008, 2007, and 2006, the Subsidiary's interest rate on the First Lien was 6.65%, 7.73%, and 7.82%, respectively. The outstanding principal balance is payable on the earlier of November 10, 2013, or the date of termination of the First Lien, whether by its terms, by prepayment, or by acceleration.

The principal amount of and the outstanding balance under the Second Lien Term Loan (the Second Lien) were $200,833,000 and $349,750,000 (excluding loans held in treasury by the Subsidiary) at December 31, 2008 and 2007, respectively. Interest on the Second Lien is payable at LIBOR plus 6.0%, or ABR plus 5.0%, as selected by the Subsidiary. The spreads on these rates may be reduced as a result of meeting certain financial ratios. At December 31, 2008, 2007, and 2006, the Subsidiary's interest rate on the Second Lien was 10.15%, 11.23%, and 11.32%, respectively. The outstanding principal balance is payable on the earlier of May 10, 2014, or the date of termination of the Second Lien, whether by its terms, by prepayment, or by acceleration.

The Credit Agreements require the Subsidiary, among other things, to meet certain financial and nonfinancial covenants and maintain financial ratios in such amounts and for such periods as set forth therein. The Subsidiary is required to maintain a leverage ratio (EBITDA divided by net debt, as defined within the Credit Agreements) of 7.75 as of December 31, 2008. The leverage ratio decreases quarterly, and for 2009, the Subsidiary will be required to maintain a leverage ratio of 7.75, 7.50, 7.25, and 6.75 for the first, second, third, and fourth quarters, respectively. As of September 30, 2008, the Subsidiary had violated its debt covenant. As permitted by the Credit Agreements, this violation was remedied by an equity contribution of $15,319,000 from CCMP in the fourth quarter of 2008 as part of a $15,500,000 equity contribution. The Subsidiary was in compliance with all requirements as of December 31, 2008 and 2007.

In an event where full repayment of the Credit Agreements is required, the First Lien and Revolving Credit Facility take priority over the Second Lien.

The Credit Agreements restrict the circumstances in which distributions and dividends can be paid by the Subsidiary. Payments can be made to the Subsidiary for certain expenses, and dividends can be used to repurchase equity interests, subject to an annual limitation.

Additionally, the Credit Agreements restrict the aggregate amount of dividends and distributions that can be paid and require the maintenance of certain leverage ratios.

During 2008, CCMP acquired $148,917,000 par value of Second Lien term loans for approximately $81,105,000. CCMP exchanged this debt for additional shares of Class B Common stock and Series A Preferred stock issued by the Company. The fair value of the shares exchanged was $81,105,000. These shares have beneficial conversion features which are contingent upon a future event (see Note 6). The Company recorded this transaction as Series A Preferred Stock of $62,855,000 and Class B Common Stock of $18,249,000 based on the fair value of the debt contributed by CCMP which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, the Company recorded a gain on extinguishment of debt of $65,385,000, which includes the write-off of deferred financing fees and other closing costs, in the consolidated statement of operations for the year ended December 31, 2008. See Note 6.

During 2007, CCMP acquired $80,250,000 par value of Second Lien term loans for approximately $59,952,000. CCMP exchanged this debt for additional shares of Class B Common stock issued by the Company. The fair value of the shares exchanged was $59,952,000. These shares have beneficial conversion features which are contingent upon a future event (see Note 6). The Company recorded this transaction as additional Class B Common Stock of $59,952,000 based on the fair value of the debt contributed by CCMP which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, the Company recorded a gain on extinguishment of debt of $18,759,000, which includes the write-off of deferred financing fees and other closing costs, in the consolidated statement of operations for the year ended December 31, 2007. See Note 6.

During the Successor Period, the Subsidiary entered into various interest rate swap agreements (the Swaps) with certain banks. The Swaps, which were effective January 2, 2007, October 3, 2007, and January 3, 2008, have notional amounts totaling $825,000,000, $100,000,000, and $275,000,000, respectively. The total notional amount of $1,200,000,000 declined to $1,100,000,000 at October 3, 2008, further decline to $675,000,000 at January 3, 2009, and terminate January 4, 2010. The Subsidiary swapped floating three-month LIBOR interest rates for fixed rates with an aggregate weighted-average interest rate of 4.775% and 4.774% as of December 31, 2008 and 2007, respectively. The fair value of the interest rate swap agreements, including the impact of credit risk, at December 31, 2008, was a liability of $24,222,000. At December 31, 2007, the fair value of the interest rate swap agreements was a liability of $18,508,000. The Subsidiary has determined its Swaps meet hedge effectiveness tests and are deemed highly effective for hedge accounting under ASC 815 *Derivatives and Hedging* as of December 31, 2008 and 2007. Accordingly, the change in fair value is recorded in accumulated other comprehensive income (loss) net of tax for the effective portion of the hedges.

Effective January 3, 2009, the Subsidiary, within the terms of the Credit Agreements, changed the interest rate election from three-month LIBOR to one-month LIBOR. The Subsidiary has concluded that as of January 3, 2009, the Swaps no longer meet hedge effectiveness tests and are therefore, no longer highly effective as a hedge against the impact on interest payments of changes in the LIBOR interest rate. The effective portion of the Swaps prior to the change will remain in accumulated other comprehensive income (loss) and will be amortized as interest expense over the period of the originally designated hedged transactions. Future changes in the fair value of the Swaps will be immediately recognized in the consolidated statements of operations as interest expense.

Predecessor

The Predecessor Company had an unsecured revolving credit agreement with a bank that allowed borrowings of up to $15,000,000 for working capital requirements with interest rates at 0.90% below the prime rate, or LIBOR plus 1.00%, as selected by the Predecessor Company. Under the terms of this credit agreement, the bank agreed, on behalf of the Predecessor Company, to issue letters of credit aggregating not more than the unused revolver balance. The outstanding amount of these letters of credit reduced the amount available to the Predecessor Company under the revolving credit agreement.

On November 6, 2006, the Predecessor Company entered into a credit agreement with a bank establishing a term loan in the amount of $155,000,000 with interest rates at LIBOR plus 1.25%.

The Predecessor Company had an Industrial Development Revenue Bond Agreement with the Village of Eagle, Wisconsin, for $4,800,000 at December 31, 2005. The bonds were paid in full and the letter of credit, used as collateral, was terminated when the Predecessor Company elected to exercise its right to pay off the bonds as of September 1, 2006.

6. Redeemable stock and stockholders' equity (deficit)

As a result of the merger transaction on November 10, 2006 and from time to time thereafter, certain of the current equity investors (affiliates of CCMP Capital Advisors, LLC and related entities, affiliates of Unitas Capital Ltd., certain members of management of the Subsidiary and board of directors of the Company) acquired a combination of Class A and Class B Common stock and Series A Preferred stock of GPS CCMP Acquisition Corporation. General terms of these securities are:

Preferred stock

Series A Convertible Preferred stock: Each Series A Preferred share is entitled to a priority return preference equal to the sum of $10,000 per share base amount plus an amount sufficient to generate a 14% annual return on that base amount compounded quarterly from the date of issuance until the accreted priority return preference is paid in full. Each Series A Preferred share also participates in any equity appreciation beyond the Series A Preferred priority return (the Series A Equity Participation).

Voting: Series A Preferred shares do not have voting rights, subject to certain limited approval rights.

Common stock

Class B Convertible stock: Class B shares participate in the equity after the Series A Preferred priority return is satisfied. Each Class B share is entitled to a priority return preference equal to the sum of $10,000 per share base amount plus an amount sufficient to generate a 10% annual return on that base amount compounded quarterly from the date of issue until the Class B priority return preference is paid in full. Each Class B share also participates in any equity appreciation beyond the Class B priority return.

Each Class B share is entitled to one vote per share on all matters on which stockholders vote.

Class A common stock: Class A shares participate in the equity appreciation after the Class B priority return is satisfied.

Class A shares do not have voting rights, priority preference or any accretion rights.

Distributions: Dividends and other distributions to stockholders in respect of shares, whether as part of an ordinary distribution of earnings, as a leveraged recapitalization or in the event of an ultimate liquidation and distribution of available corporate assets, are to be paid as follows: First, Series A Preferred shares are entitled to receive an amount equal to the Series A Preferred base amount of $10,000 per share plus an amount sufficient to generate a 14% annual return on that base amount, compounded quarterly from the date in which the Series A Preferred shares were originally issued. Series A Preferred shares then receive an equity participation on all remaining proceeds after payment of this priority return to all Series A Preferred stockholders equal to 24.3% of remaining proceeds (Series A Equity Participation). Second, after payment of this priority return to Series A Preferred shareholders, Class B shares are entitled to receive an amount equal to the Class B base amount of $10,000 per share plus an amount sufficient to generate a 10% annual return on that base amount, compounded quarterly from the date in which the Class B shares were originally issued. Lastly, after payment of this priority return to Class B holders, the holders of Class A shares and Class B shares participate together in any and all distributions by the Company.

Liquidations: Any liquidation would be in accordance with the distributions previously described above. In addition, any remaining assets after the Class B preferential distribution will be allocated to the Class A and Class B shares as follows: the Class B shares will receive a percentage of the remaining assets equal to the sum of (i) 88% plus (ii) the product of (A) 12% multiplied by (B) one minus a fraction, the numerator of which is the number of issued and outstanding vested shares of Class A shares and the denominator is 9,350.0098. The remainder will be allocated to the Class A shares.

Conversion of Series A Preferred and Class B shares: Series A Preferred shares and Class B shares automatically convert into Class A shares immediately prior to an initial public offering (IPO).

In the case of any such conversion any unpaid Series A Preferred return (base $10,000 per share plus 14% accretion) or unpaid Class B Common priority return (base $10,000 per share plus 10% accretion) will be "paid" in additional Class A common shares valued at the deal (the IPO price net of underwriter's discount). That is, each Series A Preferred share would convert into a number of Class A shares equal to (i) a fraction, the numerator of which is the unpaid priority return on such Series A Preferred share and the denominator of which is the value of a Class A share at the time of conversion plus (ii) the number of Class A shares required to be issued to satisfy the Series A Equity Participation. Each Class B share would convert into a number of Class A shares equal to (i) one plus (ii) a fraction, the numerator of which is the unpaid priority return on such Class B share and the denominator of which is the value of a Class A share at the time of conversion, in all cases subject to the priority rights and preferences of the Series A Preferred Shares.

As the Series A Preferred and Class B common could be redeemed in a "deemed liquidation" in the event of a change of control and the redemption features are considered to be outside the control of the Company, all shares of Series A Preferred and Class B common stock have been

presented outside of permanent equity in accordance with EITF Topic D-98, *Classification and Measurement of Redeemable Securities* and Accounting Standards Codification 480, *Distinguishing Liabilities from Equity.* These securities are redeemable only upon a change in control. Since an occurrence of this event is not considered probable, there has been no adjustment to the carrying value of these securities, and the priority returns have not been accreted.

Cumulative accretion on Series A preferred stock and Class B common stock at December 31, 2008, was as follows:

	Series A preferred	Class B common
Carrying value	$ 78,355	$ 765,096
Cumulative accretion	785	173,745
	$ 79,140	$ 938,841

The amounts above do not include the additional base amount of $25,790,000 on Class B common stock or the impact of Series A Equity Participation on Series A Preferred Stock, both of which would be recognized as a beneficial conversion upon an initial public offering.

Management Equity Incentive Plan: On November 10, 2006, the Company adopted the 2006 Management Equity Incentive Plan (2006 Equity Incentive Plan). The 2006 Equity Incentive Plan provides for awards with respect to a maximum of 9,350.0098 Class A Common shares and 5,000 Class B Common shares, subject to certain adjustments. On November 10, 2006, and from time to time thereafter, certain members of management purchased restricted shares of Class A Common stock under the 2006 Equity Incentive Plan for $341 per share and pursuant to restricted stock agreements. One half of the restricted shares vest over time (Time Vesting Shares), with 25% vesting on November 10, 2007 and on the next three anniversaries thereafter, so long as the participant is still employed by the Company or one of its subsidiaries on the applicable vesting date. Upon the occurrence of a change of control of the Company, any unvested Time Vesting Shares immediately vest in full, so long as the participant is still employed by the Company or one of its subsidiaries. The other half of the restricted shares immediately vest (performance-based vesting) in full, provided the participant is still then employed by the Company or one of its subsidiaries, upon the occurrence of either: (i) a change of control of the Company that provides CCMP with a certain rate of return with respect to net proceeds received by CCMP from their investment in the Company; or (ii) from and after the date of an IPO, the achievement with respect to shares of the Class A Common stock of an average closing trading price exceeding, in any 60 consecutive trading day period starting prior to the later of (a) the fifth year anniversary of the date of grant of the restricted shares, and (b) one year after the IPO, a certain threshold with respect to net proceeds received by CCMP from their investment in the Company. As a condition to the purchase of restricted shares, members of management executed confidentiality, non-competition and intellectual property agreements. The fair value of the Class A common stock on the date of issuance was estimated to be $390 per share.

The Company has recorded $40,000, $53,000 and $7,000 of stock-based compensation expense related to the Time Vesting Shares in 2008, 2007, and the Successor Period, respectively, related to amortization of the excess of fair value over purchase price of these restricted shares. This excess is being amortized over a four-year vesting period.

Issuance and repurchases of securities

Class A Common Stock: As discussed above, on November 10, 2006 at the time of the merger transaction, certain members of management purchased 8,298.1337 restricted shares of the Class A Common stock, at a price of $341.36 per share, under the 2006 Equity Incentive Plan and pursuant to restricted stock agreements. In 2007, an additional 623.3301 restricted shares of Class A nonvoting common stock, at a price of $341.36 per share, were issued to new members of management. In 2008 and 2007, 555.1566 and 2,649.1694 restricted shares of Class A common stock, respectively, were repurchased by the Company, at a price of $341 per share, from members of management who terminated their employment with the Subsidiary.

Class B Common Stock: On November 10, 2006 at the time of the merger transaction, 68,566.7382 shares of the Class B Common stock were issued to affiliates of CCMP, affiliates of Unitas Capital LLC, certain members of management of the Subsidiary and board of directors of the Company, for their investment in the Company, at a price of $10,000 per share. In February 2007, 145 shares of the Class B Common stock were issued to new members appointed to the Company's board of directors, at a price of $10,000 per share. In 2008 and 2007, the Company issued 2,400 and 8,025 shares of Class B Common stock, respectively, to CCMP in exchange for certain term loans under the second lien credit facility that CCMP had purchased. The exchange ratio in connection with the exchange was one share of our Class B Common Stock per $10,000 of the aggregate outstanding principal amount of the loans that were so exchanged. Such purchased term loans had an aggregate outstanding principal amount equal to $104,250,000. In accordance with the preemptive rights provisions of the Shareholders' Agreement, CCMP subsequently transferred shares of our Class B Common Stock it had purchased to various investment funds affiliated with CCMP, certain members of management and board members. The shares exchanged were valued at the discounted amount paid for the debt, which approximated the Class B common stock's fair value at that date. The equity consideration was less than the outstanding principal amount, therefore a gain on debt extinguishment was recorded. A summary of how the 10,425 Class B common shares issued in exchange for repurchased debt is accounted for in the consolidated financial statements is as follows (dollars in thousands):

	Number of shares	Face value of debt	Consideration paid	Fair value of shares exchanged	Contingent beneficial conversion	Gain on extinguishment of debt
Year ending December 31, 2008	2,400	$ 24,000	$ 18,249	$ 18,249	$ 5,492	$ 5,363
Year ending December 31, 2007	8,025	80,250	59,952	59,952	20,298	18,759
Total	10,425	$ 104,250	$ 78,201	$ 78,201	$ 25,790	$ 24,122

The Company determined that the conversion feature in the Class B Common stock is in-the-money at the date of issuance and therefore represents a beneficial conversion feature. Since the Class B Common stock is convertible upon an initial public offering, it is contingent upon a future event and has not been recorded in the consolidated financial statements. The beneficial conversion feature, which has been valued at $25,790,000 at its commitment date, will be recorded at the date of an initial public offering as a return to Class B Common stockholders analogous to a dividend. If no retained earnings are available to pay this dividend

at resolution of the contingency, the dividend will be charged against additional paid in capital resulting in no net impact.

Following the exchange of purchased debt for Class B common stock, certain members of management and the board of directors were provided the opportunity to purchase Class B common stock at fair value. Because the Class B common stock includes a contingent beneficial conversion feature, the Company recorded stock-based compensation expense of $304,000, which represents the intrinsic value associated with the contingent beneficial conversion feature.

Series A Preferred Stock: In November 2008, the Company issued 1,550 shares of the Series A Preferred Stock to CCMP for an aggregate purchase price of $15,500,000. In December 2008, the Company issued an aggregate of 6,285 shares of Series A Preferred Stock to CCMP in exchange for certain term loans under the second lien credit facility that CCMP had purchased. The exchange ratio in connection with the exchange was one share of Series A Preferred Stock per $10,000 of the amount paid by CCMP for the loans that were so exchanged. The equity consideration was less than the outstanding principal amount, therefore a gain on debt extinguishment was recorded. A summary of the exchanges of purchased term loans for Series A Preferred Stock by year is as follows (dollars in thousands):

	Number of shares	Face value of debt	Consideration paid	Gain on extinguishment of debt
Year ending December 31, 2008	6,285	$ 124,917	$ 62,855	$ 60,022

The Company determined that the conversion feature in the Series A Preferred stock has a contingent beneficial conversion feature at the date of issuance. Since the Series A Preferred stock is convertible upon an initial public offering and the number of additional Class A Common shares which may be issued is unknown, it is contingent upon a future event and has not been recorded in the consolidated financial statements. The beneficial conversion feature, which is the result of the additional Class A shares which will be issued to satisfy the Series A Equity Participation, will be recorded at the date of an initial public offering as a return to Series A Preferred stockholders analogous to a dividend. If no retained earnings are available to pay this dividend at resolution of the contingency, the dividend will be charged against additional paid in capital resulting in no net impact.

During 2007, the Company entered into subscription notes receivable with certain stockholders related to their purchase of restricted Class A common stock of $195,000. During 2008, $37,000 of outstanding notes receivable were repaid. The subscription notes receivables are included in stockholders' equity in the accompanying consolidated financial statements.

7. Earnings per share

The Company has one class of preferred stock (Series A) and two classes of common stock (Class B common stock and Class A common stock). Each Series A Preferred share is entitled to a priority return preference equal to the sum of $10,000 per share base amount plus an amount sufficient to generate a 14% return on that base amount compounded quarterly from the date of the transaction in which the Series A Preferred shares were originally issued (issuance dates from November 2008 to September 2009) until the priority return preference is paid in full. Each Series A Preferred share also participates in any equity appreciation beyond

the Series A Preferred priority return. Class B Common shares participate in the equity appreciation after the Series A preferred priority return is satisfied. Each Class B share is entitled to a priority return preference equal to the sum of $10,000 per share base amount plus an amount sufficient to generate a 10% return on that base amount compounded quarterly from the date of the transaction in which the Class B shares were originally issued (November 10, 2006 in the case of the merger transaction, dates from September 2007 to April 2008 in the case of the follow-on Class B investments) until the priority return preference is paid in full. Each Class B share also participates in any equity appreciation beyond the priority return. Class A shares participate in the equity appreciation after the Class B priority return is satisfied.

The Class B common stock is considered a participating stock security requiring use of the "two-class" method for the computation of basic net income (loss) per share in accordance with provision of FASB Topic ASC 260-10 *Earnings per share*. Losses are not allocated to the Class B common stock in the computation of basic earnings per share as the Class B common stock is not obligated to share in losses.

Basic earnings per share excludes the effect of common stock equivalents and is computed using the "two-class" computation method, which divides earnings attributable to the Class B preference from total earnings. Any remaining loss is attributed to the Class A shares.

			Successor	Predecessor
	Year ended December 31, 2008	Year ended December 31, 2007	Period from November 11, 2006 through December 31, 2006	Period from January 1, 2006 through November 10, 2006
		(Dollars in thousands)		
Net loss	$ (555,955)	$ (9,714)	$ (15,957)	n/m
Less: accretion of Series A preferred stock	(785)	—	—	n/m
Less: accretion of Class B common stock	(90,567)	(73,676)	(9,502)	n/m
Net loss attributable to Class A common stock	(647,307)	(83,390)	(25,459)	n/m
Income attributable to Class B common stock	90,567	73,676	9,502	n/m
Earnings (Loss) per common share, basic and diluted:				
Class A common stock	$ (108,581)	$ (10,626)	$ (3,068)	n/m
Class B common stock	$ 1,148	$ 1,051	$ 139	n/m
Weighted average number of shares outstanding:				
Class A common stock	5,962	7,848	8,298	n/m
Class B common stock	78,926	70,102	68,567	n/m

The Series A preferred and Class B common stock are only convertible to Class A common stock immediately prior to an initial public offering. The impact of the conversion of Series A preferred and Class B common stock are excluded from diluted earnings per share calculations for all years presented, as this contingent event did not occur by the end of the respective reporting periods. The number of shares of Class A common stock which will be issued upon conversion of the Series A preferred and Class B common stock is dependent upon the initial public offering price of the Class A common stock on the date of conversion as well as the unpaid priority return.

8. Income taxes

The Company's provision (benefit) for income taxes consists of the following (dollars in thousands):

	Year ended December 31, 2008	Year ended December 31, 2007	For the period from November 11, 2006 through December 31, 2006
Current:			
Federal	$ —	$ —	$ —
State	400	(571)	—
	400	(571)	—
Deferred:			
Federal	(195,035)	(3,860)	(5,605)
State	(11,240)	(322)	(640)
	(206,275)	(4,182)	(6,245)
Change in valuation allowance	206,275	4,182	6,245
Provision (benefit) for income taxes	$ 400	$ (571)	$ —

The Company is the taxpaying entity and files a consolidated federal income tax return. Currently, the Company is not under examination by any major taxing jurisdiction to which the Company is subject. The statute of limitation for tax years 2008 and 2007 is open, as well as, the 2006 tax year for both Predecessor and Successor companies for federal and state income taxes. Additionally, tax years 2004 and 2005 remain open for examination by certain state taxing authorities.

Significant components of deferred tax assets and liabilities are as follows:

	December 31	
	2008	2007
	(Dollars in thousands)	
Deferred tax assets:		
Goodwill and intangible assets	$ 228,482	$ 39,166
Accrued expenses	11,426	9,924
Deferred revenue	925	814
Inventories	2,146	1,866
Pension obligations	3,572	2,814
Unrealized investment loss	530	—
Operating loss and contribution carryforwards	49,493	33,844
Other	214	134
Valuation allowance	(292,372)	(86,097)
Total deferred tax assets	4,416	2,465
Deferred tax liabilities:		
Depreciation	4,029	2,074
Prepaid expenses	387	391
Total deferred tax liabilities	4,416	2,465
Net deferred tax asset	$ —	$ —

The net current and noncurrent components of deferred taxes included in the consolidated balance sheets are as follows:

	December 31	
	2008	2007
	(Dollars in thousands)	
Net current deferred tax assets	$ 14,176	$ 12,277
Net long-term deferred tax assets	278,196	73,820
Valuation allowance	(292,372)	(86,097)
Net deferred tax assets	$ —	$ —

At December 31, 2008, the Company has federal net operating loss carryforwards of approximately $131,000,000, which expire between 2026 and 2028, and various state net operating loss carryforwards, which expire between 2016 and 2028.

As a result of ownership changes, Section 382 of the Internal Revenue Code of 1986 as amended and similar state provisions can limit the annual deductions of net operating loss and tax credit carry forwards. Such annual limitations could result in the expiration of net operating loss and tax credit carry forwards before utilization. We have no such limitation as of December 31, 2008. Future ownership changes may result in such a limitation.

A reconciliation of the statutory tax rates and the effective tax rates for the years ended December 31, 2008 and 2007 and the Successor Period is a follows:

	Year ended December 31, 2008	Year ended December 31, 2007	For the period from November 11, 2006 through December 31, 2006
U.S. statutory rate	35%	35%	35%
State tax	2	(2)	4
Valuation allowance	(37)	(38)	(39)
Effective tax rate	0%	(5)%	0%

At December 31, 2008 and 2007, the Company has no reserves recorded for uncertain tax positions.

The Predecessor Company had elected to be treated as a Subchapter S Corporation and therefore income taxes were paid at the shareholder level. The Predecessor Period included certain corporate level taxes on the sale transaction described in Note 1.

The Predecessor Company generally made quarterly cash distributions to its stockholders for payments of federal and certain state income taxes to be made by the individual stockholders as a result of the Predecessor Company's S Corporation election. The Predecessor Company accrued for such S Corporation distributions based on the Predecessor Company's estimated taxable income for the year multiplied by the highest combined federal and state personal income tax rates. In the event the sum of the Predecessor Company's quarterly cash distributions exceeded the amount of the required annual S Corporation distributions for payments of federal and certain state income taxes, the stockholders had agreed to either apply such excess to reduce future quarterly cash distributions or repay the excess to the Predecessor Company.

As an S Corporation, the Predecessor Company did not have deferred tax assets or liabilities.

9. Benefit plans

Medical and dental plan

The Company has a medical and dental benefit plan covering full-time employees of the Company and their dependents. The plan is a partially self-funded plan under which participant claims are obligations of the plan. The plan is funded through employer and employee contributions at a level sufficient to pay for the benefits provided by the plan. The Company's contributions to the plan were $6.0 million, $7.2 million, $0.8 million, and $5.1 million for the years ended December 31, 2008 and 2007, the Successor Period and the Predecessor Period, respectively. The plan maintains individual stop loss insurance policies on the medical portion of $0.2 million to mitigate losses. Balances for the incurred but not yet reported claims, including reported but unpaid claims at December 31, 2008, and 2007, were $1.0 million and $0.9 million, respectively. The Company estimates claims incurred but not yet reported each month based on its historical experience, and the Company adjusts its accrual to meet the estimated liability.

Savings plan

The Company maintains a defined-contribution 401(k) savings plan for virtually all employees who meet certain eligibility requirements. Under the plan, employees may defer receipt of a portion of their eligible compensation. The Company made no contributions to this plan in 2008, 2007, Successor Period or Predecessor Period and accordingly, no expense has been recognized in the accompanying consolidated statements of operations.

The Company amended the 401(k) savings plans effective January 1, 2009, to add Company matching and non-elective contributions. The Company may contribute a matching contribution of 50% of the first 6% of eligible compensation of employees. No matching contribution shall be made with respect to employee catch-up contributions. The Company may contribute a non-elective contribution for each plan year after 2008. The contribution will apply to eligible employees employed on or before December 31, 2008. The rate of the non-elective contribution is determined based upon years of service as of December 31, 2008, and is fixed. Both Company matching contributions and non-elective contributions are subject to vesting. Forfeitures may be applied against plan expenses.

Pension plans

The Company has noncontributory salaried and hourly pension plans (combined the Pension Plans) covering substantially all of its employees. The benefits under the salaried plan are based upon years of service and the participants' defined final average monthly compensation. The benefits under the hourly plan are based on a unit amount at the date of termination multiplied by the participant's years of credited service. The Company's funding policy for the Pension Plans is to contribute amounts at least equal to the minimum annual amount required by applicable regulations.

The Company elected to freeze the Pension Plans effective December 31, 2008. This resulted in a cessation of all future benefit accruals for both hourly and salary pension plans. A curtailment liability gain of $5,809,000 related to the salary plan was recognized as a reduction to the unrecognized net loss, as the curtailment liability gain was less than the unrecognized net loss prior to the plan amendment and, therefore, did not impact the consolidated statement of operations for the year ended December 31, 2008.

The Company uses a December 31 measurement date for the Pension Plans. Information related to the Pension Plans is as follows (dollars in thousands):

	Year ended December 31	
	2008	2007
Accumulated benefit obligation at end of period	$ 38,030	$ 32,918
Change in projected benefit obligation		
Projected benefit obligation at beginning of period	$ 38,291	$ 38,238
Service cost	2,477	2,454
Interest cost	2,452	2,172
Net actuarial loss (gain)	1,602	(3,668)
Curtailment gain	(5,809)	—
Benefits paid	(983)	(905)
Projected benefit obligation at end of period	$ 38,030	$ 38,291
Change in plan assets		
Fair value of plan assets at beginning of period	$ 30,813	$ 28,988
Actual return on plan assets	(8,597)	1,231
Company contributions	2,430	1,499
Benefits paid	(983)	(905)
Fair value of plan assets at end of period	$ 23,663	$ 30,813
Funded status: accrued pension liability included in other long-term liabilities	$ (14,367)	$ (7,478)
Amounts recognized in accumulated other comprehensive income		
Net actuarial (loss) gain	$ (7,122)	$ 2,695

The estimated actuarial loss for the Pension Plans that will be amortized from OCI into net periodic benefit cost during 2009 is $0.2 million.

The incremental effect of applying the guidance originally issued in SFAS No. 158, *Employer's Accounting for Defined Benefit Pension and Other Postretirements* (codified in FASB ASC Topic 715—*Compensation—Retirement Benefits* as of December 31, 2006, on individual line items in the balance sheet was as follows (dollars in thousands):

	Before application of SFAS No. 158	Adjustments	After application of SFAS No. 158
Other long-term liabilities	$ 10,891	$ (457)	$ 10,434
Deferred income tax	—	—	—
Accumulated other comprehensive income	3	457	460

Effective December 31, 2006, the Company adopted the guidance originally issued in SFAS No. 158. SFAS No. 158 requires the recognition of the funded status of defined-benefit and other postretirement benefit plans in the accompanying balance sheets, with changes in the funded status recognized through OCI, net of tax. SFAS No. 158 also requires the measurement of the funded status to be the same as the balance sheet date. The adoption of SFAS No. 158

did not change the amount of net periodic benefit cost included in the Company's consolidated statements of operations.

Additional information related to the Pension Plans is as follows:

	Year ended December 31, 2008	Year ended December 31, 2007	Successor Period from November 11, 2006 through December 31, 2006	Predecessor Period from January 1, 2006 through November 10, 2006
		(Dollars in thousands)		
Components of net periodic pension expense:				
Service cost	$ 2,477	$ 2,454	$ 400	$ 2,170
Interest cost	2,452	2,172	352	1,732
Expected return on plan assets	(2,733)	(2,661)	(424)	(1,964)
Amortization of net loss	—	—	—	460
Amortization of prior service cost	—	—	—	119
Net periodic pension expense	$ 2,196	$ 1,965	$ 328	$ 2,517

Weighted-average assumptions used to determine benefit obligation are as follows:

	December 31	
	2008	2007
Discount rate	6.28%	6.48%
Rate of compensation increase	(1)	4.25%

(1) No compensation increase was assumed, as the plans were frozen effective December 31, 2008.

Weighted-average assumptions used to determine net periodic pension expense are as follows:

	Year ended December 31, 2008	Year ended December 31, 2007	Successor Period from November 11, 2006 through December 31, 2006	Predecessor Period from January 1, 2006 through November 10, 2006
Discount rate	6.48%	5.75%	5.75%	5.75%
Expected long-term rate of return on plan assets	9.00	9.25	9.25	9.25
Rate of compensation increase	4.25	4.25	4.25	4.25

To determine the long-term rate of return assumption for plan assets, the Company studies historical markets and preserves the long-term historical relationships between equities and fixed-income securities consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. The Company evaluates current market factors such as inflation and interest rates before it determines long-term capital market assumptions and reviews peer data and historical returns to check for reasonableness and appropriateness.

The Pension Plan's weighted-average asset allocation at December 31, 2008 and 2007, by asset category, is as follows:

	2008	2007
Equity securities	48.0%	55.0%
Debt securities	36.0	37.0
Real estate	9.0	8.0
Other	7.0	—
	100.0%	100.0%

The Company's target allocation for equity securities and real estate is generally between 55%–65%, with the remainder allocated primarily to bonds. The Company regularly reviews its actual asset allocation and periodically rebalances its investments to the targeted allocation when considered appropriate.

The Company expects to contribute $850,000 to the Pension Plans in 2009.

The following benefit payments are expected to be paid from the Pension Plans (dollars in thousands):

Year	
2009	$ 1,086
2010	1,230
2011	1,370
2012	1,490
2013	1,778
Years 2014 - 2018	11,798

Effective January 1, 1999, the Predecessor Company established the Equity Appreciation Share Plan (the "Plan") for select individuals to promote the long-term success of the Predecessor. The Plan allowed for certain individuals to share in non-tax related distributions and/or redemption of equity appreciation upon termination or a change in control. Grants under the Plan vested according to a graduated vesting schedule over an eight-year period. Each agreement also contained provisions providing for immediate vesting upon the participant's death or disability or in the event of a change in control during the participant's employment. The Equity Appreciation Share Plan provided for plan participants to receive a calculated amount which was derived based on the increase in book value of the Predecessor's equity. At January 1, 2006, the Predecessor had a liability accrued of $1,650,000 related to the Plan. Prior to the CCMP change in control transaction, the amount charged to net earnings, which represents amortization of the book value at the issuance date for newly granted shares and the estimated change in book value of existing shares, was approximately $1,377,000 for the Predecessor Period ended November 10, 2006, and was recorded in the consolidated statements of operations.

As a result of the CCMP change in control transaction, which triggered immediate vesting, the Predecessor Company expensed $149,348,000 in the consolidated statements of operations for the increase in the book value, and paid $152,375,000 to Plan participants during the

Predecessor Period ended November 10, 2006. This Plan was terminated following the CCMP change of control transaction.

10. Commitments and contingencies

The Company leases certain computer equipment and warehouse space under operating leases with initial lease terms ranging up to three years.

The approximate aggregate minimum rental commitments at December 31, 2008, are as follows (dollars in thousands):

Year	Amount
2009	$ 297
2010	173
2011	32
Total	$ 502

Total rent expense for the years ended December 31, 2008 and 2007, the Successor Period and the Predecessor Period which includes short-term data processing equipment rentals, was approximately $415,000, $633,000, $191,000, and $1,258,000, respectively.

The Company has an arrangement with a finance company to provide floor plan financing for selected dealers. The Company receives payment from the finance company within a few days of shipment of product to the dealer. The Company participates in the cost of dealer financing up to certain limits. The Company has agreed to repurchase products repossessed by the finance company. The Company's financial exposure when repurchasing product is limited to the difference between the outstanding balance due and the amount received on the resale of the repossessed product. In the event of default, the Company is liable for up to 50% of the financed balance. The amount financed by dealers which remained outstanding under this arrangement at December 31, 2008 and 2007 was approximately $7,547,000 and $6,811,000, respectively.

Minimal losses have been incurred under this agreement, and a minimal reserve accrual for future losses has been recorded. However, an adverse change in dealer retail sales could cause this situation to change and thereby require the Company to repurchase repossessed units.

In the normal course of business, the Company is named as a defendant in various lawsuits in which claims are asserted against the Company. In the opinion of management, the liabilities, if any, which may result from such lawsuits are not expected to have a material adverse effect on the financial position, results of operations, or cash flows of the Company.

11. Related-party transactions

The Company has entered into an agreement to pay CCMP Capital Advisors, LLC and affiliates of Unitas Capital Ltd. an annual advisory fee of $500,000. The Company expensed $500,000 in advisory fees for 2008 and 2007, and $70,000 in the Successor Period.

The Company also paid CCMP Capital Advisors, LLC and affiliates of Unitas Capital Ltd. a transaction fee of $30,000,000 related to the November 10, 2006, merger transaction. This fee was a direct transaction cost and, therefore, was included as part of the purchase price.

During the Predecessor Period, the Predecessor Company leased a facility from the then majority stockholder. The lease provided for annual rentals of approximately $76,000 through November 2007. This lease was terminated prior to the acquisition on November 10, 2006. There was no lease termination penalty incurred.

12. Quarterly financial information (unaudited)

Unaudited quarterly financial information for the years ended December 31, 2008 and 2007, respectively (in thousands, except per share data):

	Quarters ended 2008			
	Q1	Q2	Q3	Q4
Net sales	$ 112,367	$ 124,183	$ 165,054	$ 172,625
Gross profit	42,488	45,555	55,825	58,162
Operating income (loss)	11,327	14,154	22,531	(560,313)
Net loss	(11,417)	(15,628)	(13,144)	(515,766)
Less: accretion of Series A preferred stock	—	—	—	(785)
Less: accretion of Class B common stock	(21,681)	(22,381)	(22,965)	(23,539)
Net loss attributable to Class A common stock	(33,098)	(38,009)	(36,109)	(540,090)
Income attributable to Class B common stock	21,681	22,381	22,965	23,539
Net (loss) income per common share, basic and diluted:				
Class A common stock	$ (5,281)	$ (6,217)	$ (6,231)	$ (94,037)
Class B common stock	$ 276	$ 283	$ 290	$ 298

	Quarters ended 2007			
	Q1	Q2	Q3	Q4
Net sales	$ 139,506	$ 135,204	$ 144,111	$ 136,884
Gross profit	51,778	53,095	60,571	56,833
Operating income	22,390	22,230	29,751	20,465
Net (loss) income	(7,507)	(8,859)	(2,398)	9,050
Less: accretion of Class B common stock	(17,394)	(17,850)	(18,401)	(20,031)
Net loss attributable to Class A common stock	(24,901)	(26,709)	(20,799)	(10,981)
Income attributable to Class B common stock	17,394	17,850	18,401	20,031
Net (loss) income per common share, basic and diluted:				
Class A common stock	$ (3,177)	$ (3,249)	$ (2,530)	$ (1,575)
Class B common stock	$ 253	$ 260	$ 266	$ 271

13. Valuation and qualifying accounts

For the fiscal years ended December 31, 2008 and 2007, Successor Period and Predecessor Period (dollars in thousands):

	Balance at beginning of period	Reserves assumed in acquisition	Additions charged to earnings	Charges to reserve, net	Balance at end of year
Year ended December 31, 2008					
Allowance for doubtful accounts	$ 808	$ —	$ 394	$ (182)	$ 1,020
Allowance for doubtful notes	850	—	115	—	965
Reserves for inventory valuation	3,656	—	1,689	(437)	4,908
Valuation of deferred tax assets	86,097	—	206,275	—	292,372
Year ended December 31, 2007					
Allowance for doubtful accounts	$ 726	$ —	$ 108	$ (26)	$ 808
Allowance for doubtful notes	—	—	850	—	850
Reserves for inventory valuation	3,117	—	1,145	(606)	3,656
Valuation of deferred tax assets	81,915	—	4,182	—	86,097
Successor Period					
Allowance for doubtful accounts	$ —	$ 755	$ (41)	$ 12	$ 726
Reserves for inventory valuation	—	3,314	240	(437)	3,117
Valuation of deferred tax assets	—	—	81,915	—	81,915
Predecessor Period					
Allowance for doubtful accounts	$ 1,076	$ —	$ (281)	$ (40)	$ 755
Reserves for inventory valuation	2,794	—	1,752	(1,232)	3,314

14. Subsequent events

Subsequent to December 31, 2008, CCMP acquired $9,898,000 par value of First Lien term loans and $20,000,000 par value of Second Lien term loans for approximately $14,755,000. CCMP exchanged this debt for 1,475.4596 additional shares of Series A Preferred stock issued by the Company. The Company has effected the extinguishment of this debt by holding it in treasury.

Subsequent to December 31, 2008, the Company issued 2,000 shares of Series A Preferred Stock for an aggregate purchase price of $20,000,000 in cash. Additionally, in accordance with the preemptive rights provisions of the Shareholders' Agreement, CCMP sold shares of Series A Preferred Stock it had purchased previously to various investment funds affiliated with CCMP and certain members of management at the same price.

These subsequent Series A preferred stock transactions result in 11,310.8845 shares of outstanding Series A preferred stock.

On October 16, 2009, the board of directors approved the name change of the Company from GPS CCMP Acquisition Corp to Generac Holdings Inc.

The Company evaluated subsequent events through October 20, 2009.

Unaudited condensed consolidated financial statements

Generac Holdings Inc.
Consolidated balance sheets
(Dollars in thousands, except share and per share data)

	September 30, 2009	December 31, 2008
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 134,119	$ 81,229
Accounts receivable, less allowance for doubtful accounts of $981 at September 30, 2009 and $1,020 at December 31, 2008	59,924	66,107
Notes receivable, less allowance of $965 at September 30, 2009 and December 31, 2008	29	134
Inventories	143,691	123,980
Prepaid expenses and other assets	2,306	3,547
Total current assets	340,069	274,997
Property and equipment:		
Land and improvements	3,913	3,913
Buildings and improvements	48,438	48,148
Machinery and equipment	25,251	24,010
Dies and tools	9,541	9,077
Vehicles	857	984
Office equipment	5,551	4,542
Construction-in-progress	—	139
	93,551	90,813
Less accumulated depreciation	19,885	14,139
Property and equipment, net	73,666	76,674
Customer lists, net	144,360	173,104
Patents, net	94,724	100,574
Other intangible assets, net	8,132	9,142
Deferred financing costs, net	13,924	16,885
Trade names	145,506	148,765
Goodwill	525,875	525,875
Other assets	70	198
Total assets	$ 1,346,326	$ 1,326,214
Liabilities and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	$ 63,946	$ 54,525
Accrued wages and employee benefits	5,050	5,064
Other accrued liabilities	57,376	58,892
Current portion of long-term debt	7,125	9,500
Total current liabilities	133,497	127,981
Long-term debt	1,084,414	1,121,437
Other long-term liabilities	17,834	43,539
Total liabilities	1,235,745	1,292,957
Class B convertible voting common stock, par value $0.01, 110,000 shares authorized, 79,114 shares issued at September 30, 2009 and December 31, 2008, respectively	765,096	765,096
Series A convertible non-voting preferred stock, par value $0.01, 20,000 shares authorized, 11,311 and 7,835 shares issued at September 30, 2009 and December 31, 2008, respectively	113,109	78,355
Stockholders' equity (deficit):		
Class A non-voting common stock, par value $0.01, 31,200 shares authorized, 5,717 shares issued at September 30, 2009 and December 31, 2008, respectively	—	—
Additional paid-in capital	2,384	2,356
Excess purchase price over predecessor basis	(202,116)	(202,116)
Accumulated deficit	(557,251)	(581,626)
Accumulated other comprehensive loss	(10,483)	(28,650)
Stockholder notes receivable	(158)	(158)
Total stockholders' equity (deficit)	(767,624)	(810,194)
Total liabilities and stockholders' equity (deficit)	$ 1,346,326	$ 1,326,214

See notes to consolidated financial statements.

Generac Holdings Inc.
Consolidated statements of operations
(Dollars in thousands, except share and per share data)

	Nine Months Ended September 30,	
	2009	2008
	(Unaudited)	(Unaudited)
Net sales	$ 434,284	$ 401,605
Costs of goods sold	262,078	257,736
Gross profit	172,206	143,869
Operating expenses:		
Selling and service	44,863	41,068
Research and development	7,752	7,477
General and administrative	11,538	11,708
Amortization of intangibles	38,863	35,604
Total operating expenses	103,016	95,857
Income from operations	69,190	48,012
Other (expense) income:		
Interest expense	(60,384)	(81,466)
Gain on extinguishment of debt	14,745	5,311
Investment income	2,089	1,578
Other, net	(941)	(856)
Total other expense, net	(44,491)	(75,433)
Income (loss) before provision for income taxes	24,699	(27,421)
Provision for income taxes	324	12,769
Net income (loss)	24,375	(40,190)
Preferential distribution to:		
Series A preferred stockholders	(9,821)	—
Class B common stockholders	(74,208)	(67,027)
Net loss attributable to Class A common stockholders	$ (59,654)	$ (107,217)
Net (loss) income per common share, basic and diluted		
Class A common stock	$ (10,434)	$ (17,766)
Class B common stock	$ 938	$ 850
Weighted average common shares outstanding		
Class A common stock	5,717	6,035
Class B common stock	79,114	78,856

See notes to consolidated financial statements.

Generac Holdings Inc.
Consolidated statements of redeemable stock and stockholders' equity (deficit)
(Dollars in thousands, except share data)

	Redeemable																
	Series A preferred stock		Class B common stock		Preferred stock		Class A common stock		Class B common stock		Additional paid-in capital	Excess purchase price over predecessor basis	Retained earnings (accumulated deficit)	Accumulated other comprehensive income (loss)	Stockholder notes receivable	Total stockholders' equity (deficit)	Comprehensive income (loss)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount							
Balance at December 31, 2007	—	—	76,737	747,070	—	—	6,272	—	—	—	2,505	(202,116)	(25,671)	(15,813)	(195)	(241,290)	
Unrealized loss on interest rate swaps	—	—	—	—	—	—	—	—	—	—	—	—	—	(5,715)	—	(5,715)	$(5,715)
Repayment of stockholder notes receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	37	37	—
Contribution of capital related to debt extinguishment	6,285	62,855	2,400	18,249	—	—	—	—	—	—	—	—	—	—	—	—	—
Contribution of capital	1,550	15,500	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Repurchase of shares from management	—	—	(23)	(223)	—	—	(555)	—	—	—	(189)	—	—	—	—	(189)	—
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	(555,955)	—	—	(555,955)	(555,955)
Amortization of restricted stock expense	—	—	—	—	—	—	—	—	—	—	40	—	—	—	—	40	—
Pension liability adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	(7,122)	—	(7,122)	(7,122)
																	$(568,792)
Balance at December 31, 2008	7,835	$ 78,355	79,114	$765,096	—	$—	5,717	$—	—	$—	$2,356	$(202,116)	$(581,626)	$(28,650)	$ (158)	$(810,194)	
Amortization of unrealized loss on interest rate swaps	—	—	—	—	—	—	—	—	—	—	—	—	—	18,167	—	18,167	$18,167
Contribution of capital related to debt extinguishment	1,476	14,754	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds from shares issued to management and directors	50	497	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds from shares issued to shareholders	1,950	19,503	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income	—	—	—	—	—	—	—	—	—	—	—	—	24,375	—	—	24,375	24,375
Amortization of restricted stock expense	—	—	—	—	—	—	—	—	—	—	28	—	—	—	—	28	—
																	$ 42,542
Balance at September 30, 2009 (unaudited)	11,311	$113,109	79,114	$765,096	—	$—	5,717	$—	—	$—	$2,384	$(202,116)	$(557,251)	$(10,483)	$ (158)	$(767,624)	

See notes to consolidated financial statements.

Generac Holdings Inc.
Consolidated statements of cash flows
(Dollars in thousands)

	Nine months ended September 30,	
	2009	2008
	(Unaudited)	(Unaudited)
Operating activities		
Net income (loss)	$ 24,375	$ (40,190)
Adjustment to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	5,818	5,286
Amortization	38,863	35,604
Gain on extinguishment of debt	(14,745)	(5,311)
Amortization of deferred finance costs	2,562	2,927
Amortization of unrealized loss on interest rate swaps	18,167	—
Provision for losses on accounts receivable	89	244
Loss on disposal of property and equipment	36	189
Stock-based compensation expense— restricted stock	28	30
Net changes in operating assets and liabilities:		
Accounts receivable	6,094	(35,187)
Inventories	(19,711)	(11,018)
Other assets	1,369	721
Accounts payable	9,421	17,821
Accrued wages and employee benefits	(14)	(1,658)
Other accrued liabilities	(27,221)	11,697
Net cash provided by (used in) operating activities	45,131	(18,845)
Investing activities		
Proceeds from sale of property and equipment	56	82
Expenditures for property and equipment	(2,902)	(3,877)
Collections on receivable notes	105	37
Net cash used in investing activities	(2,741)	(3,758)
Financing activities		
Payment of long-term debt	(9,500)	(10,396)
Stockholders' contributions of capital—		
Series A preferred stock	20,000	—
Repurchase of shares from management—		
Class B common stock	—	(223)
Repurchase of shares from management—		
Class A common stock	—	(124)
Net cash provided by (used in) financing activities	10,500	(10,743)
Net increase (decrease) in cash and cash equivalents	52,890	(33,346)
Cash and cash equivalents at beginning of period	81,229	71,314
Cash and cash equivalents at end of period	$ 134,119	$ 37,968

See notes to consolidated financial statements

Generac Holdings Inc.
Notes to condensed consolidated financial statements

1. Basis of presentation

Description of business

Effective October 19, 2009, GPS CCMP Acquisition Corp. changed its name to Generac Holdings Inc.

Generac Holdings Inc. (the Company) owns all of the common stock of Generac Acquisition Corp., which in turn, owns all of the common stock of Generac Power Systems, Inc. (the Subsidiary). The Company designs, manufactures, and markets a complete line of automatic standby generators for residential, light-commercial, and industrial usage, as well as portable generators and air-cooled engines, for domestic and international markets.

The Company is a Delaware corporation, the outstanding common stock of which is owned by affiliates of CCMP Capital Advisors, LLC (collectively, CCMP), affiliates of Unitas Capital Ltd., and certain members of management of the Subsidiary and board of directors of the Company.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany amounts and transactions have been eliminated in consolidation.

The consolidated balance sheet as of September 30, 2009 and the consolidated statements of operations and cash flows for the nine months ended September 30, 2009 and 2008 have been prepared by the Company and have not been audited. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary for the fair presentation of the financial position, results of operation and cash flows, have been made.

Certain information and footnote disclosure normally included in consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the consolidated financial statements for the year ended December 31, 2008.

The preparation of the consolidated financial statements in conformity with U.S. 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Demand for our products is significantly affected by unpredictable major power-outage events that can lead to substantial variations in, and uncertainties regarding, our financial results from period to period. This can result in different seasonality trends from year to year. As a result, the results of the consolidated statement of operations for nine months ended September 30, 2009 are not necessarily indicative of the operating results for the full fiscal year.

During the fourth quarter of 2008, the Company committed to a re-branding strategy, whereby a certain trade name will be phased out over time. At that time, the Company recognized an impairment and recharacterized this trade name from an indefinite lived intangible asset to a finite lived intangible asset with an estimated remaining useful life of two years. For the nine month period ended September 30, 2009, the Company recorded $3,259,000 in amortization expense related to this trade name. This increased basic loss per share to Class A common stock by $570 per share.

Accumulated other comprehensive income (loss)

Accumulated other comprehensive income (AOCI) includes unrealized gains (losses) on certain cash flow hedges and the pension liability. The components of AOCI at September 30, 2009 and December 31, 2008 were (dollars in thousands):

	September 30, 2009	December 31, 2008
Pension liability	$ (4,427)	$ (4,427)
Unrealized losses on cash flow hedges	(6,056)	(24,223)
Accumulated other comprehensive loss	$ (10,483)	$ (28,650)

2. Derivative instruments and hedging activities

The Company accounts for its derivative contracts in accordance with ASC 815, *Derivatives and Hedging*, which requires all derivative instruments be reported on the consolidated balance sheets at fair value and establishes criteria for designation and effectiveness of hedging relationships. The Company is exposed to market risk such as changes in commodity prices, foreign currencies, and interest rates. The Company does not hold or issue derivative financial instruments for trading purposes.

Commodities

The primary objectives of the commodity risk management activities are to understand and mitigate the impact of potential price fluctuations on the Company's financial results and its economic well-being. While the Company's risk management objectives and strategies will be driven from an economic perspective, the Company attempts, where possible and practical, to ensure that the hedging strategies it engages in can be treated as "hedges" from an accounting perspective or otherwise result in accounting treatment where the earnings effect of the hedging instrument provides substantial offset (in the same period) to the earnings effect of the hedged item. Generally, these risk management transactions will involve the use of commodity derivatives to protect against exposure resulting from significant price fluctuations.

The Company primarily utilizes commodity contracts with maturities of less than 12 months. These are intended to offset the effect of price fluctuations on actual inventory purchases. At September 30, 2009 and September 30, 2008 there were no outstanding commodity contracts. Total gains recognized in the consolidated statements of operations on commodity contracts were $137,000 and $722,000 for the nine month periods ended September 30, 2009 and 2008, respectively.

Foreign currencies

The Company is exposed to foreign currency exchange risk as a result of transactions in other currencies. The Company utilizes foreign currency forward purchase and sales contracts to manage the volatility associated with foreign currency purchases in the normal course of business. Contracts typically have maturities of one year or less. There were no outstanding foreign currency hedge contracts outstanding as of September 30, 2009 or December 31, 2008. There were no gains or losses recorded in the consolidated statement of operations for the nine month periods ended September 30, 2009 and 2008.

Interest rates

The Company previously entered into various interest rate swap agreements (the Swaps) with certain banks. The Swaps, which were effective January 2, 2007, October 3, 2007, and January 3, 2008, have notional amounts totaling $825,000,000, $100,000,000, and $275,000,000, respectively. The total notional amount of $1,200,000,000 declined to $675,000,000 at January 3, 2009, and terminate January 4, 2010.

Effective January 3, 2009, the Company, within the terms of the Credit Agreements, changed the interest rate election from three-month LIBOR to one-month LIBOR. The Company has concluded that as of January 3, 2009, the Swaps no longer meet hedge effectiveness criteria and are therefore, no longer highly effective as a hedge against the impact on interest payments of changes in the LIBOR interest rate. The effective portion of the Swaps prior to the change will remain in AOCI and will be amortized as interest expense over the period of the originally designated hedged transactions. Future changes in the fair value of the Swaps are immediately recognized in the consolidated statement of operations as interest expense. For the nine month period ended September 30, 2009, the Company recognized in earnings $18,167,000 of unrealized losses that were previously recorded in AOCI when the swaps were deemed highly effective. The Company recorded in earnings a gain of $10,196,000 related to the change in fair value in the Swaps, as the Swaps are deemed fully ineffective, for the nine months ended September 30, 2009.

Upon entering into those hedge arrangements, the Company formally documented all relationships between interest rate hedging instruments and hedged items, as well as its risk-management objectives and strategies for undertaking various hedge transactions. During 2008, the Company's interest rate swap agreements qualified as cash flow hedges. For derivatives that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of AOCI and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. The ineffective portion of the derivatives' change in fair value, if any, is immediately recognized in earnings. The Company assesses on an ongoing basis whether derivatives used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items. The impact of hedge ineffectiveness on earnings was not material for the nine month period ended September 30, 2008.

The following table presents, in thousands, the fair value of the Company's derivatives:

	September 30, 2009	December 31, 2008
Derivatives designated as hedging instruments:		
Interest rate swaps	—	$ 24,223
	—	24,223
Derivatives not designated as hedging instruments:		
Commodity contracts	—	1,425
Interest rate swaps	14,026	—
Total derivatives	$ 14,026	$ 25,648

As of September 30, 2009, all derivatives that are not designated as hedging instruments are included in other current liabilities in the consolidated balance sheet. There were no derivatives that were designated as hedging instruments at September 30, 2009.

All derivatives designated as hedging instruments are included in other long-term liabilities in the consolidated balance sheet at December 31, 2008.

The fair value of the derivative contracts of $14,026,000 and $25,648,000 considers the Company's credit risk as of September 30, 2009 and December 31, 2008, respectively. Excluding the impact of credit risk, the fair value of the derivatives at September 30, 2009 and December 31, 2008 was $15,959,000 and $29,000,000, respectively, and this represents the amount the Company would need to pay to exit the agreements on those dates.

Cash flow hedges are recorded at fair value with a corresponding entry, net of taxes, recorded in earnings. At September 30, 2009, the notional amount of debt under interest rate swap agreements outstanding was $675.0 million.

The following presents the impact of interest rate swaps and commodity contracts on the consolidated statement of operations for the nine months ended September 30, 2009 and 2008 (dollars in thousands):

	Amount of gain (loss) recognized in AOCI For the nine months ended September 30,		Location of gain (loss) reclassified from AOCI into net income (loss)	Amount of gain (loss) reclassified from AOCI into net income (loss) for the nine months ended September 30,		Amount of gain (loss) recognized in net income (loss) on hedges (ineffective portion) for the nine months ended September 30,	
	2009	2008		2009	2008	2009	2008
Derivatives designated as hedging instruments							
Interest rate swaps	$ —	$ (2,267)	Interest expense	$ (18,167)	$—	$ —	$ —
Derivatives not designated as hedging instruments							
Commodity contracts	$ —	$ —	Cost of goods sold	$ —	$—	$ 137	$ 459
Interest rate swaps	$ —	$ —	Interest expense	$ —	$—	$ 10,196	$ —

During the nine months ended September 30, 2009, the impact of derivative instruments on the consolidated statement of operations for the interest rate swap agreements not designated as hedging instruments was a gain of $10,196,000. There was no impact of derivative instruments on the consolidated statement of operations for the comparable period last year. During the nine months ended September 30, 2009 and 2008, the impact of derivative instruments on the consolidated statement of operations for the commodity contracts not designated as hedging instruments was a gain of $137,000 and $459,000, respectively.

3. Fair value measurements

ASC 820-10 Fair Value Measurements and Disclosures (formerly SFAS No. 157, *Fair Value Measurements*) among other things, defines fair value, establishes a consistent framework for measuring fair value, and expands disclosure for each major asset and liability category measured at fair value on either a recurring basis or nonrecurring basis. ASC 820-10 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the pronouncement establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value are based on the market approach, which is prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Liabilities measured at fair value on a recurring basis are as follows (dollars in thousands):

		Fair value measurement using	
	Total September 30, 2009	**Quoted prices in active markets for identical contracts (Level 1)**	**Significant other observable inputs (Level 2)**
Net derivative contracts	$14,026	$—	$14,026

The fair value of derivative contracts above consider the Company's credit risk in accordance with ASC 820-10. Excluding the impact of credit risk, the fair value of derivatives at September 30, 2009, was $15,959,000 and this represents the amount the Company would need to pay to exit the agreements on this date.

4. Balance sheet details

Inventories consist of the following (dollars in thousands):

	September 30, 2009	December 31, 2008
Raw material	$ 82,443	$ 104,310
Work-in-process	515	1,217
Finished goods	65,075	23,361
Reserves for excess and obsolescence	(4,342)	(4,908)
	$ 143,691	$ 123,980

Other accrued liabilities consist of the following (dollars in thousands):

	September 30, 2009	December 31, 2008
Accrued commissions	$ 4,978	$ 6,444
Accrued interest	10,564	25,228
Accrued warranties—short term	16,045	14,015
Derivative contract obligations	14,026	—
Other accrued liabilities	11,763	13,205
	$ 57,376	$ 58,892

5. Product warranty obligations

The Company records a liability for product warranty obligations at the time of sale to a customer based upon historical warranty experience. The Company also records a liability for specific warranty matters when they become known and are reasonably estimatable. The Company's product warranty obligations are included in other accrued liabilities and other long-term liabilities in the consolidated balance sheets.

Changes in the product warranty obligations are as follows (dollars in thousands):

	Nine months ended	
	September 30, 2009	September 30, 2008
Balance at beginning of period	$ 17,539	$ 14,807
Payments	(10,701)	(11,580)
Charged to operations	12,731	11,447
Balance at end of period	$ 19,569	$ 14,674

The product warranty obligations are included in the consolidated balance sheets as follows (dollars in thousands):

	September 30, 2009	December 31, 2008
Other accrued liabilities	$ 16,045	$ 14,015
Other long-term liabilities	3,524	3,524
	$ 19,569	$ 17,539

6. Credit agreements

Long-term debt consists of the following (dollars in thousands):

	September 30, 2009	December 31, 2008
First lien term loan	$ 920,604	$ 930,104
Second lien term loan	430,000	430,000
	1,350,604	1,360,104
Less treasury debt—first lien	9,898	—
Less treasury debt—second lien	249,167	229,167
Less current portion	7,125	9,500
	$ 1,084,414	$ 1,121,437

At September 30, 2009, the Company had credit agreements which provided for borrowings under a revolving credit facility and two term loans (collectively, the Credit Agreements). The Credit Agreements require the Company, among other things, to meet certain financial and nonfinancial covenants and maintain financial ratios in such amounts and for such periods as set forth therein. The Company is required to maintain a leverage ratio (EBITDA divided by net debt, as defined within the Credit Agreements) of 7.25 as of September 30, 2009. The leverage ratio decreases quarterly, and for the remainder of 2009, the Company will be required to maintain a leverage ratio of 6.75 for the fourth quarter. The Company was in compliance with all requirements as of September 30, 2009.

The Credit Agreements restrict the circumstances in which distributions and dividends can be paid by the Subsidiary. Payments can be made to the Company for certain expenses, and dividends can be used to repurchase equity interests, subject to an annual limitation. Additionally, the Credit Agreements restrict the aggregate amount of dividends and distributions that can be paid and require the maintenance of certain leverage ratios.

During the nine months ended September 30, 2009, CCMP acquired $9,898,000 par value of First Lien term loans and $20,000,000 par value of Second Lien term loans for approximately $14,754,000. CCMP exchanged this debt for 1,475.4596 shares of Series A Preferred stock. The Company subsequently contributed this debt to its Subsidiary, except for $2,000,000 par value of Second Lien term loans which are still held by the Company. The fair value of the shares exchanged was $14,754,000. These shares have beneficial conversion features which are contingent upon a future event. The Company recorded this transaction as Series A Preferred Stock of $14,754,000 based on the fair value of the debt contributed by CCMP which

approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, the Company recorded a gain on extinguishment of debt of $14,745,000, which includes the write-off of deferred financing costs and other closing costs in the consolidated statement of operations for the nine months ended September 30, 2009.

During the nine months ended September 30, 2008, CCMP acquired $24,000,000 par value of Second Lien term loans for approximately $18,249,000. CCMP exchanged this debt for 2,400 shares of Class B Common stock. The Company subsequently contributed this debt to its Subsidiary. The fair value of the shares exchanged was $18,249,000. These shares have beneficial conversion features which are contingent upon a future event. The Company recorded this transaction as Class B Common Stock of $18,249,000 based on the fair value of the debt contributed by CCMP which approximated the fair value of shares exchanged. The debt is now held in treasury at face value. Consequently, the Company recorded a gain on extinguishment of debt of $5,311,000, which includes the write-off of deferred financing costs and other closing costs, in the consolidated statement of operations for the nine months ended September 30, 2008.

As of September 30, 2009, the fair value of long-term debt was approximately $939,051,000 as calculated based on current quotations.

7. Earnings per share

The Company has one class of preferred stock (Series A) and two classes of common stock (Class B stock and Class A stock). Each Series A Preferred share is entitled to a priority return preference equal to the sum of $10,000 per share base amount plus an amount sufficient to generate a 14% return on that base amount compounded quarterly from the date of the transaction in which the Series A Preferred shares were originally issued until the priority return preference is paid in full. Each Series A Preferred share also participates in any equity appreciation beyond the Series A Preferred priority return equal to 24.3% of remaining proceeds (Series A Equity Participation). Class B Common shares participate in the equity appreciation after the Series A preferred priority return is satisfied. Each Class B share is entitled to a priority return preference equal to the sum of $10,000 per share base amount plus an amount sufficient to generate a 10% return on that base amount compounded quarterly from the date of the transaction in which the Class B shares were originally issued until the priority return preference is paid in full. Each Class B share also participates in any equity appreciation beyond the priority return. Class A shares participate in the equity appreciation after the Class B priority return is satisfied.

The Class B stock is considered a participating stock security requiring use of the "two-class" method for the computation of basic net income (loss) per share in accordance with ASC 260 *Earnings Per Share*. Losses are not allocated to the Class B stock in the computation of basic earnings per share as the Class B stock is not obligated to share in losses.

Basic earnings per share excludes the effect of common stock equivalents and is computed using the "two-class" computation method, which divides earnings attributable to the Class B preference from total earnings. Any remaining loss is attributed to the Class A shares.

Dollars in thousands, except per share data:

	Nine months ended	
	September 30, 2009	September 30, 2008
Net income (loss)	$ 24,375	$ (40,190)
Less: accretion of Series A preferred stock	(9,821)	—
Less: accretion of Class B common stock	(74,208)	(67,027)
Net loss attributable to Class A common stock	(59,654)	(107,217)
Income attributable to Class B common stock	74,208	67,027
Earnings (loss) per common share, basic:		
Class A common stock	$ (10,434)	$ (17,766)
Class B common stock	$ 938	$ 850
Weighted average number of shares outstanding:		
Class A common stock	5,717	6,035
Class B common stock	79,114	78,856

The Series A preferred and Class B common stock are only convertible to Class A common stock immediately prior to an initial public offering. The impact of the conversion of Series A preferred and Class B common stock are excluded from diluted earnings per share calculations for the nine month periods ended September 30, 2009 and 2008, as this contingent event did not occur by the end of the respective reporting periods.

The number of shares of Class A common stock which will be issued upon conversion of the Series A preferred and Class B common stock is dependent upon the initial public offering price of the Class A common stock on the date of conversion as well as the unpaid priority return.

8. Income taxes

The Company is a C Corporation and, therefore, accounts for income taxes pursuant to the liability method. Accordingly, the current or deferred tax consequences of a transaction are measured by applying the provision of enacted tax laws to determine the amount of taxes payable currently or in future years. Deferred income taxes are provided for temporary differences between the income tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Due to historical taxable losses, the Company provides reserves against its U.S. deferred tax assets.

For the nine month period ended September 30, 2009, the Company recorded tax expense of $324,000 related to state income taxes.

During the nine month period ended September 30, 2008, the Company's tax basis in goodwill was lower than its book basis. As such, a deferred tax liability was recognized in the consolidated balance sheet. These deferred tax liabilities were considered to have an indefinite life and therefore were ineligible to be considered as a source of future taxable income in assessing the realization of deferred tax assets. This resulted in a tax expense of $12,769,000 recorded in the consolidated statement of operations for the nine months ended September 30, 2008. The recognition of an impairment related to goodwill and indefinite-lived

intangibles in the fourth quarter of 2008 resulted in a deferred tax asset and tax benefit in the fourth quarter of 2008.

9. Benefit plans

The components of net periodic benefit cost for the Company's pension plans were as follows (dollars in thousands):

	Nine months ended	
	September 30, 2009	September 30, 2008
Components of net periodic benefit cost:		
Service cost	$ —	$ 1,858
Interest cost	1,754	1,839
Expected return on plan assets	(1,353)	(2,049)
Amortization of:		
Unrecognized net loss	180	—
	$ 581	$ 1,648

10. Commitments and contingencies

The Company has an arrangement with a finance company to provide floor plan financing for selected dealers. The Company receives payment from the finance company within a few days of shipment of product to the dealer. The Company participates in the cost of dealer financing up to certain limits. The Company has agreed to repurchase products repossessed by the finance company. The Company's financial exposure when repurchasing product is limited to the difference between the outstanding balance due and the amount received on the resale of the repossessed product. In the event of default, the Company is liable for up to 50% of the financed balance. The amount financed by dealers which remained outstanding under this arrangement at September 30, 2009 and December 31, 2008 was approximately $1,250,000 and $7,547,000, respectively.

Effective February 27, 2009 the arrangement between the Company and the finance company was terminated. Minimal losses have been incurred under this agreement, and a minimal reserve for future losses has been recorded.

Effective May 29, 2009 the Company entered into an arrangement with a different finance company. This arrangement is similar to the previous arrangement, however, the Company does not indemnify the finance company for any credit losses they incur. The amount financed by dealers which remained outstanding under this new arrangement at September 30, 2009 was approximately $5,618,000.

11. Redeemable stock and stockholders' equity (deficit)

On July 17, 2009, affiliates of CCMP acquired $2,000,000 par value of second lien term loans for approximately $765,000. CCMP's affiliates exchanged this debt for 76.5447 additional shares of Series A Preferred Stock.

On September 2, 2009, the Company issued 2,000 shares of Series A preferred stock for an aggregate purchase price of $20,000,000 in cash to affiliates of CCMP and certain members of management and the board of directors. Additionally, in accordance with the preemptive rights provisions of the Shareholders' Agreement, affiliates of CCMP sold shares of Series A preferred stock they had purchased previously to various investment funds affiliated with CCMP and a member of the board of directors at the same price.

These Series A preferred stock transactions result in 11,310.8845 shares of outstanding Series A preferred stock.

12. Subsequent events

Subsequent to September 30, 2009, the stockholders of the Company increased the total number of shares of all classes of stock that the Company has authority to issue to 500,140,000, which included an increase of Class A non-voting common stock to 500,000,000 shares.

The Company has evaluated subsequent events through November 23, 2009.

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shares

Generac Holdings Inc.

Common stock

Prospectus

J.P. Morgan **Goldman, Sachs & Co.**

, 2009

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, common shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common shares.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the common shares or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to that jurisdiction.

Until 25 days after the date of this prospectus, all dealers that buy, sell or trade in our common shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Part II

Information not required in prospectus

Item 13. Other expenses of issuance and distribution.

The expenses, other than underwriting commissions, expected to be incurred by Generac Holdings Inc. (the "Registrant") in connection with the issuance and distribution of the securities being registered under this Registration Statement are estimated to be as follows:

Securities and Exchange Commission Registration Fee	$ 16,740
Financial Industry Regulatory Authority, Inc. Filing Fee	30,500
NYSE Listing Fee	*
Printing and Engraving	*
Legal Fees and Expenses	*
Accounting Fees and Expenses	*
Blue Sky Fees and Expenses	*
Transfer Agent and Registrar Fees	*
Miscellaneous	*
Total	$ *

* To be provided by amendment.

Item 14. Indemnification of directors and officers.

Section 145 of the Delaware General Corporation Law, or DGCL, provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees)), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Section 145 further provides that a corporation similarly may indemnify any such person serving in any such capacity who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or such other court in which such action or suit was brought shall determine upon

application that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

The Registrant's Bylaws authorize the indemnification of our officers and directors, consistent with Section 145 of the Delaware General Corporation Law, as amended. The Registrant intends to enter into indemnification agreements with each of its directors and executive officers. These agreements, among other things, will require the Registrant to indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer.

Reference is made to Section 102(b)(7) of the Delaware General Corporation Law, or DGCL, which enables a corporation in its original certificate of incorporation or an amendment thereto to eliminate or limit the personal liability of a director for violations of the director's fiduciary duty, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL, which provides for liability of directors for unlawful payments of dividends of unlawful stock purchase or redemptions or (iv) for any transaction from which a director derived an improper personal benefit.

Reference is also made to Section 145 of the DGCL, which provides that a corporation may indemnify any person, including an officer or director, who is, or is threatened to be made, party to any threatened, pending or completed legal action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of such corporation, by reason of the fact that such person was an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such officer, director, employee or agent acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the corporation's best interest and, for criminal proceedings, had no reasonable cause to believe that his conduct was unlawful. A Delaware corporation may indemnify any officer or director in an action by or in the right of the corporation under the same conditions, except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him against the expenses that such officer or director actually and reasonably incurred.

The Registrant expects to maintain standard policies of insurance that provide coverage (i) to its directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act and (ii) to the Registrant with respect to indemnification payments that it may make to such directors and officers.

The proposed form of Underwriting Agreement to be filed as Exhibit 1.1 to this Registration Statement provides for indemnification to the Registrant's directors and officers by the underwriters against certain liabilities.

Item 15. Recent sales of unregistered securities.

In November 2006, we sold an aggregate of 9,716.7382 shares of our Class B Voting Common Stock for $10,000 per share to certain members of our management and certain of our employees as part of the CCMP Transactions, and we sold an aggregate of 58,850 shares of our Class B Voting Common Stock for $10,000 per share to certain CCMP affiliates, together with affiliates of Unitas Capital Ltd.

In November 2006, we sold an aggregate of 8,298.1332 shares of our Class A Nonvoting Common Stock to certain members of management or employees at $341.36 per share. In March 2007, we sold an aggregate of 233.7502 shares of our Class A Nonvoting Common Stock to certain members of management and employees at $341.36 per share.

In February 2007, we sold 145 shares of our Class B Voting Common Stock to three individuals in connection with their appointments to our board of directors for $10,000 per share.

In December 2007, we sold 389.5799 shares of our Class A Nonvoting Common Stock to certain members of management and employees at $341.36 per share. All such shares were issued pursuant to our 2006 Equity Incentive Plan.

Between September 2007 and April 2008, we issued an aggregate of 10,425 shares of our Class B Voting Common Stock to CCMP in exchange for certain term loans under our second lien credit facility that CCMP had purchased. The exchange ratio in connection with the exchange was one share of our Class B Voting Common Stock per $10,000 of the aggregate outstanding principal amount of the loans that were so exchanged. Such purchased term loans had an aggregate outstanding principal amount equal to $104,250,000.

In November 2008, we issued 1,550 shares of our Series A Preferred Stock to CCMP for an aggregate purchase price of $15,500,000. Between December 2008 and July 2009, we issued an aggregate of 7,760.8845 shares of our Series A Preferred Stock to CCMP in exchange for certain term loans under our second lien credit facility that CCMP had purchased. The exchange ratio in connection with the exchange was one share of our Series A Preferred Stock per $10,000 of the amount paid by CCMP for the loans that were so exchanged. Such purchased term loans had an aggregate outstanding principal amount equal to $154,814,528.

In September 2009, we sold 2,000 shares of our Series A Preferred Stock to certain stockholders for an aggregate purchase price of $20,000,000.

Each of these transactions was exempt from registration pursuant to Section 4(2) of the Securities Act, as it was a transaction by an issuer that did not involve a public offering of securities. There were no underwriters employed in connection with any of the transactions set forth in this Item 15. The recipients of securities in each such transactions represented their intention to acquire the securities for investment only and not with a view to any distribution thereof. Appropriate legends were affixed to the share certificates and other instruments issued in such transactions. All recipients were given the opportunity to ask questions and receive answers from representatives of the registrant concerning the business and financial

affairs of the registrant. Each of the recipients that were employees of the registrant had access to such information through their employment with the registrant.

Item 16. Exhibits and financial statement schedules

(a) Exhibits

Exhibit number	Description of exhibits
1.1*	Form of Underwriting Agreement
3.1*	Amended and Restated Certificate of Incorporation of Generac Holdings Inc
3.2*	Amended and Restated Bylaws of Generac Holdings Inc
4.1*	Form of Common Stock Certificate
4.2**	Shareholders Agreement, dated as of November 10, 2006, by and among Generac Holdings Inc., certain stockholders of Generac Holdings Inc., including CCMP Capital Investors II, L.P., various of it affiliated funds, various funds affiliated with Unitas Capital Ltd. and the Management Shareholders (as defined in Shareholders Agreement)
5.1*	Opinion of Weil, Gotshal & Manges L.L.P
10.1*	Equity Incentive Plan
10.2**	Employment Agreement, dated as of November 10, 2006, between Generac and Aaron Jagdfeld
10.3**	Employment Agreement, dated as of November 10, 2006, between Generac and Dawn Tabat
10.4**	Offer Letter to Clement Feng, dated August 7, 2007
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21.1**	List of Subsidiaries of Generac Holdings Inc.
23.1	Consent of Ernst & Young, Independent Registered Public Accounting Firm, relating to Generac Holdings Inc.
23.2*	Consent of Weil, Gotshal & Manges LLP (included in the opinion filed as Exhibit 5.1 hereto).
24.1**	Power of Attorney of Aaron Jagdfeld.
24.2**	Power of Attorney of York A. Ragen.
24.3**	Power of Attorney of Stephen Murray.
24.4**	Power of Attorney of Timothy Walsh.
24.5**	Power of Attorney of Stephen V. McKenna.
24.6**	Power of Attorney of John D. Bowlin.
24.7**	Power of Attorney of Edward A. LeBlanc.
24.8**	Power of Attorney of Barry J. Goldstein.

* To be filed by amendment.

** Previously filed

(b) **Financial Statement Schedules**

None.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions referenced in Item 14 of this registration statement, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

For the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

i. Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

ii. Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

iii. The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

iv. Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this amendment No. 1 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Waukesha, State of Wisconsin, on the 23rd day of November, 2009.

GENERAC HOLDINGS INC.

By: /s/ AARON JAGDFELD

Name: Aaron Jagdfeld
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below by the following persons in the capacities indicated on the 23rd day of November, 2009.

Signature	Title
/s/ AARON JAGDFELD Aaron Jagdfeld	Chief Executive Officer and Director
/s/ YORK A. RAGEN York A. Ragen	Chief Financial Officer and Chief Accounting Officer
* John D. Bowlin	Director
* Barry J. Goldstein	Director
* Edward A. LeBlanc	Director
* Stephen V. McKenna	Director
* Stephen Murray	Director
* Timothy Walsh	Director

*By: /s/ AARON JAGDFELD
Attorney- in- Fact

Exhibit Index

Exhibit number	Description of exhibits
1.1*	Form of Underwriting Agreement
3.1*	Amended and Restated Certificate of Incorporation of Generac Holdings Inc
3.2*	Amended and Restated Bylaws of Generac Holdings Inc
4.1*	Form of Common Stock Certificate
4.2**	Shareholders Agreement, dated as of November 10, 2006, by and among Generac Holdings Inc., certain stockholders of Generac Holdings Inc., including CCMP Capital Investors II, L.P., various of it affiliated funds, various funds affiliated with Unitas Capital Ltd. and the Management Shareholders (as defined in Shareholders Agreement)
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FIRST LIEN GUARANTEE AND COLLATERAL AGREEMENT

made by

GENERAC ACQUISITION CORP.

GPS CCMP MERGER CORP.

and certain Subsidiaries of GPS CCMP MERGER CORP.

in favor of

GOLDMAN SACHS CREDIT PARTNERS L.P., as Administrative Agent

Dated as of November 10, 2006

TABLE OF CONTENTS

FIRST LIEN GUARANTEE AND COLLATERAL AGREEMENT, dated as of November 10, 2006, made by each of the signatories hereto (other than GSCP, but together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of GOLDMAN SACHS CREDIT PARTNERS L.P. ("GSCP"), as administrative agent (in such capacity and together with its successors, the "Administrative Agent") for (i) the banks and other financial institutions or entities (the "Lenders") from time to time parties to the Credit Agreement, dated as of November 10, 2006 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "First Lien Credit Agreement"), among Generac Acquisition Corp., a Delaware corporation ("Holdings"), GPS CCMP Merger Corp., a Wisconsin corporation (the "Borrower"), the Lenders party thereto, J.P. Morgan Securities Inc. and GSCP, as joint bookrunners and joint lead arrangers (in each such capacity, the "Joint Lead Arrangers"), JPMorgan Chase Bank, N.A. as syndication agent (in such capacity, the "Syndication Agent"), and Barclays Bank PLC, as Documentation Agent (in such capacity and together with its successors, the "Documentation Agent"), and (ii) the other Secured Parties (as hereinafter defined).

W I T N E S S E T H:

WHEREAS, pursuant to the First Lien Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower is a member of an affiliated group of companies that includes each other Grantor;

WHEREAS, the proceeds of the extensions of credit under the First Lien Credit Agreement will be used in part to enable the Borrower to make valuable transfers to one or more of the other Grantors in connection with the operation of their respective businesses;

WHEREAS, the Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the First Lien Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the First Lien Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent for the ratable benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Joint Lead Arrangers, the Administrative Agent and the Lenders to enter into the First Lien Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the Administrative Agent, for the ratable benefit of the Secured Parties, as follows:

SECTION 1. DEFINED TERMS

1.1. Definitions. (a) Unless otherwise defined herein, terms defined in the First Lien Credit Agreement and used herein shall have the meanings given to them in the First Lien Credit Agreement, and the following terms are used herein as defined in the New York UCC (and if defined in more than one Article of the New York UCC, such terms shall have the meanings given in Article 9 thereof): Accounts, Account Debtor, Certificated Security, Chattel Paper, Commercial Tort Claim, Commodity Account, Commodity Contract, Commodity Intermediary, Documents, Deposit Account, Electronic Chattel Paper, Equipment, Farm Products, Financial Asset, Fixtures, Goods, Instruments, Inventory, Letter of Credit, Letter of Credit Rights, Money, Payment Intangibles, Securities Account, Securities Intermediary, Security, Security Entitlement, Supporting Obligations, Tangible Chattel Paper and Uncertificated Security.

(b) The following terms shall have the following meanings:

"Administrative Agent" shall have the meaning assigned to such term in the preamble.

"After-Acquired Intellectual Property" shall have the meaning assigned to such term in Section 5.9(k).

"Agreement" shall mean this First Lien Guarantee and Collateral Agreement, as the same may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"Borrower" shall have the meaning assigned to such term in the preamble.

"Borrower Obligations" shall mean the collective reference to the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and reimbursement obligations in respect of amounts drawn under Letters of Credit and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Grantor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of (x) the Borrower to the Joint Lead Arrangers, to any Agent, Lender, Issuing Bank or other Secured Party, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with the First Lien Credit Agreement, any other Loan Document, or the Letters of Credit or any other document made, delivered or given in connection herewith or therewith, and (y) any Grantor to any Lender Counterparty, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with under any Specified Hedge Agreement, any Cash Management Agreement or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Joint Lead Arrangers, to any Agent or to any Lender that are required to be paid by any Grantor pursuant to the First Lien Credit Agreement or any other Loan Document) or otherwise; provided, that (i) obligations of the Borrower or any other Loan Party under any Specified Hedge Agreement or Cash Management Agreement shall be secured and guaranteed pursuant to the Security Documents only to the extent that, and for so long as the obligations referred to in clause (x) above are so secured and guaranteed, (ii) any release of collateral or guarantors effected in the manner permitted by the First Lien Credit

Agreement or any other Loan Document shall not require the consent of holders of obligations under Specified Hedge Agreements or Cash Management Agreements and (iii) the amount of secured obligations under any Specified Hedge Agreements shall not exceed the net amount, including any net termination payments, that would be required to be paid to the counterparty to such Specified Hedge Agreement on the date of termination of such Specified Hedge Agreement.

"Cash Management Agreement" shall mean any agreement evidencing Cash Management Obligations entered into by any Loan Party.

"Co-Documentation Agents" shall have the meaning assigned to such term in the preamble.

"Collateral" shall have the meaning assigned to such term in Section 3.

"Collateral Account" shall mean (i) any collateral account established by the Administrative Agent as provided in Section 6.1 or Section 6.4 or (ii) any cash collateral account established as provided in Section 2.05(j) of the First Lien Credit Agreement.

"Collateral Account Funds" shall mean, collectively, the following: all funds (including all trust monies) and investments (including all cash equivalents) credited to, or purchased with funds from, any Collateral Account and all certificates and instruments from time to time representing or evidencing such investments; all Money, notes, certificates of deposit, checks and other instruments from time to time hereafter delivered to or otherwise possessed by the Administrative Agent for or on behalf of any Grantor in substitution for, or in addition to, any or all of the Collateral; and all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the items constituting Collateral.

"Contracts" shall mean all contracts and agreements between any Grantor and any other person (in each case, whether written or oral, or third party or intercompany) as the same may be amended, assigned, extended, restated, supplemented, replaced or otherwise modified from time to time including (i) all rights of any Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of any Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect thereto, (iii) all rights of any Grantor to damages arising thereunder and (iv) all rights of any Grantor to terminate and to perform and compel performance of, such Contracts and to exercise all remedies thereunder.

"Copyright Licenses" shall mean any agreement, whether written or oral, naming any Grantor as licensor or licensee (including those listed in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time)), granting any right in, to or under any Copyright, including the grant of rights to manufacture, print, publish, copy, import, export, distribute, exploit and sell materials derived from any Copyright.

"Copyrights" shall mean (i) all copyrights arising under the laws of the United States, any other country, or union of countries, or any political subdivision of any of the foregoing, whether registered or unregistered and whether published or unpublished (including those listed in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time)), all registrations and recordings thereof, and all applications in connection therewith and

rights corresponding thereto throughout the world, including all registrations, recordings and applications in the United States Copyright Office, and all Mask Works (as defined in 17 USC 901), (ii) the right to, and to obtain, all extensions and renewals thereof, and the right to sue for past, present and future infringements of any of the foregoing, (iii) all proceeds of the foregoing, including license, royalties, income, payments, claims, damages, and proceeds of suit and (iv) all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"dollars" or "$" shall mean lawful money of the United States of America.

"Excluded Assets" shall mean: (i) the Excluded Foreign Subsidiary Equity Interests; (ii) any Equity Interests if, and to the extent that, and for so long as doing so would violate applicable law or, other than in the case of Wholly-Owned Subsidiaries, a contractual obligation binding on such Equity Interests; (iii) any assets acquired after the Closing Date, to the extent that, and for so long as, taking such actions would violate a contractual obligation binding on such assets that existed at the time of the acquisition thereof and was not created or made binding on such assets in contemplation or in connection with the acquisition of such assets (except in the case of assets acquired with Indebtedness permitted pursuant to Section 6.01(h) of the First Lien Credit Agreement that is secured by a Lien permitted pursuant to Section 6.02(i) of the First Lien Credit Agreement); (iv) any lease, license, contract, property right or agreement to which any Grantor is a party or any of its rights or interests thereunder if and only for so long as the grant of a security interest hereunder shall constitute or result in a breach, termination or default under any such lease, license, contract, property right or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or any other applicable law or principles of equity); provided, however, that such security interest shall attach immediately to any portion of such lease, license, contract, property rights or agreement that does not result in any of the consequences specified above, (v) any property subject to a Lien permitted under Section 6.02(i) or 6.02(j) of the First Lien Credit Agreement, (vi) Deposit Accounts, Securities Accounts and all cash, cash equivalents and assets on deposit therein, (vii) vehicles and (viii) those assets with respect to which the Administrative Agent reasonably determines that the costs of obtaining security interests in which are excessive in relation to the value of the security afforded thereby.

"Excluded Foreign Subsidiary Equity Interests" shall mean (A) Equity Interests of any "first tier" Foreign Subsidiary owned by any Grantor in excess of 65% of the issued and outstanding Equity Interests of such Foreign subsidiary and (B) any issued and outstanding Equity Interests of any Foreign Subsidiary that is not a "first tier" Foreign Subsidiary owned by any Grantor.

"Excluded Perfection Assets" shall mean (i) Collateral for which the perfection of Liens thereon requires filings in or other actions under the laws of jurisdictions outside of the United States of America, any State, territory or dependency thereof or the District of Columbia, (ii) goods included in Collateral received by any Person from any Grantor for "sale or return" within the meaning of Section 2-326 of the Uniform Commercial Code of the applicable jurisdiction, to the extent of claims of creditors of such Person, (iii) Equipment constituting Fixtures, (iv) Collateral as to which actions required for perfection are permitted not to be taken pursuant to Section 5.02 hereof or Section 5.09(g) of the First Lien Credit Agreement and (v)

Deposit Accounts, Securities Accounts (other than the filing of a financing statement with respect thereto) and vehicles that are subject to the certificate of title laws in any state.

"First Lien Credit Agreement" shall have the meaning assigned to such term in the preamble.

"General Intangibles" shall mean all "general intangibles" as such term is defined in Section 9-102(a)(42) of the New York UCC and, in any event, including with respect to any Grantor, all rights of such Grantor to receive any tax refunds, all Swap Agreements and all contracts, agreements, instruments and indentures and all licenses, permits, concessions, franchises and authorizations issued by Governmental Authorities in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented, replaced or otherwise modified, including (i) all rights of such Grantor to receive moneys due and to become due to it under or in connection with any such general intangibles, (ii) all rights of such Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to any such general intangibles, (iii) all rights of such Grantor to damages arising under or in connection with any such general intangibles and (iv) all rights of such Grantor to terminate and to perform and compel performance and to exercise all remedies under any such general intangibles.

"Grantors" shall have the meaning assigned to such term in the preamble.

"Guarantor Obligations" shall mean with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with (a) this Agreement (including Section 2) or any other Loan Document to which such Guarantor is a party to any Secured Party, (b) any Specified Hedging Agreement to any Lender Counterparty or (c) any Cash Management Agreement to any Lender Counterparty, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including all fees and disbursements of counsel to any Secured Party that are required to be paid by such Guarantor pursuant to the terms of this Agreement or any other Loan Document); provided, that (i) obligations of the Guarantor under any Specified

Hedge Agreement or Cash Management Agreement shall be secured and guaranteed pursuant to the Security Documents only to the extent that, and for so long as the obligations referred to above are so secured and guaranteed, (ii) any release of collateral or guarantors effected in the manner permitted by the First Lien Credit Agreement or any other Loan Document shall not require the consent of holders of obligations under Specified Hedge Agreements or Cash Management Agreements and (iii) the amount of secured obligations under any Specified Hedge Agreements shall not exceed the net amount, including any net termination payments, that would be required to be paid to the counterparty to such Specified Hedge Agreement on the date of termination of such Specified Hedge Agreement..

"Guarantors" shall mean the collective reference to each Grantor other than the Borrower.

"Holdings" shall have the meaning assigned to such term in the preamble.

"Insurance" shall mean (i) all insurance policies covering any or all of the Collateral (regardless of whether the Administrative Agent is the loss payee thereof) and (ii) any key man life insurance policies.

"Intellectual Property" shall mean the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, the Trade Secrets and the Trade Secret Licenses, and all rights to sue at law or in equity for any past, present and future infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Intercompany Note" shall mean any promissory note evidencing loans made by any Grantor to Holdings, the Borrower or any of the Subsidiaries, including the Global Intercompany Note.

"Investment Property" shall mean the collective reference to (i) all "investment property" as such term is defined in Section 9-102(a)(49) of the New York UCC (other than any such investment property which is an Excluded Asset) including all Certificated Securities and Uncertificated Securities, all Security Entitlements, all Securities Accounts, all Commodity Contracts and all Commodity Accounts, (ii) security entitlements, in the case of any United States Treasury book-entry securities, as defined in 31 C.F.R. section 357.2, or, in the case of any United States federal agency book-entry securities, as defined in the corresponding United States federal regulations governing such book-entry securities, and (iii) whether or not otherwise constituting "investment property," all Pledged Notes, all Pledged Equity Interests, all Pledged Security Entitlements and all Pledged Commodity Contracts.

"Issuers" shall mean the collective reference to each issuer of Pledged Collateral that is a Subsidiary.

"Joint Lead Arrangers" shall have the meaning assigned to such term in the preamble.

"Lenders" shall have the meaning assigned to such term in the preamble.

"Licensed Intellectual Property" shall have the meaning assigned to such term in Section 4.9(a).

"New York UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations" shall mean (i) in the case of the Borrower, the Borrower Obligations, and (ii) in the case of each Guarantor, its Guarantor Obligations.

"Owned Intellectual Property" shall have the meaning assigned to such term in Section 4.9(a).

"Patent License" shall mean all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use, import, export, distribute or sell any invention covered in whole or in part by a Patent, including any of the foregoing listed in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time).

"Patents" shall mean (i) all letters of patent of the United States, any other country, union of countries or any political subdivision of any of the foregoing, all reissues and extensions thereof and all goodwill associated therewith, including any of the foregoing listed in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time), (ii) all applications for letters of patent of the United States or any other country or union of countries or any political subdivision of any of the foregoing and all divisions, continuations and continuations-in-part thereof, all improvements thereof, including any of the foregoing listed in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time), (iii) all rights to, and to obtain, any reissues or extensions of the foregoing and (iv) all proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and proceeds of suit.

"Pledged Alternative Equity Interests" shall mean all interests (other than any such interests that are Excluded Assets) of any Grantor in participation or other interests in any equity or profits of any business entity and the certificates, if any, representing such interests and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such interests and any other warrant, right or option to acquire any of the foregoing; provided, however, that Pledged Alternative Equity Interests shall not include any Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests or Pledged Trust Interests.

"Pledged Collateral" shall mean the collective reference to the Pledged Debt Securities, the Pledged Notes and the Pledged Equity Interests.

"Pledged Commodity Contracts" shall mean all commodity contracts listed on Schedule 4.7(c) (as such schedule may be amended from time to time) and all other commodity contracts to which any Grantor is party from time to time.

"Pledged Debt Securities" shall mean all debt securities now owned or hereafter acquired by any Grantor, (other than any such debt securities that are Excluded Assets), including the debt securities listed on Schedule 4.7(b), (as such schedule may be amended or supplemented from time to time), together with any other certificates, options, rights or security entitlements of any nature whatsoever in respect of the debt securities of any person that may be issued or granted to, or held by, any Grantor while this Agreement is in effect.

"Pledged Equity Interests" shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests, Pledged Trust Interests and Pledged Alternative Equity Interests.

"Pledged LLC Interests" shall mean all interests of any Grantor now owned or hereafter acquired in any limited liability company (other than any such interests that are Excluded Assets), including all limited liability company interests listed on Schedule 4.7(a) hereto under the heading "Pledged LLC Interests" (as such schedule may be amended or

supplemented from time to time) and the certificates, if any, representing such limited liability company interests and any interest of such Grantor on the books and records of such limited liability company and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Notes" shall mean all promissory notes now owned or hereafter acquired by any Grantor (other than any such promissory notes that are Excluded Assets), including those listed on Schedule 4.7(b) (as such schedule may be amended or supplemented from time to time) and all Intercompany Notes at any time issued to or held by any Grantor.

"Pledged Partnership Interests" shall mean all interests of any Grantor now owned or hereafter acquired in any general partnership, limited partnership, limited liability partnership or other partnership (other than any such interests that are Excluded Assets), including all partnership interests listed on Schedule 4.7(a) hereto under the heading "Pledged Partnership Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such partnership interests and any interest of such Grantor on the books and records of such partnership and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Security Entitlements" shall mean all security entitlements with respect to the financial assets listed on Schedule 4.7(c) (as such schedule may be amended from time to time) and all other security entitlements of any Grantor.

"Pledged Stock" shall mean all shares of capital stock (other than any such shares that are Excluded Assets) now owned or hereafter acquired by any Grantor, including all shares of capital stock listed on Schedule 4.7(a) hereto under the heading "Pledged Stock" (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares and any other warrant, right or option to acquire any of the foregoing.

"Pledged Trust Interests" shall mean all interests of any Grantor now owned or hereafter acquired in a Delaware business trust or other trust (other than any such interests that are Excluded Assets), including all trust interests listed on Schedule 4.7(a) hereto under the heading "Pledged Trust Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such trust interests and any interest of such Grantor on the books and records of such trust or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such trust interests and any other warrant, right or option to acquire any of the foregoing.

"Proceeds" shall mean all "proceeds" as such term is defined in Section 9-102(a)(64) of the New York UCC and, in any event, shall include all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

"Receivable" shall mean all Accounts and any other right to payment for goods or other property sold, leased, licensed or otherwise disposed of or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper or classified as a Payment Intangible and whether or not it has been earned by performance. References herein to Receivables shall include any Supporting Obligation or collateral securing such Receivable.

"Secured Parties" shall mean, collectively, the Joint Lead Arrangers, the Administrative Agent, the Lenders, the Issuing Banks and, with respect to any Specified Hedge Agreement or Cash Management Agreement, any Lender Counterparty.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Specified Hedge Agreement" shall mean any Swap Agreement entered into by (i) the Borrower or any of the Subsidiaries and (ii) a Lender Counterparty.

"Syndication Agent" shall have the meaning assigned to such term in the preamble.

"Trademark License" shall mean any agreement, whether written or oral, providing for the grant by or to any Grantor of any right in, to or under any Trademark, including any of the foregoing referred to in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time).

"Trademarks" shall mean (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country, union of countries, or any political subdivision of any of the foregoing, or otherwise, and all common-law rights related thereto, including any of the foregoing listed in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time), (ii) the right to, and to obtain, all renewals thereof, (iii) the goodwill of the business symbolized by the foregoing, (iv) other source or business identifiers, designs and general intangibles of a like nature and (v) the right to sue for past, present and future infringements or dilution of any of the foregoing or for any injury to goodwill, and all proceeds of the foregoing, including royalties, income, payments, claims, damages and proceeds of suit.

"Trade Secret License" shall mean any agreement, whether written or oral, providing for the grant by or to any Grantor of any right in, to or under any Trade Secret.

"Trade Secrets" shall mean all trade secrets and all other confidential or proprietary information and know-how (all of the foregoing being collectively called a "Trade

Secret"), whether or not reduced to a writing or other tangible form, including all documents and things embodying, incorporating or describing such Trade Secret, the right to sue for past, present and future infringements of any Trade Secret and all proceeds of the foregoing, including royalties, income, payments, claims, damages and proceeds of suit.

1.2. Other Definitional Provisions. (a) (a) The words "hereof," "herein," "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to the specific provisions of this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to the property or assets such Grantor has granted as Collateral or the relevant part thereof.

(d) The expressions "payment in full," "paid in full" and any other similar terms or phrases when used herein with respect to the Borrower Obligations or the Guarantor Obligations shall mean the payment in full, in immediately available funds, of all of the Borrower Obligations or the Guarantor Obligations, as the case may be, in each case, unless otherwise specified, other than indemnification and other contingent obligations not then due and payable.

(e) The words "include," "includes" and "including," and words of similar import, shall not be limiting and shall be deemed to be followed by the phrase "without limitation."

SECTION 2. GUARANTEE

2.1. Guarantee.

(a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Secured Parties and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

(b) If and to the extent required in order for the Obligations of any Guarantor to be enforceable under applicable federal, state and other laws relating to the insolvency of debtors, the maximum liability of such Guarantor hereunder shall be limited to the greatest amount which can lawfully be guaranteed by such Guarantor under such laws, after giving effect to any rights of contribution, reimbursement and subrogation arising under Section 2.2. Each Guarantor acknowledges and agrees that, to the extent not prohibited by applicable law, (i) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right under such

laws to reduce, or request any judicial relief that has the effect of reducing, the amount of its liability under this Agreement, (ii) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right to enforce the limitation set forth in this Section 2.1(b) or to reduce, or request judicial relief reducing, the amount of its liability under this Agreement, and (iii) the limitation set forth in this Section 2.1(b) may be enforced only to the extent required under such laws in order for the obligations of such Guarantor under this Agreement to be enforceable under such laws and only by or for the benefit of a creditor, representative of creditors or bankruptcy trustee of such Guarantor or other person entitled, under such laws, to enforce the provisions thereof.

(c) Each Guarantor agrees that the Borrower Obligations may at any time and from time to time be incurred or permitted in an amount exceeding the maximum liability of such Guarantor under Section 2.1(b) without, to the extent permitted by applicable law, impairing the guarantee contained in this Section 2 or affecting the rights and remedies of any Secured Party hereunder.

(d) The guarantee contained in this Section 2 shall remain in full force and effect until payment in full of the Obligations, notwithstanding that from time to time during the term of the First Lien Credit Agreement the Borrower may be free from any Borrower Obligations.

(e) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other person or received or collected by any Secured Party from the Borrower, any of the Guarantors, any other guarantor or any other person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations), remain liable for the Borrower Obligations up to the maximum liability of such Guarantor hereunder until the Borrower Obligations (other than Obligations in respect of any Specified Hedge Agreement or Cash Management

Agreement) are paid in full, no letter of credit shall be outstanding under the First Lien Credit Agreement and all commitments to extend credit under the First Lien Credit Agreement shall have been terminated or have expired.

2.2. Rights of Reimbursement, Contribution and Subrogation. In case any payment is made on account of the Obligations by any Grantor or is received or collected on account of the Obligations from any Grantor or its property:

(a) If such payment is made by the Borrower or from its property, then, if and to the extent such payment is made on account of Obligations arising from or relating to a Loan or other extension of credit made to the Borrower or a Letter of Credit issued for the account of the Borrower, the Borrower shall not be entitled (i) to demand or enforce reimbursement or contribution in respect of such payment from any other Grantor or (ii) to

be subrogated to any claim, interest, right or remedy of any Secured Party against any other person, including any other Grantor or its property.

(b) If such payment is made by a Guarantor or from its property, such Guarantor shall be entitled, subject to and upon payment in full of the Obligations, (i) to demand and enforce reimbursement for the full amount of such payment from the Borrower and (ii) to demand and enforce contribution in respect of such payment from each other Guarantor that has not paid its fair share of such payment, as necessary to ensure that (after giving effect to any enforcement of reimbursement rights provided hereby) each Guarantor pays its fair share of the unreimbursed portion of such payment. For this purpose, the fair share of each Guarantor as to any unreimbursed payment shall be determined based on an equitable apportionment of such unreimbursed payment among all Guarantors based on the relative value of their assets and any other equitable considerations deemed appropriate by a court of competent jurisdiction.

(c) Until all amounts owing to the Administrative Agent by the Borrower on account of the Obligations are paid in full, no Letter of Credit shall be outstanding and the Commitments are terminated, notwithstanding Sections 2.2(a) and 2.2(b), no Grantor shall be entitled, to be subrogated (equally and ratably with all other Grantors entitled to reimbursement or contribution from any other Grantor as set forth in this Section 2.2) to any security interest that may then be held by the Administrative Agent upon any Collateral granted to it in this Agreement nor shall any Grantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Grantor in respect of payments made by any Grantor hereunder. Such right of subrogation shall be enforceable solely against the Grantors, and not against the Secured Parties, and neither the Administrative Agent nor any other Secured Party shall have any duty whatsoever to warrant, ensure or protect any such right of subrogation or to obtain, perfect, maintain, hold, enforce or retain any Collateral for any purpose related to any such right of subrogation. If subrogation is demanded by any Grantor, then (and only after payment in full of the Obligations) the Administrative Agent shall deliver to the Grantors making such demand, or to a representative of such Grantors or of the Grantors generally, an instrument reasonably satisfactory to the Administrative Agent transferring, on a quitclaim basis without any recourse, representation, warranty or obligation whatsoever, whatever security interest the Administrative Agent then may hold in whatever Collateral may then exist that was not previously released or disposed of by the Administrative Agent.

(d) All rights and claims arising under this Section 2.2 or based upon or relating to any other right of reimbursement, indemnification, contribution or subrogation that may at any time arise or exist in favor of any Grantor as to any payment on account of the Obligations made by it or received or collected from its property shall be fully subordinated in all respects to the prior payment in full of all of the Obligations. Until payment in full of the Obligations, no Grantor shall demand or receive any collateral security, payment or distribution whatsoever (whether in cash, property or securities or otherwise) on account of any such right or claim. If any such payment or distribution is made or becomes available to any Grantor in any bankruptcy case or receivership, insolvency or liquidation proceeding, such payment or distribution shall be delivered by the person making such payment or distribution directly to the Administrative Agent, for

application to the payment of the Obligations. If any such payment or distribution is received by any Grantor, it shall be held by such Grantor in trust, as trustee of an express trust for the benefit of the Secured Parties, and shall forthwith be transferred and delivered by such Grantor to the Administrative Agent, in the exact form received and, if necessary, duly endorsed.

(e) The obligations of the Grantors under the Loan Documents, including their liability for the Obligations and the enforceability of the security interests granted thereby, are not contingent upon the validity, legality, enforceability, collectibility or sufficiency of any right of reimbursement, contribution or subrogation arising under this Section 2.2 and the provisions of this Section 2.2 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and Secured Parties, and each Guarantor shall remain liable to the Administrative Agent and the Secured Parties for the full amount guaranteed by such Guarantor hereunder. The invalidity, insufficiency, unenforceability or uncollectibility of any such right shall not in any respect diminish, affect or impair any such obligation or any other claim, interest, right or remedy at any time held by any Secured Party against any Guarantor or its property. The Secured Parties make no representations or warranties in respect of any such right and shall have no duty to assure, protect, enforce or ensure any such right or otherwise relating to any such right.

(f) Each Grantor reserves any and all other rights of reimbursement, contribution or subrogation at any time available to it as against any other Grantor, but (i) the exercise and enforcement of such rights shall be subject to Section 2.2(d) and (ii) neither the Administrative Agent nor any other Secured Party shall ever have any duty or liability whatsoever in respect of any such right, except as provided in the last sentence of Section 2.2(c).

2.3. Amendments, etc. with respect to the Borrower Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by any Secured Party may be rescinded by such Secured Party and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, increased, extended, amended, modified, accelerated, compromised, waived, surrendered or released by any Secured Party, and the First Lien Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the parties thereto may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by any Secured Party for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. No Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

2.4. Guarantee Absolute and Unconditional. Each Guarantor waives, to the extent permitted by applicable law, any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by any Secured Party upon the

guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Borrower and any of the Guarantors, on the one hand, and the Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives, to the extent permitted by applicable law, diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Borrower Obligations. Each Guarantor understands and agrees, to the extent permitted by applicable law, that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment and performance without regard to (a) the validity or enforceability of the First Lien Credit Agreement or any other Loan Document, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any Secured Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance hereunder) which may at any time be available to or be asserted by the Borrower or any other person against any Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Borrower Obligations, or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, any Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by any Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor or any other person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of any Secured Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.5. Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by any Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.6. Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in Dollars in immediately available funds at the office of the Administrative Agent as specified in the First Lien Credit Agreement.

SECTION 3. GRANT OF SECURITY INTEREST;
CONTINUING LIABILITY UNDER COLLATERAL

(a) Each Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest in all of the personal property of such Grantor, including the following property, in each case, wherever located and now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations:

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Collateral Accounts and all Collateral Account Funds;

(iv) all Commercial Tort Claims from time to time specifically described on Schedule 4.11;

(v) all Contracts;

(vi) all Documents;

(vii) all Equipment;

(viii) all Fixtures

(ix) all General Intangibles;

(x) all Goods

(xi) all Instruments;

(xii) all Insurance;

(xiii) all Intellectual Property;

(xiv) all Inventory;

(xv) all Investment Property;

(xvi) all Letters of Credit and Letter of Credit Rights;

(xvii) all Money;

(xviii) all books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer

printouts, tapes, disks and other electronic storage media and related data processing software and similar items that at any time pertain to or evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon; and

(xix) to the extent not otherwise included, all other personal property, whether tangible or intangible, of the Grantor and all Proceeds, products, accessions, rents and profits of any and all of the foregoing and all collateral security, Supporting Obligations and guarantees given by any person with respect to any of the foregoing;

provided that, notwithstanding any other provision set forth in this Section 3, Collateral shall not include, and this Agreement shall not, at any time, constitute a grant of a security interest in any property that is, at such time, an Excluded Asset.

(b) Notwithstanding anything herein to the contrary, (i) each Grantor shall remain liable for all obligations under and in respect of the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Administrative Agent or any other Secured Party, (ii) each Grantor shall remain liable under and each of the agreements included in the Collateral, including any Receivables, any Contracts and any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Administrative Agent nor any other Secured Party shall have any obligation or liability under any of such agreements by reason of or arising out of this Agreement or any other document related hereto nor shall the Administrative Agent nor any other Secured Party have any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or have any obligation to take any action to collect or enforce any rights under any agreement included in the Collateral, including any agreements relating to any Receivables, any Contracts or any agreements relating to Pledged Partnership Interests or Pledged LLC Interests and (iii) the exercise by the Administrative Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral, including any agreements relating to any Receivables, any Contracts and any agreements relating to Pledged Partnership Interests or Pledged LLC Interests.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Joint Lead Arrangers, the Administrative Agent, the Syndication Agent, the Documentation Agent and the Lenders to enter into the First Lien Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby represents and warrants to the Secured Parties that:

4.1. Representations in First Lien Credit Agreement. In the case of each Guarantor (other than Holdings), the representations and warranties set forth in Article III of the First Lien Credit Agreement as they relate to such Guarantor or to the Loan Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct as of the date hereof in all material respects, and the Secured Parties shall be entitled to rely on each of them as if they were fully set forth herein.

4.2. Title; No Other Liens. Such Grantor owns each item of the Collateral free and clear of any and all Liens, including Liens arising as a result of such Grantor becoming bound (as a result of merger or otherwise) as grantor under a security agreement entered into by another person, except for Liens permitted by Section 6.02 of the First Lien Credit Agreement.

4.3. Perfected First Priority Liens. The security interests (other than security interests in Excluded Perfection Assets) granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 4.3 (all of which, in the case of all filings and other documents referred to on such Schedule have been delivered to the Administrative Agent in duly completed and duly executed form, as applicable, and may be filed by the Administrative Agent at any time) and payment of all filing fees, will constitute valid fully perfected security interests in all of the Collateral in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, as collateral security for such Grantor's Obligations and (b) are prior to all other Liens on the Collateral, except for Liens expressly permitted by Section 6.02 of the First Lien Credit Agreement. Without limiting the foregoing, each Grantor has taken all actions necessary (except with respect to Excluded Perfection Assets), including those specified in Section 5.2 to (i) establish the Administrative Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the New York UCC) over any portion of the Investment Property constituting Certificated Securities, Uncertificated Securities, Securities Entitlements or Commodity Accounts (each as defined in the New York UCC), (ii) establish the Administrative Agent's "control" (within the meaning of Section 9-107 of the New York UCC) over all Letter of Credit Rights, (iii) establish the Administrative Agent's control (within the meaning of Section 9-105 of the New York UCC) over all Electronic Chattel Paper and (iv) establish the Administrative Agent's "control" (within the meaning of Section 16 of the Uniform Electronic Transaction Act as in effect in the applicable jurisdiction "UETA") over all "transferable records" (as defined in UETA).

4.4. Name; Jurisdiction of Organization, etc. On the date hereof, such Grantor's exact legal name (as indicated on the public record of such Grantor's jurisdiction of formation or organization), jurisdiction of organization, organizational identification number, if any, and the location of such Grantor's chief executive office or sole place of business are specified on Schedule 4.4. On the date hereof, each Grantor is organized solely under the law of the jurisdiction so specified and has not filed any certificates of domestication, transfer or continuance in any other jurisdiction. On the date hereof, except as specified on Schedule 4.4, no such Grantor has changed its name, jurisdiction of organization, chief executive office or sole place of business in any way (e.g. by merger, consolidation,

change in corporate form or otherwise) within the past five years and has not within the last five years become bound (whether as a result of merger or otherwise) as a grantor under a security agreement (other than in respect of a Lien permitted by Section 6.02 of the First Lien Credit Agreement) entered into by another person, which has not heretofore been terminated.

4.5. Inventory and Equipment. None of the Inventory or Equipment that is included in the Collateral is in the possession of an issuer of a negotiable document (as defined in Section 7-104 of the New York UCC) therefor or is otherwise in the possession of any bailee or warehouseman.

4.6. Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

4.7. Investment Property. (a) Schedule 4.7(a) hereto (as such schedule may be amended or supplemented from time to time by notice from one or more Grantors to the Administrative Agent) sets forth under the headings "Pledged Stock," "Pledged LLC Interests," "Pledged Partnership Interests" and "Pledged Trust Interests," respectively, all of the Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests owned by any Grantor and such Pledged Equity Interests constitute the percentage of issued and outstanding shares of stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest of the respective issuers thereof indicated on such schedule. Schedule 4.7(b) (as such schedule may be amended or supplemented from time to time by notice from one or more Grantors to the Administrative Agent) sets forth under the heading "Pledged Debt Securities" or "Pledged Notes" all of the Pledged Debt Securities and Pledged Notes owned by any Grantor, and except as set forth on Schedule 4.7(b) (as such schedule may be amended or supplemented from time to time by notice from one or more Grantors to the Administrative Agent) all of such Pledged Debt Securities and Pledged Notes have been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law and constitutes all of the issued and outstanding inter-company indebtedness evidenced by an instrument or certificated security of the respective issuers thereof owing to such Grantor; provided, however, that representations set forth in this sentence shall be limited in the case of Pledged Equity Interests or Pledged Debt Securities not issued by Loan Parties to the knowledge of such Grantor. Schedule 4.7(c) hereto (as such schedule may be amended from time to time by notice from one or more Grantors to the Administrative Agent) sets forth under the heading "Commodities Accounts" all of the "Commodities Accounts" in which each Grantor has an interest and in which the value of each such account is in excess of $1,000,000. Each Grantor is the sole entitlement holder or customer of each such account, and no Grantor has consented to or is otherwise aware of any person having "control" (within the meanings of Sections 8-106, 9-106 and 9-104 of the New York UCC) over, or any other interest in, Commodity Account, in each case in which such Grantor has an interest, or any commodities or other property credited thereto.

(b) The shares of Pledged Equity Interests pledged by such Grantor hereunder constitute all of the issued and outstanding shares of all classes of Equity Interests in each Issuer owned by such Grantor (other than any Equity Interests that are Excluded Assets).

(c) The Pledged Equity Interests issued by any Subsidiary have been duly and validly issued and are fully paid and nonassessable (except for shares of any unlimited liability company which are assessable in certain circumstances).

(d) None of the terms of any uncertificated Pledged LLC Interests and Pledged Partnership Interests expressly provide that they are securities governed by Article 8 of the Uniform Commercial Code in effect from time to time in the "issuer's jurisdiction" of each Issuer thereof (as such term is defined in the Uniform Commercial Code in effect in such jurisdiction).

(e) All other certificated Pledged LLC Interests and Pledged Partnership Interests, if any, do not expressly provide that they are "securities" for purposes of Section 8-103(c) of the Uniform Commercial Code as in effect in any relevant jurisdiction.

(f) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other person, except Liens permitted by Section 6.02 of the First Lien Credit Agreement, and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests.

(g) Each Issuer that is not a Grantor hereunder has executed and delivered to the Administrative Agent an Acknowledgment and Consent, in substantially the form of Exhibit A, to the pledge of the Pledged Collateral pursuant to this Agreement.

4.8. Receivables. No amount payable to such Grantor under or in connection with any Receivable that is included in the Collateral is evidenced by any Instrument or Tangible Chattel Paper with a value in excess of $1,000,000 which has not been delivered to the Administrative Agent or constitutes Electronic Chattel Paper that has not been subjected to the control (within the meaning of Section 9-105 of the New York UCC) of the Administrative Agent.

4.9. Intellectual Property. (a) Schedule 4.9(a) lists all material Intellectual Property which is registered with a Governmental Authority or is the subject of an application for registration and all material unregistered Intellectual Property (other than unregistered Copyrights), in each case which is owned by such Grantor in its own name on the date hereof (collectively, the "Owned Intellectual Property"). Except as set forth in Schedule 4.9(a) and except as would not reasonably be expected to have a Material Adverse Effect, such Grantor is the exclusive owner of the entire and unencumbered right, title and interest in and to all such Owned Intellectual Property and is otherwise entitled to use, and grant to others the right to use, all such Owned Intellectual Property subject only to the license terms of the licensing or franchise agreements referred to in paragraph (c) below. Such Grantor has the right to use all Intellectual Property which it uses in its business, but does not own (collectively, the "Licensed Intellectual Property").

(b) On the date hereof, all Owned Intellectual Property and, to such Grantor's knowledge, all Licensed Intellectual Property (collectively, the "Material Intellectual Property"), is subsisting, unexpired and has not been abandoned, except as would not reasonably be expected to have a Material Adverse Effect. Neither the operation of such Grantor's business as currently conducted or as contemplated to be conducted nor the use of the Intellectual Property in connection therewith conflicts with, infringes, misappropriates, dilutes, misuses or otherwise violates the intellectual property rights of any other person, except in each case as would not reasonably be expected to have a Material Adverse Effect.

(c) Except as set forth in Schedule 4.9(c), on the date hereof (i) none of the Material Intellectual Property is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor and (ii) there are no other agreements, obligations, orders or judgments which materially affect the use of any Material Intellectual Property.

(d) The rights of such Grantor in or to the Material Intellectual Property do not conflict with or infringe upon the rights of any third party, and no claim has been asserted that the use of such Intellectual Property does or may infringe upon the rights of any third party except in each case as would not reasonably be expected to have a Material Adverse Effect.

(e) No action or proceeding is pending, or, to such Grantor's knowledge, threatened, on the date hereof (i) seeking to limit, cancel or question any Owned Intellectual Property, (ii) alleging that any services provided by, processes used by, or products manufactured or sold by such Grantor infringe any patent, trademark, copyright, or any other right of any other person or (iii) alleging that any Material Intellectual Property is being licensed, sublicensed or used in violation of any intellectual property or any other right of any other person, in each case, which would reasonably be expected to have a material adverse effect on the value of the Collateral, taken as a whole. On the date hereof, to such Grantor's knowledge, except as set forth on Schedule 4.9(f) no person is engaging in any activity that infringes upon, or is otherwise an unauthorized use of, any Material Intellectual Property or upon the rights of such Grantor therein. Except as set forth in Schedule 4.9(f) as of the date hereof, such Grantor has not granted any license, release, covenant not to sue, non-assertion assurance, or other right to any person with respect to any part of the Material Intellectual Property. The consummation of the transactions contemplated by this Agreement (including the enforcement of remedies) will not result in the termination or impairment of any of the Material Intellectual Property the loss of which would be reasonably likely to have a Material Adverse Effect.

(f) To such Grantor's knowledge, with respect to each Copyright License, Trademark License, Trade Secret License and Patent License which relates to Material Intellectual Property or the loss of which could otherwise have a Material Adverse Effect: (i) such license is in full force and effect and represents the entire agreement between the respective licensor and licensee with respect to the subject matter of such license; (ii) such license will not cease to be valid and binding and in full force and effect on terms identical to those currently in effect as a result of the rights and interests granted herein, nor will the

grant of such rights and interests constitute a breach or default under such license or otherwise give the licensor or licensee a right to terminate such license; (iii) such Grantor has not received any notice of termination or cancellation under such license; (iv) such Grantor has not received any notice of a breach or default under such license, which breach or default has not been cured; (v) such Grantor has not granted to any other person any rights, adverse or otherwise, under such license; and (vi) such Grantor is not in breach or default in any material respect, and no event has occurred that, with

notice and/or lapse of time, would constitute such a breach or default or permit termination, modification or acceleration under such license, except in each case as would not have a material adverse effect on the value of the Collateral, taken as a whole.

(g) Except in each case as would not reasonably be expected to have a Material Adverse Effect, (i) none of the Trade Secrets of such Grantor that are material to its business have been used, divulged, disclosed or appropriated to the detriment of such Grantor for the benefit of any other person; (ii) no employee, independent contractor or agent of such Grantor has misappropriated any trade secrets of any other person in the course of the performance of his or her duties as an employee, independent contractor or agent of such Grantor; and (iii) no employee, independent contractor or agent of such Grantor is in default or breach of any term of any employment agreement, non-disclosure agreement, assignment of inventions agreement or similar agreement or contract relating in any way to the protection, ownership, development, use or transfer of such Grantor's Intellectual Property.

(h) Such Grantor has made all filings and recordations necessary to adequately protect (in its reasonable business judgment) its interest in its Material Intellectual Property, including recordation of its interests in the Patents and Trademarks with the United States Patent and Trademark Office and in corresponding national and international patent offices, and recordation of any of its interests in the Copyrights with the United States Copyright Office and in corresponding national and international copyright offices.

(i) Except as would not reasonably be expected to have a Material Adverse Effect, such Grantor has taken all commercially reasonable steps to use consistent standards of quality in the manufacture, distribution and sale of all products sold and provision of all services provided under or in connection with any item of Intellectual Property and has taken all reasonable steps to ensure that all licensed users of any kind of Intellectual Property use such consistent standards of quality.

(j) Except as would not reasonably be expected to have a Material Adverse Effect, no Grantor is subject to any settlement or consents, judgment, injunction, order, decree, covenants not to sue, non-assertion assurances or releases that would impair the validity or enforceability of, or such Grantor's rights in, any Material Intellectual Property.

4.10. Letters of Credit and Letter of Credit Rights. No Grantor is a beneficiary or assignee under any letter of credit with a face amount in excess of $1,000,000 (including any "Letter of Credit") other than the letters of credit described on Schedule 4.10 (as such schedule may be amended or supplemented from time to time). With respect to any letters of credit in

excess of $1,000,000 in face amount that are by their terms transferable, each Grantor has caused (or, in the case of the letters of credit that are specified on Schedule 4.10 on the date hereof in excess of $1,000,000 in face amount, will use commercially reasonable efforts to cause) all issuers and nominated persons under letters of credit in which the Grantor is the beneficiary or assignee to consent to the assignment of such letter of credit to the Administrative Agent and has agreed that upon the occurrence of an Event of Default it shall cause all payments thereunder to be made to the Collateral Account. With respect to any letters of credit in excess of $1,000,000 in face amount that are not transferable, each Grantor shall obtain (or, in the case of the letters of credit that are specified on Schedule 4.10 on the date hereof in excess of $1,000,000 in face amount, use commercially reasonable efforts to obtain) the consent of the issuer thereof and any nominated person thereon to the assignment of the proceeds of the released letter of credit to the Administrative Agent in accordance with Section 5-114(c) of the New York UCC.

4.11. Commercial Tort Claims. No Grantor has any Commercial Tort Claims as of the date hereof in excess of $1,000,000 and, except as specifically described on Schedule 4.11 (as such schedule may be amended or supplemented from time to time), no Grantor has any Commercial Tort Claims after the date hereof in excess of $1,000,000.

SECTION 5. COVENANTS

Each Grantor covenants and agrees with the Secured Parties that, from and after the date of this Agreement until the Obligations shall have been paid in full, and all commitments to extend credit under the First Lien Credit Agreement shall have expired or been terminated:

5.1. Covenants in First Lien Credit Agreement. Each Grantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Grantor or any of its Subsidiaries.

5.2. Delivery and Control of Certain Collateral. (a) If any of the Collateral is or shall become evidenced or represented by any Certificated Security or Tangible Chattel Paper, such Certificated Security or Tangible Chattel Paper shall be delivered promptly to the Administrative Agent, duly endorsed, if applicable, in a manner reasonably satisfactory to the Administrative Agent, to be held as Collateral pursuant to this Agreement, and all of such property owned by any Grantor as of the Closing Date shall be delivered on the Closing Date. Any Pledged Collateral evidenced or represented by any Instrument or Negotiable Document shall be delivered promptly to the Administrative Agent, duly endorsed, if applicable, in a manner reasonably satisfactory to the Administrative Agent, to be held as Collateral pursuant to this Agreement, and all of such property owned by any Grantor as of the Closing Date shall be delivered on the Closing Date. Notwithstanding the foregoing, no Instrument, Tangible Chattel Paper, Pledged Debt Security constituting a Certificated Security or Negotiable Document shall be required to be delivered to the Administrative Agent pursuant to this clause (a) if the value thereof is less than $1,000,000 individually or $5,000,000 in the aggregate.

(b) If any of the Collateral is or shall constitute "Electronic Chattel Paper" (under Article 9 of the UCC) such Grantor shall ensure (to the Administrative Agent's reasonable satisfaction) that (i) a single authoritative copy exists which is unique, identifiable, unalterable (except as provided in clauses (iii), (iv) and (v) of this paragraph), (ii) such authoritative copy identifies the Administrative Agent as the assignee and is communicated to and maintained by the Administrative Agent or its designee, (iii) copies or revisions that add or change the assignee of the authoritative copy can only be made with the participation of the Administrative Agent, (iv) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy and not the authoritative copy and (v) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision; provided that such actions shall not be required to be taken until the aggregate face amount of the Electronic Chattel Paper included in the Collateral exceeds $1,000,000.

(c) If any Collateral with a value in excess of $1,000,000 shall become evidenced or represented by an Uncertificated Security, such Grantor shall cause the Issuer thereof either (i) to register the Administrative Agent as the registered owner of such Uncertificated Security, upon original issue or registration of transfer or (ii) to agree in writing with such Grantor and the Administrative Agent that such Issuer will comply with instructions with respect to such Uncertificated Security originated by the Administrative Agent without further consent of such Grantor, such agreement to be in substantially the form of Exhibit C, or such other form as may be reasonably agreed to by the Administrative Agent, and such actions shall be taken on or prior to the Closing Date with respect to any Uncertificated Securities owned as of the Closing Date by any Grantor.

(d) If any of the Collateral is or shall become evidenced or represented by a Commodity Contract, such Grantor shall cause the Commodity Intermediary with respect to such Commodity Contract to agree in writing with such Grantor and the Administrative Agent that such Commodity Intermediary will apply any value distributed on account of such Commodity Contract as directed by the Administrative Agent without further consent of such Grantor, such agreement to be in the form reasonably agreed to by the Administrative Agent.

(e) In the case of any transferable letters of credit with a face amount in excess of $1,000,000, such Grantor shall use commercially reasonable efforts to obtain the consent of any issuer thereof to the transfer of such letter of credit to the Administrative Agent. In the case of any other letter of credit rights in excess of $1,000,000 such Grantor shall use commercially reasonable efforts to obtain the consent of the issuer thereof and any nominated person thereon to the assignment of the proceeds of the related letter of credit in accordance with Section 5-114(c) of the New York UCC.

5.3. Maintenance of Insurance. Such Grantor will maintain insurance on all its property in compliance with Section 5.02 of the First Lien Credit Agreement.

5.4. Maintenance of Perfected Security Interest; Further Documentation. Such Grantor shall maintain each of the security interests created by this Agreement as a security interest having at least the perfection and priority described in Section 4.3 and shall defend

such security interest against the claims and demands of all persons whomsoever except as otherwise permitted by Section 6.02 of the First Lien Credit Agreement, subject to the provisions of Section 8.15.

(b) At any time and from time to time, upon the written request of the Administrative Agent, and at the sole expense of such Grantor, such Grantor shall promptly and duly authorize, execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, (i) the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) in the case of Investment Property subject to the requirements of Section 5.2 and any other relevant Collateral, taking any actions necessary to enable the Administrative Agent to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto.

5.5. Changes in Locations, Name, Jurisdiction of Incorporation, etc. Such Grantor shall give 10 days' written notice to the Administrative Agent and delivery to the Administrative Agent of duly authorized and, where required, executed copies of all additional financing statements and other documents reasonably requested by the Administrative Agent to maintain the validity, perfection and

priority of the security interests provided for herein after any of the following:

(i) a change in its legal name, jurisdiction of organization or the location of its chief executive office or sole place of business from that referred to in Section 4.4; or

(i) a change in its legal name, identity or structure to such an extent that any financing statement filed by the Administrative Agent in connection with this Agreement would become misleading.

5.6. Investment Property. (a) If such Grantor shall become entitled to receive or shall receive any stock or other ownership certificate (including any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Equity Interests in any issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of or other ownership interests in the Pledged Equity Interests, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Secured Parties, hold the same in trust for the Secured Parties and deliver the same forthwith to the Administrative Agent in the exact form received, duly endorsed by such Grantor to the Administrative Agent, if required, together with an undated stock power or similar instrument of transfer covering such certificate duly executed in blank by such Grantor and with, if the Administrative Agent so requests, signature guaranteed, to be held by the Administrative Agent, subject to the terms hereof, as additional collateral security for the Obligations. If an Event of Default shall occur and be continuing, (i) any sums paid upon or in respect of the Pledged Equity Interests upon the liquidation or dissolution of any Issuer shall be paid over to the Administrative Agent to be

held by it hereunder as additional collateral security for the Obligations and (ii) in case any distribution of capital shall be made on or in respect of the Pledged Equity Interests or any property shall be distributed upon or with respect to the Pledged Equity Interests pursuant to the recapitalization or reclassification of the capital of any issuer thereof or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be delivered to the Administrative Agent to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Pledged Equity Interests shall be received by such Grantor, such Grantor shall, until such money, to the extent required pursuant to (i) above, or property is paid or delivered to the Administrative Agent, hold such money or property in trust for the Secured Parties, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Administrative Agent, such Grantor shall not (i) vote to enable, or take any other action to permit, any issuer of Pledged Equity Interests to issue any stock, partnership interests, limited liability company interests or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock, partnership interests, limited liability company interests or other equity securities of any nature of any such issuer (except, in each case, pursuant to a transaction expressly permitted by the First Lien Credit Agreement), (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any of the Investment Property constituting Collateral or Proceeds thereof or any interest therein (except, in each case, pursuant to a transaction permitted by the First Lien Credit Agreement), (iii) create, incur or permit to exist any Lien or option in favor of, or any claim of any person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or any Lien permitted thereon pursuant to Section 6.02 of the First Lien Credit Agreement, (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Administrative Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof or any interest therein or except as permitted by the First Lien Credit Agreement, or (v) cause or permit any Issuer of any Pledged Partnership Interests or Pledged LLC Interests which are not securities (for purposes of the New York UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated as securities for purposes of the New York UCC; provided, however, notwithstanding the foregoing, if any Issuer of any Pledged Partnership Interests or Pledged LLC Interests takes any such action in violation of the provisions in this clause (v), such Grantor shall promptly notify the Administrative Agent in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Administrative Agent's "control" thereof.

(c) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it shall be bound by the terms of this Agreement relating to the Pledged Collateral issued by it and shall comply with such terms insofar as such terms are applicable to it, (ii) it shall notify the Administrative Agent concurrently with delivery of the financial statements required under Section 5.04(b) of the First Lien Credit Agreement in writing of the occurrence of any of the events described in Section 5.7(a) with respect to the Pledged

Collateral issued by it and (iii) the terms of Sections 6.3(c) and 6.7 shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 6.3(c) or 6.7 with respect to the Pledged Collateral issued by it. In addition, each Grantor which is either an Issuer or an owner of any Pledged Collateral hereby consents to the grant by each other Grantor of the security interest hereunder in favor of the Administrative Agent and to the transfer of any Pledged Collateral to the Administrative Agent or its nominee following an Event of Default and to the substitution of the Administrative Agent or its nominee as a partner, member or shareholder of the Issuer of the related Pledged Collateral.

5.7. Intellectual Property. Except as would not reasonably be expected to have a Material Adverse Effect (a) Such Grantor (either itself or through licensees) shall (i) to the extent commercially reasonable, continue to use each Trademark material to its business on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark and take all necessary steps to ensure that all licensed users of such Trademark maintain as in the past such quality, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Administrative Agent, for the ratable benefit of the Secured Parties, shall obtain a perfected security interest in such mark pursuant to this Agreement and the Intellectual Property Security Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark could reasonably be expected to become invalidated or impaired in any way.

(b) Such Grantor (either itself or through licensees) shall not do any act, or omit to do any act, whereby any Patent owned by such Grantor material to its business could reasonably be expected to become forfeited, abandoned or dedicated to the public.

(c) Such Grantor (either itself or through licensees) (i) shall employ each Copyright material to its business and (ii) shall not (and shall not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material portion of such Copyrights could reasonably be expected to become invalidated or otherwise impaired. Such Grantor shall not (either itself or through licensees) do any act whereby any material portion of such Copyrights could reasonably be expected to fall into the public domain.

(d) Such Grantor (either itself or through licensees) shall not knowingly do any act that uses any Material Intellectual Property to infringe, misappropriate or violate the intellectual property rights of any other person in any material respect.

(e) Such Grantor (either itself or through licensees) shall use proper statutory notice in connection with the use of the Material Intellectual Property.

(f) Such Grantor shall notify the Administrative Agent promptly if it knows, or has reason to know, that any application or registration relating to any Material

Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, or the validity of, any Material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(g) Promptly upon such Grantor's acquisition or creation of any copyrightable work, invention, trademark or other similar property that is material to the business of such Grantor, apply for registration thereof with the United States Copyright Office, the United States Patent and Trademark Office and any other appropriate office. Whenever such Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property that is material to the business of such Grantor with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall report such filing to the Administrative Agent within 45 days after the last day of the fiscal quarter in which such filing occurs (or 110 days if such filing occurs in the fourth fiscal quarter of a fiscal year). Upon request of the Administrative Agent, such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Administrative Agent may reasonably request to evidence the Secured Parties' security interest in any Copyright, Patent, Trademark or other Intellectual Property of such Grantor and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(h) Such Grantor shall take all reasonable and necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of Intellectual Property material to its business, including the payment of required fees and taxes, the filing of responses to office actions issued by the United States Patent and Trademark Office and the United States Copyright Office, the filing of applications for renewal or extension, the filing of affidavits of use and affidavits of incontestability, the filing of divisional, continuation, continuation-in-part, reissue, and renewal applications or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings.

(i) Such Grantor (either itself or through licensees) shall not, without the prior written consent of the Administrative Agent, discontinue use of or otherwise abandon any of its Intellectual Property, or abandon any application or any right to file an application for letters patent, trademark, or copyright, unless such Grantor shall have previously determined that such use or the pursuit or maintenance of such Intellectual Property is no longer desirable in the conduct of such Grantor's business and that the loss thereof could not reasonably be expected to have a Material Adverse Effect and, in which case, such Grantor shall give prompt notice of any such abandonment to the Administrative Agent in accordance herewith.

(j) In the event that such Grantor reasonably believes that any Intellectual Property material to its business is infringed, misappropriated or diluted by a third party, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Administrative Agent after it learns thereof and sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution.

(k) Such Grantor agrees that, should it obtain an ownership interest in any item of intellectual property which is not, as of the Closing Date, a part of the Intellectual Property Collateral (the "After-Acquired Intellectual Property"), (i) the provisions of Section 3 shall automatically apply thereto, (ii) any such After-Acquired Intellectual Property, and in the case of trademarks, the goodwill of the business connected therewith or symbolized thereby, shall automatically become part of the Intellectual Property Collateral, (iii) it shall give, within 45 days after the last day of the fiscal quarter in which such Grantor acquires such ownership interest (or 110 days if such filing occurs in the fourth fiscal quarter of a fiscal year), written notice thereof to the Administrative Agent in accordance herewith, and (iv) it shall provide the Administrative Agent within 45 days after the last day of the fiscal quarter in which such Grantor acquires such ownership interest (or 90 days if such filing occurs in the fourth fiscal quarter of a fiscal year) with an amended Schedule 4.9(a) and take the actions specified in 5.8(m).

(l) Such Grantor agrees to execute an Intellectual Property Security Agreement with respect to its Intellectual Property in substantially the form of Exhibit B-1 in order to record the security interest granted herein to the Administrative Agent for the ratable benefit of the Secured Parties with the United States Patent and Trademark Office, the United States Copyright Office, and any other applicable Governmental Authority.

(m) Such Grantor agrees to execute an After-Acquired Intellectual Property Security Agreement with respect to its After-Acquired Intellectual Property in substantially the form of Exhibit B-2 in order to record the security interest granted herein to the Administrative Agent for the ratable benefit of the Secured Parties with the United States Patent and Trademark Office, the United States Copyright Office and any other applicable Governmental Authority.

(n) Such Grantor shall take all steps reasonably necessary to protect the secrecy of all Trade Secrets material to its business, including entering into confidentiality agreements with employees and labeling and restricting access to secret information and documents.

5.8. Commercial Tort Claims. Such Grantor shall advise the Administrative Agent concurrently with delivery of the financial statements required under Section 5.04(b) of the First Lien Credit Agreement of any Commercial Tort Claim held by such Grantor in excess of $1,000,000 and shall promptly execute a supplement to this Agreement in form and substance reasonably satisfactory to the Administrative Agent to grant a security interest in such

Commercial Tort Claim to the Administrative Agent for the ratable benefit of the Secured Parties.

SECTION 6. REMEDIAL PROVISIONS

6.1. Certain Matters Relating to Receivables. (a) Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent shall have the right (but shall in no way be obligated) to make test verifications of the Receivables that are included in the Collateral in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Administrative Agent may reasonably require in connection with such test verifications. At any time and from time to time following the occurrence and during the continuance of any Event of Default, upon the Administrative Agent's request and at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others reasonably satisfactory to the Administrative Agent to furnish to the Administrative Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Receivables.

(b) The Administrative Agent hereby authorizes each Grantor to collect such Grantor's Receivables, subject to the Administrative Agent's direction and control, and each Grantor hereby agrees to continue to collect all amounts due or to become due to such Grantor under the Receivables and any Supporting Obligation and diligently exercise each material right it may have under any Receivable and any Supporting Obligation, in each case, at its own expense; provided, however, that the Administrative Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly endorsed by such Grantor to the Administrative Agent if required, in a Collateral Account maintained under the sole dominion and control of the Administrative Agent, subject to withdrawal by the Administrative Agent for the account of the Secured Parties only as provided in Section 6.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Secured Parties, segregated from other funds of such Grantor. Each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Administrative Agent's reasonable request after the occurrence and during the continuance of any Event of Default, each Grantor shall deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables that are included in the Collateral, including all original orders, invoices and shipping receipts.

6.2. Communications with Obligors; Grantors Remain Liable.

(a) The Administrative Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables and parties to the Contracts to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Receivables or Contracts.

(b) At any time after the occurrence and during the continuance of any Event of Default, the Administrative Agent may at any time notify, or require any Grantor to so notify, the Account Debtor or counterparty on any Receivable or Contract of the security interest of the Administrative Agent therein. In addition, after the occurrence and during the continuance of an Event of Default, the Administrative Agent may upon written notice to the applicable Grantor, notify, or require any Grantor to notify, the Account Debtor or counterparty to make all payments under the Receivables and/or Contracts directly to the Administrative Agent;

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables and Contracts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto) or Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.3. Pledged Collateral. (a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given notice to the relevant Grantor of the Administrative Agent's intent to exercise its corresponding rights pursuant to Section 6.3(b), each Grantor shall be permitted to receive all cash dividends paid in respect of the Pledged Equity Interests and all payments made in respect of the Pledged Notes, to the extent permitted in the First Lien Credit Agreement, and to exercise all voting and corporate rights with respect to the Pledged Collateral.

(b) If an Event of Default shall occur and be continuing and the Administrative Agent shall have given notice to the relevant Grantor of the Administrative Agent's intent to exercise its rights pursuant to this Section 6.3(b): (i) all rights of each Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Administrative Agent who shall thereupon have the sole right, but shall be under no obligation, to exercise or refrain from exercising such voting and other consensual rights, (ii) the Administrative Agent shall have the right, without notice to any Grantor, to transfer all or any portion of the Investment Property to its name or the name of its nominee or agent and (iii) the Administrative Agent shall have the

right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in such order as the Administrative Agent may determine. In addition, the Administrative Agent shall have the right at any time after the occurrence and during the continuance of any Event of Default, without notice to any Grantor, to exchange any certificates or instruments representing any Investment Property for certificates or instruments of smaller or larger denominations. In order to permit the Administrative Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto after the occurrence and during the continuance of any Event of Default and to receive all dividends and other distributions which it may be entitled to receive hereunder each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Administrative Agent all proxies, dividend payment orders and other instruments as the Administrative Agent may from time to time reasonably request and each Grantor acknowledges that the Administrative Agent may utilize the power of attorney set forth herein.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Pledged Collateral pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Administrative Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) upon any such instruction following the occurrence and during the continuance of an Event of Default, pay any dividends or other payments with respect to the Investment Property, including Pledged Collateral, directly to the Administrative Agent.

6.4. Proceeds to be Turned Over To Administrative Agent. In addition to the rights of the Secured Parties specified in Section 6.1 with respect to payments of Receivables, if an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, cash equivalents, checks and other near-cash items shall be held by such Grantor in trust for the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon demand, be turned over to the Administrative Agent in the exact form received by such Grantor (duly endorsed by such Grantor to the Administrative Agent, if required). All Proceeds received by the Administrative Agent hereunder shall be held by the Administrative Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

6.5. Application of Proceeds. At such intervals as may be agreed upon by the Borrower and the Administrative Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Administrative Agent's election, the Administrative Agent may apply all or any part of the net Proceeds (after deducting fees and expenses as provided in Section 6.6) constituting Collateral realized through the exercise by the Administrative Agent of its remedies hereunder, whether or not held in any Collateral Account, and any proceeds of the guarantee set forth in Section 2, in payment of the Obligations in the following order:

First, to the Administrative Agent, to pay incurred and unpaid fees and expenses of the Secured Parties under the Loan Documents;

Second, to the Administrative Agent, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then due and owing and remaining unpaid to the Secured Parties;

Third, to the Administrative Agent, for application by it towards prepayment of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then held by the Secured Parties; and

Fourth, any balance of such Proceeds remaining after the Obligations shall have been paid in full, no letters of credit issued under the First Lien Credit Agreement shall be outstanding and the Commitments under the First Lien Credit Agreement shall have terminated or expired shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

6.6. Code and Other Remedies. (a) If an Event of Default shall occur and be continuing, the Administrative Agent, on behalf of the Secured Parties, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC (whether or not the New York UCC applies to the affected Collateral) or its rights under any other applicable law or in equity. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, license, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Each Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall, to the extent permitted by law, constitute reasonable notification. The Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having

been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Administrative Agent may sell the Collateral without giving any warranties as to the Collateral. The Administrative Agent may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely effect the commercial reasonableness of any sale of the Collateral. Each Grantor agrees that it would not be commercially unreasonable for the Administrative Agent to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. Each Grantor hereby waives any claims against the Administrative Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Administrative Agent accepts the first offer received and does not offer such Collateral to more than one offeree. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere upon the occurrence and during the continuance of any Event of Default. The Administrative Agent shall have the right to enter onto the property where any Collateral is located and take possession thereof with or without judicial process.

(b) The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Parties hereunder, including reasonable attorneys' fees and disbursements to the extent required to be paid in accordance with the First Lien Credit Agreement, to the payment in whole or in part of the Obligations and only after such application and after the payment by the Administrative Agent of any other required by any provision of law, including Section 9-615(a) of the New York UCC, need the Administrative Agent account for the surplus, if any, to any Grantor. If the Administrative Agent sells any of the Collateral upon credit, the Grantor will be credited only with payments actually made by the purchaser and received by the Administrative Agent and applied to indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, the Administrative Agent may resell the Collateral and the Grantor shall be credited with proceeds of the sale. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against any Secured Party arising out of the exercise by them of any rights hereunder.

(c) Upon the occurrence and during the continuance of any Event of Default, in the event of any disposition of any of the Intellectual Property, the goodwill of the business connected with and symbolized by any Trademarks subject to such disposition shall be included, and the applicable Grantor shall supply the Administrative Agent or its designee with such Grantor's know-how and expertise, and with documents and things embodying the same, relating to the manufacture, distribution, advertising and sale of products or the provision of services relating to any Intellectual Property subject to such disposition, and such Grantor's customer lists and other records and documents relating to

such Intellectual Property and to the manufacture, distribution, advertising and sale of such products and services.

6.7. Registration Rights. (a) If the Administrative Agent shall determine to exercise its right to sell any or all of the Pledged Equity Interests or the Pledged Debt Securities pursuant to Section 6.6, and if in the opinion of the Administrative Agent it is necessary or advisable to have the Pledged Equity Interests or the Pledged Debt Securities, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor shall use commercially reasonable efforts to cause the Issuer thereof to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the reasonable opinion of the Administrative Agent, necessary or advisable to register the Pledged Equity Interests or the Pledged Debt Securities, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Pledged Equity Interests or the Pledged Debt Securities, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Administrative Agent, are reasonably necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the SEC applicable thereto. Each Grantor agrees to use commercially reasonable efforts to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Administrative Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each Grantor recognizes that the Administrative Agent may be unable to effect a public sale of any or all the Pledged Equity Interests or the Pledged Debt Securities, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Equity Interests or the Pledged Debt Securities for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its commercially reasonable efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Equity Interests or the Pledged Debt Securities pursuant to this Section 6.7 valid and binding and in compliance with any and all other applicable Requirements of Law. Each Grantor further agrees that a breach of any of the covenants contained in this Section 6.7 will cause irreparable injury to the Secured Parties, that the

Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 6.7 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees, to the extent permitted by applicable law, not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing under the First Lien Credit Agreement or a defense of payment.

6.8. Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by any Secured Party to collect such deficiency.

SECTION 7. THE ADMINISTRATIVE AGENT

7.1. Administrative Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or Contract or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Receivable or Contract or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Administrative Agent may request to evidence the Secured Parties' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 6.7 or 6.8, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate; (7) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Administrative Agent shall in its sole discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, the Administrative Agent agrees that, except as provided in Section 7.1(b), it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable on past due Revolving Loans that are ABR Loans under the First Lien Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand; provided, however, that unless an Event of Default has occurred and is continuing, the Administrative Agent shall not exercise this power without first making demand on such Grantor and the Grantor failing to immediately comply therewith.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

7.2. Duty of Administrative Agent. The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. Neither the Administrative Agent, nor any other Secured Party nor any of their respective officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Secured Parties hereunder are solely to protect the Secured Parties' interests in the Collateral and shall not impose any duty upon any Secured Party to exercise any such powers. The Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be responsible to any Grantor for any act or failure to act hereunder, except to the extent that any such act or failure to act is found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from their own gross negligence or willful misconduct in breach of a duty owed to such Grantor.

7.3. Execution of Financing Statements. Each Grantor acknowledges that pursuant to Section 9-509(b) of the New York UCC and any other applicable law, each Grantor authorizes the Administrative Agent to file or record financing or continuation statements, and amendments thereto, and other filing or recording documents or instruments with respect to the Collateral, in such form and in such offices as the Administrative Agent reasonably determines appropriate to perfect or maintain the perfection of the security interests of the Administrative Agent under this Agreement. Each Grantor agrees that such financing statements may describe the collateral in the same manner as described in the Security Documents or as "all assets" or "all personal property," whether now owned or hereafter existing or acquired or such other description as the Administrative Agent, in its sole judgment, determines is necessary or advisable. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

7.4. Authority of Administrative Agent. Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the other Secured Parties, be governed by the First Lien Credit Agreement and by such other agreements with respect thereto as may exist from

time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or

refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

7.5. Appointment of Co-Collateral Agents. At any time or from time to time, in order to comply with any applicable requirement of law, the Administrative Agent may appoint another bank or trust company or one of more other persons, either to act as co-agent or agents on behalf of the Secured Parties with such power and authority as may be necessary for the effectual operation of the provisions hereof and which may be specified in the instrument of appointment (which may, in the discretion of the Administrative Agent, include provisions for indemnification and similar protections of such co-agent or separate agent).

SECTION 8. MISCELLANEOUS

8.1. Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each affected Grantor and the Administrative Agent, subject to any consents required under Section 9.08 of the First Lien Credit Agreement; provided that any provision of this Agreement imposing obligations on any Grantor may be waived by the Administrative Agent in a written instrument executed by the Administrative Agent.

8.2. Notices. All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in Section 9.01 of the First Lien Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 8.2.

8.3. No Waiver by Course of Conduct; Cumulative Remedies. No Secured Party shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4. Enforcement Expenses; Indemnification. (a) Each Grantor agrees to pay or reimburse each Secured Party for all its reasonable costs and expenses incurred in collecting against such Grantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Grantor is a party, including the fees and disbursements of counsel to each Secured Party and of counsel to the Administrative Agent.

(b) Each Grantor agrees to pay, and to hold the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Grantor agrees to pay, and to hold the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to Section 9.05 of the First Lien Credit Agreement.

(d) The agreements in this Section shall survive repayment of the Obligations and all other amounts payable under the First Lien Credit Agreement and the other Loan Documents.

8.5. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent, and any attempted assignment without such consent shall be null and void.

8.6. Set-Off. Each Grantor hereby irrevocably authorizes each Secured Party at any time and from time to time while an Event of Default shall have occurred and be continuing, without notice to such Grantor or any other Grantor, any such notice being expressly waived by each Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Secured Party to or for the credit or the account of such Grantor, or any part thereof in such amounts as such Secured Party may elect, against and on account of the obligations and liabilities of such Grantor to such Secured Party hereunder and claims of every nature and description of such Secured Party against such Grantor, in any currency, whether arising hereunder, under the First Lien Credit Agreement, any other Loan Document or otherwise, as such Secured Party may elect, whether or not any Secured Party has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. Each Secured Party shall notify such Grantor promptly of any such set-off and the application made by such Secured Party of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Secured Party under this Section are in addition to other rights and remedies (including other rights of set-off) which such Secured Party may have.

8.7. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

8.8. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.9. Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10. Integration. This Agreement and the other Loan Documents represent the agreement of the Grantors, the Administrative Agent and the other Secured Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Secured Party relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

8.11. **APPLICABLE LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

8.12. Submission to Jurisdiction; Waivers. Each Grantor and the Administrative Agent hereby irrevocably and unconditionally:

(a) submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Lender, the Administrative Agent or any Issuing Bank may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against Holdings, the Borrower or any Loan Party or their properties in the courts of any jurisdiction;

(b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court; and

(c) agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested at its address provided in Section 9.01 agrees that service as so provided in is sufficient to confer personal jurisdiction over the applicable credit party in any such proceeding in any such court, and otherwise constitutes effective and binding service in every respect; and agrees that agents and lenders retain the right to serve process in any other manner permitted by law or to bring proceedings against any credit party in the courts of any other jurisdiction.

8.13. Acknowledgments. Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) no Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Grantors and the Secured Parties.

8.14. Additional Grantors. Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 5.09 of the First Lien Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Exhibit D hereto.

8.15. Releases. (a) At such time as the Loans and the other Obligations (other than contingent reimbursement or indemnification obligations) shall have been paid in full, the commitments under the First Lien Credit Agreement have been terminated or expired and no letter of credit issued under the First Lien Credit Agreement shall be outstanding, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral held by the Administrative Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) The obligations of Guarantors that are Subsidiaries and the security interests created hereunder shall be subject to release in accordance with Section 9.17 of the First Lien Credit Agreement.

(c) Each Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing

statement originally filed in connection herewith without the prior written consent of the Administrative Agent, subject to such Grantor's rights under Section 9-509(d)(2) of the New York UCC.

8.16. **WAIVER OF JURY TRIAL. EACH GRANTOR AND THE ADMINISTRATIVE AGENT HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 8.16 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.**

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

GENERAC ACQUISITION CORP.

By: /s/ Aaron P. Jagdfeld
Name: Aaron P. Jagdfeld
Title: Chief Financial Officer

GPS CCMP MERGER CORP.

By: /s/ Aaron P. Jagdfeld
Name: Aaron P. Jagdfeld
Title: Chief Financial Officer

GOLDMAN SACHS CREDIT PARTNERS L.P.
as Administrative Agent

By: /s/ [ILLEGIBLE]
Authorized Signatory

SECOND LIEN GUARANTEE AND COLLATERAL AGREEMENT

made by

GENERAC ACQUISITION CORP.

GPS CCMP MERGER CORP.

and certain Subsidiaries of GPS CCMP MERGER CORP.

in favor of

WILMINGTON TRUST COMPANY, as Collateral Agent

and

JPMORGAN CHASE BANK, N.A., as Administrative Agent

Dated as of November 10, 2006

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SECOND LIEN GUARANTEE AND COLLATERAL AGREEMENT, dated as of November 10, 2006, made by each of the signatories hereto (other than GSCP, but together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of WILMINGTON TRUST COMPANY, as collateral agent (in such capacity and together with its successors, the "Collateral Agent") for (i) itself, the Second Lien Administrative Agent and the banks and other financial institutions or entities (the "Lenders") from time to time parties to the Credit Agreement, dated as of November 10, 2006 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Second Lien Credit Agreement"), among Generac Acquisition Corp., a Delaware corporation ("Holdings"), GPS CCMP Merger Corp., a Wisconsin corporation (the "Borrower"), the Lenders party thereto, JPMorgan Chase Bank, N.A. ("JPMorgan"), as Administrative Agent (in such capacity, the "Second Lien Administrative Agent"), J.P. Morgan Securities Inc. and Goldman Sachs Credit Partners L.P. ("GSCP"), as joint bookrunners and joint lead arrangers (in each such capacity, the "Joint Lead Arrangers"), GSCP as syndication agent (in such capacity, the "Syndication Agent"), and Barclays Bank, PLC ("Barclays"), as Documentation Agent (in such capacity and together with its successors, the "Documentation Agent"), and (ii) the other Secured Parties (as hereinafter defined).

W I T N E S S E T H:

WHEREAS, pursuant to the Second Lien Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower is a member of an affiliated group of companies that includes each other Grantor;

WHEREAS, the proceeds of the extensions of credit under the Second Lien Credit Agreement will be used in part to enable the Borrower to make valuable transfers to one or more of the other Grantors in connection with the operation of their respective businesses;

WHEREAS, the Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Second Lien Credit Agreement;

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Second Lien Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Collateral Agent for its benefit and for the benefit of the other Secured Parties;

WHEREAS, as of the date hereof, Grantors have also entered into (a) that certain Credit Agreement, dated as of the date hereof (as may be amended, supplemented or otherwise modified from time to time, the "First Lien Credit Agreement"), by and among Holdings, Borrower, the lenders party thereto from time to time, GSCP, as joint bookrunner, joint lead arranger and administrative agent (together with its permitted successors and assigns, in such capacity, the "First Lien Administrative Agent"), JPMorgan, as joint bookrunner, joint lead arranger and as syndication agent and Barclays as documentation agent and (b) that certain First

Lien Guarantee and Collateral Agreement, dated as of the date hereof (as may be amended, supplemented or otherwise modified from time to time, the "First Lien Security Agreement"), by and between each of the Grantors and the First Lien Administrative Agent, pursuant to which each Grantor has granted a first priority Lien to the First Lien Administrative Agent for the benefit of the holders of First Lien Obligations (as defined in the Intercreditor Agreement referred to below) on the Collateral to secure such Grantor's obligations under the Loan Documents (as defined in the First Lien Credit Agreement); and

WHEREAS, Holdings, Borrower, the First Lien Administrative Agent and the Collateral Agent have entered into an Intercreditor Agreement, dated as of the date hereof (as may be amended, supplemented or otherwise from time to time, the "Intercreditor Agreement").

NOW, THEREFORE, in consideration of the premises and to induce the Joint Lead Arrangers, the Second Lien Administrative Agent, the Collateral Agent and the Lenders to enter into the Second Lien Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the Collateral Agent, for its benefit and for the benefit of the Secured Parties, as follows:

SECTION 1. DEFINED TERMS

1.1. Definitions. (a) Unless otherwise defined herein, terms defined in the Second Lien Credit Agreement and used herein shall have the meanings given to them in the Second Lien Credit Agreement, and the following terms are used herein as defined in the New York UCC (and if defined in more than one Article of the New York UCC, such terms shall have the meanings given in Article 9 thereof): Accounts, Account Debtor, Certificated Security, Chattel Paper, Commercial Tort Claim, Commodity Account, Commodity Contract, Commodity Intermediary, Documents, Deposit Account, Electronic Chattel Paper, Equipment, Farm Products, Financial Asset, Fixtures, Goods, Instruments, Inventory, Letter of Credit, Letter of Credit Rights, Money, Payment Intangibles, Securities Account, Securities Intermediary, Security, Security Entitlement, Supporting Obligations, Tangible Chattel Paper and Uncertificated Security.

(b) The following terms shall have the following meanings:

"After-Acquired Intellectual Property" shall have the meaning assigned to such term in Section 5.9(k).

"Agreement" shall mean this Second Lien Guarantee and Collateral Agreement, as the same may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"Borrower" shall have the meaning assigned to such term in the preamble.

"Borrower Obligations" shall mean the collective reference to the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Grantor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other

obligations and liabilities of the Borrower to the Joint Lead Arrangers, to any Agent, Lender or other Secured Party, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with the Second Lien Credit Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Joint Lead Arrangers, to any Agent or to any Lender that are required to be paid by any Grantor pursuant to the Second Lien Credit Agreement or any other Loan Document) or otherwise.

"Co-Documentation Agents" shall have the meaning assigned to such term in the preamble.

"Collateral" shall have the meaning assigned to such term in Section 3.

"Collateral Account" shall mean any collateral account established by the Second Lien Administrative Agent as provided in Section 6.1 or 6.4.

"Collateral Account Funds" shall mean, collectively, the following: all funds (including all trust monies) and investments (including all cash equivalents) credited to, or purchased with funds from, any Collateral Account and all certificates and instruments from time to time representing or evidencing such investments; all Money, notes, certificates of deposit, checks and other instruments from time to time hereafter delivered to or otherwise possessed by the Second Lien Administrative Agent or the Collateral Agent for or on behalf of any Grantor in substitution for, or in addition to, any or all of the Collateral; and all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the items constituting Collateral.

"Collateral Agent" shall have the meaning assigned to such term in the preamble.

"Contracts" shall mean all contracts and agreements between any Grantor and any other person (in each case, whether written or oral, or third party or intercompany) as the same may be amended, assigned, extended, restated, supplemented, replaced or otherwise modified from time to time including (i) all rights of any Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of any Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect thereto, (iii) all rights of any Grantor to damages arising thereunder and (iv) all rights of any Grantor to terminate and to perform and compel performance of, such Contracts and to exercise all remedies thereunder.

"Copyright Licenses" shall mean any agreement, whether written or oral, naming any Grantor as licensor or licensee (including those listed in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time)), granting any right in, to or under any Copyright, including the grant of rights to manufacture, print, publish, copy, import, export, distribute, exploit and sell materials derived from any Copyright.

"Copyrights" shall mean (i) all copyrights arising under the laws of the United States, any other country, or union of countries, or any political subdivision of any of the foregoing, whether registered or unregistered and whether published or unpublished (including

those listed in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time)), all registrations and recordings thereof, and all applications in connection therewith and rights corresponding thereto throughout the world, including all registrations, recordings and applications in the United States Copyright Office, and all Mask Works (as defined in 17 USC 901), (ii) the right to, and to obtain, all extensions and renewals thereof, and the right to sue for past, present and future infringements of any of the foregoing, (iii) all proceeds of the foregoing, including license, royalties, income, payments, claims, damages, and proceeds of suit and (iv) all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"dollars" or "$" shall mean lawful money of the United States of America.

"Excluded Assets" shall mean: (i) the Excluded Foreign Subsidiary Equity Interests; (ii) any Equity Interests if, and to the extent that, and for so long as doing so would violate applicable law or, other than in the case of Wholly-Owned Subsidiaries, a contractual obligation binding on such Equity Interests; (iii) any assets acquired after the Closing Date, to the extent that, and for so long as, taking such actions would violate a contractual obligation binding on such assets that existed at the time of the acquisition thereof and was not created or made binding on such assets in contemplation or in connection with the acquisition of such assets (except in the case of assets acquired with Indebtedness permitted pursuant to Section 6.01(h) of the Second Lien Credit Agreement that is secured by a Lien permitted pursuant to Section 6.02(i) of the Second Lien Credit Agreement); (iv) any lease, license, contract, property right or agreement to which any Grantor is a party or any of its rights or interests thereunder if and only for so long as the grant of a security interest hereunder shall constitute or result in a breach, termination or default under any such lease, license, contract, property right or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or any other applicable law or principles of equity); provided, however, that such security interest shall attach immediately to any portion of such lease, license, contract, property rights or agreement that does not result in any of the consequences specified above, (v) any property subject to a Lien permitted under Section 6.02(i) or 6.02(j) of the Second Lien Credit Agreement, (vi) Deposit Accounts, Securities Accounts and all cash, cash equivalents and assets on deposit therein, (vii) vehicles and (viii) those assets with respect to which the Second Lien Administrative Agent reasonably determines that the costs of obtaining security interests in which are excessive in relation to the value of the security afforded thereby.

"Excluded Foreign Subsidiary Equity Interests" shall mean (A) Equity Interests of any "first tier" Foreign Subsidiary owned by any Grantor in excess of 65% of the issued and outstanding Equity Interests of such Foreign subsidiary and (B) any issued and outstanding Equity Interests of any Foreign Subsidiary that is not a "first tier" Foreign Subsidiary owned by any Grantor.

"Excluded Perfection Assets" shall mean (i) Collateral for which the perfection of Liens thereon requires filings in or other actions under the laws of jurisdictions outside of the United States of America, any State, territory or dependency thereof or the District of Columbia, (ii) goods included in Collateral received by any Person from any Grantor for "sale or return" within the meaning of Section 2-326 of the Uniform Commercial Code of the applicable jurisdiction, to the extent of claims of creditors of such Person, (iii) Equipment constituting

Fixtures, (iv) Collateral as to which actions required for perfection are permitted not to be taken pursuant to Section 5.02 hereof or Section 5.09(g) of the Second Lien Credit Agreement and (v) Deposit Accounts, Securities Accounts (other than the filing of a financing statement with respect thereto) and vehicles that are subject to the certificate of title laws in any state.

"First Lien Administrative Agent" shall have the meaning assigned to such term in the recitals.

"First Lien Credit Agreement" shall have the meaning assigned to such term in the preamble.

"First Lien Security Agreement" shall have the meaning assigned to such term in the recitals.

"General Intangibles" shall mean all "general intangibles" as such term is defined in Section 9-102(a)(42) of the New York UCC and, in any event, including with respect to any Grantor, all rights of such Grantor to receive any tax refunds, all Swap Agreements and all contracts, agreements, instruments and indentures and all licenses, permits, concessions, franchises and authorizations issued by

Governmental Authorities in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented, replaced or otherwise modified, including (i) all rights of such Grantor to receive moneys due and to become due to it under or in connection with any such general intangibles, (ii) all rights of such Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to any such general intangibles, (iii) all rights of such Grantor to damages arising under or in connection with any such general intangibles and (iv) all rights of such Grantor to terminate and to perform and compel performance and to exercise all remedies under any such general intangibles.

"Grantors" shall have the meaning assigned to such term in the preamble.

"Guarantor Obligations" shall mean with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with (a) this Agreement (including Section 2) or any other Loan Document to which such Guarantor is a party to any Secured Party or (b) any Cash Management Agreement to any Lender Counterparty, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including all fees and disbursements of counsel to any Secured Party that are required to be paid by such Guarantor pursuant to the terms of this Agreement or any other Loan Document).

"Guarantors" shall mean the collective reference to each Grantor other than the Borrower.

"Holdings" shall have the meaning assigned to such term in the preamble.

"Insurance" shall mean (i) all insurance policies covering any or all of the Collateral (regardless of whether the Collateral Agent is the loss payee thereof) and (ii) any key man life insurance policies.

"Intellectual Property" shall mean the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, the Trade Secrets and the Trade Secret Licenses, and all rights to sue at law or in equity for any past, present and future infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Intercompany Note" shall mean any promissory note evidencing loans made by any Grantor to Holdings, the Borrower or any of the Subsidiaries, including the Global Intercompany Note.

"Intercreditor Agreement" shall have the meaning assigned to such term in the recitals.

"Investment Property" shall mean the collective reference to (i) all "investment property" as such term is defined in Section 9-102(a)(49) of the New York UCC (other than any such investment property which is an Excluded Asset) including all Certificated Securities and Uncertificated Securities, all Security Entitlements, all Securities Accounts, all Commodity Contracts and all Commodity Accounts, (ii) security entitlements, in the case of any United States Treasury book-entry securities, as defined in 31 C.F.R. section 357.2, or, in the case of any United States federal agency book-entry securities, as defined in the corresponding United States federal regulations governing such book-entry securities, and (iii) whether or not otherwise constituting "investment property," all Pledged Notes, all Pledged Equity Interests, all Pledged Security Entitlements and all Pledged Commodity Contracts.

"Issuers" shall mean the collective reference to each issuer of Pledged Collateral that is a Subsidiary.

"Joint Lead Arrangers" shall have the meaning assigned to such term in the preamble.

"Lenders" shall have the meaning assigned to such term in the preamble.

"Licensed Intellectual Property" shall have the meaning assigned to such term in Section 4.9(a).

"New York UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York.
"Obligations" shall mean (i) in the case of the Borrower, the Borrower Obligations, and (ii) in the case of each Guarantor, its Guarantor Obligations.

"Owned Intellectual Property" shall have the meaning assigned to such term in Section 4.9(a).

"Patent License" shall mean all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use, import, export, distribute or sell

any invention covered in whole or in part by a Patent, including any of the foregoing listed in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time).

"Patents" shall mean (i) all letters of patent of the United States, any other country, union of countries or any political subdivision of any of the foregoing, all reissues and extensions thereof and all goodwill associated therewith, including any of the foregoing listed in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time), (ii) all applications for letters of patent of the United States or any other country or union of countries or any political subdivision of any of the foregoing and all divisions, continuations and continuations-in-part thereof, all improvements thereof, including any of the foregoing listed in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time), (iii) all rights to, and to obtain, any reissues or extensions of the foregoing and (iv) all proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and proceeds of suit.

"Pledged Alternative Equity Interests" shall mean all interests (other than any such interests that are Excluded Assets) of any Grantor in participation or other interests in any equity or profits of any business entity and the certificates, if any, representing such interests and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such interests and any other warrant, right or option to acquire any of the foregoing; provided, however, that Pledged Alternative Equity Interests shall not include any Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests or Pledged Trust Interests.

"Pledged Collateral" shall mean the collective reference to the Pledged Debt Securities, the Pledged Notes and the Pledged Equity Interests.

"Pledged Commodity Contracts" shall mean all commodity contracts listed on Schedule 4.7(c) (as such schedule may be amended from time to time) and all other commodity contracts to which any Grantor is party from time to time.

"Pledged Debt Securities" shall mean all debt securities now owned or hereafter acquired by any Grantor, (other than any such debt securities that are Excluded Assets), including the debt securities listed on Schedule 4.7(b), (as such schedule may be amended or supplemented from time to time), together with any other certificates, options, rights or security entitlements of any nature whatsoever in respect of the debt securities of any person that may be issued or granted to, or held by, any Grantor while this Agreement is in effect.

"Pledged Equity Interests" shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests, Pledged Trust Interests and Pledged Alternative Equity Interests.

"Pledged LLC Interests" shall mean all interests of any Grantor now owned or hereafter acquired in any limited liability company (other than any such interests that are Excluded Assets), including all limited liability company interests listed on Schedule 4.7(a) hereto under the heading "Pledged LLC Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such limited

liability company interests and any interest of such Grantor on the books and records of such limited liability company and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Notes" shall mean all promissory notes now owned or hereafter acquired by any Grantor (other than any such promissory notes that are Excluded Assets), including those listed on Schedule 4.7(b) (as such schedule may be amended or supplemented from time to time) and all Intercompany Notes at any time issued to or held by any Grantor.

"Pledged Partnership Interests" shall mean all interests of any Grantor now owned or hereafter acquired in any general partnership, limited partnership, limited liability partnership or other partnership (other than any such interests that are Excluded Assets), including all partnership interests listed on Schedule 4.7(a) hereto under the heading "Pledged Partnership Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such partnership interests and any interest of such Grantor on the books and records of such partnership and all

dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Security Entitlements" shall mean all security entitlements with respect to the financial assets listed on Schedule 4.7(c) (as such schedule may be amended from time to time) and all other security entitlements of any Grantor.

"Pledged Stock" shall mean all shares of capital stock (other than any such shares that are Excluded Assets) now owned or hereafter acquired by any Grantor, including all shares of capital stock listed on Schedule 4.7(a) hereto under the heading "Pledged Stock" (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares and any other warrant, right or option to acquire any of the foregoing.

"Pledged Trust Interests" shall mean all interests of any Grantor now owned or hereafter acquired in a Delaware business trust or other trust (other than any such interests that are Excluded Assets), including all trust interests listed on Schedule 4.7(a) hereto under the heading "Pledged Trust Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such trust interests and any interest of such Grantor on the books and records of such trust or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such trust interests and any other warrant, right or option to acquire any of the foregoing.

"Proceeds" shall mean all "proceeds" as such term is defined in Section 9-102(a)(64) of the New York UCC and, in any event, shall include all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

"Receivable" shall mean all Accounts and any other right to payment for goods or other property sold, leased, licensed or otherwise disposed of or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper or classified as a Payment Intangible and whether or not it has been earned by performance. References herein to Receivables shall include any Supporting Obligation or collateral securing such Receivable.

"Second Lien Administrative Agent" shall have the meaning assigned such term in the preamble.

"Second Lien Credit Agreement" shall have the meaning assigned such term in the preamble.

"Secured Parties" shall mean, collectively, the Joint Lead Arrangers, the Second Lien Administrative Agent, the Collateral Agent and the Lenders.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Syndication Agent" shall have the meaning assigned to such term in the preamble.

"Trademark License" shall mean any agreement, whether written or oral, providing for the grant by or to any Grantor of any right in, to or under any Trademark, including any of the foregoing referred to in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time).

"Trademarks" shall mean (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country, union of countries, or any political subdivision of any of the foregoing, or otherwise, and all common-law rights related thereto, including any of the foregoing listed in Schedule 4.9(a) (as such schedule may be amended or supplemented from time to time), (ii) the right to, and to obtain, all renewals thereof, (iii) the goodwill of the business symbolized by the foregoing, (iv) other source or business identifiers, designs and general intangibles of a like nature and (v) the right to sue for past, present and future infringements or dilution of any of the foregoing or for any injury to goodwill, and all proceeds of the foregoing, including royalties, income, payments, claims, damages and proceeds of suit.

"Trade Secret License" shall mean any agreement, whether written or oral, providing for the grant by or to any Grantor of any right in, to or under any Trade Secret.

"Trade Secrets" shall mean all trade secrets and all other confidential or proprietary information and know-how (all of the foregoing being collectively called a "Trade Secret"), whether or not reduced to a writing or other tangible form, including all documents and things embodying, incorporating or describing such Trade Secret, the right to sue for past, present and future infringements of any Trade Secret and all proceeds of the foregoing, including royalties, income, payments, claims, damages and proceeds of suit.

1.2. Other Definitional Provisions. (a) The words "hereof," "herein," "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to the specific provisions of this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to the property or assets such Grantor has granted as Collateral or the relevant part thereof.

(d) The expressions "payment in full," "paid in full" and any other similar terms or phrases when used herein with respect to the Borrower Obligations or the Guarantor Obligations shall mean the payment in full, in immediately available funds, of all of the Borrower Obligations or the Guarantor Obligations, as the case may be, in each case, unless otherwise specified, other than indemnification and other contingent obligations not then due and payable.

(e) The words "include," "includes" and "including," and words of similar import, shall not be limiting and shall be deemed to be followed by the phrase "without limitation."

(f) Notwithstanding anything herein to the contrary, the Liens and security interest granted to the Collateral Agent pursuant to this Agreement and the exercise of any right or remedy by the Collateral Agent hereunder are subject to the provisions of the Intercreditor Agreement.

SECTION 2. GUARANTEE

2.1. Guarantee.

(a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Collateral Agent for its benefit and for the ratable benefit of the other Secured Parties and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

(b) If and to the extent required in order for the Obligations of any Guarantor to be enforceable under applicable federal, state and other laws relating to the

insolvency of debtors, the maximum liability of such Guarantor hereunder shall be limited to the greatest amount which can lawfully be guaranteed by such Guarantor under such laws, after giving effect to any rights of contribution, reimbursement and subrogation arising under Section 2.2. Each Guarantor acknowledges and agrees that, to the extent not prohibited by applicable law, (i) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right under such laws to reduce, or request any judicial relief that has the effect of reducing, the amount of its liability under this Agreement, (ii) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right to enforce the limitation set forth in this Section 2.1(b) or to reduce, or request judicial relief reducing, the amount of its liability under this Agreement, and (iii) the limitation set forth in this Section 2.1(b) may be enforced only to the extent required under such laws in order for the obligations of such Guarantor under this Agreement to be enforceable under such laws and only by or for the benefit of a creditor, representative of creditors or bankruptcy trustee of such Guarantor or other person entitled, under such laws, to enforce the provisions thereof.

(c) Each Guarantor agrees that the Borrower Obligations may at any time and from time to time be incurred or permitted in an amount exceeding the maximum liability of such Guarantor under Section 2.1(b) without, to the extent permitted by applicable law, impairing the guarantee contained in this Section 2 or affecting the rights and remedies of any Secured Party hereunder.

(d) The guarantee contained in this Section 2 shall remain in full force and effect until payment in full of the Obligations, notwithstanding that from time to time during the term of the Second Lien Credit Agreement the Borrower may be free from any Borrower Obligations.

(e) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other person or received or collected by any Secured Party from the Borrower, any of the Guarantors, any other guarantor or any other person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations), remain liable for the Borrower Obligations up to the maximum liability of such Guarantor hereunder until the Borrower Obligations are paid in full, no letter of credit shall be outstanding under the Second Lien Credit Agreement and all commitments to extend credit under the Second Lien Credit Agreement shall have been terminated or have expired.

2.2. Rights of Reimbursement, Contribution and Subrogation. In case any payment is made on account of the Obligations by any Grantor or is received or collected on account of the Obligations from any Grantor or its property:

(a) If such payment is made by the Borrower or from its property, then, if and to the extent such payment is made on account of Obligations arising from or relating to a Loan or other extension of credit made to the Borrower or a Letter of Credit issued for the account of the Borrower, the Borrower shall not be entitled (i) to demand or enforce reimbursement or contribution in respect of such payment from any other Grantor or (ii) to be subrogated to any claim, interest, right or remedy of any Secured Party against any other person, including any other Grantor or its property.

(b) If such payment is made by a Guarantor or from its property, such Guarantor shall be entitled, subject to and upon payment in full of the Obligations, (i) to demand and enforce reimbursement for the full amount of such payment from the Borrower and (ii) to demand and enforce contribution in respect of such payment from each other Guarantor that has not paid its fair share of such payment, as necessary to ensure that (after giving effect to any enforcement of reimbursement rights provided hereby) each Guarantor pays its fair share of the unreimbursed portion of such payment. For this purpose, the fair share of each Guarantor as to any unreimbursed payment shall be determined based on an equitable apportionment of such unreimbursed payment among all Guarantors based on the relative value of their assets and any other equitable considerations deemed appropriate by a court of competent jurisdiction.

(c) Until all amounts owing to the Second Lien Administrative Agent and the other Secured Parties by the Borrower on account of the Obligations are paid in full, no Letter of Credit shall be outstanding and the Commitments are terminated, notwithstanding Sections 2.2(a) and 2.2(b), no Grantor shall be entitled, to be subrogated (equally and ratably with all other Grantors entitled to reimbursement or contribution from any other Grantor as set forth in this Section 2.2) to any security interest that may then be held by the Second Lien Administrative Agent or the Collateral Agent upon any Collateral granted to it in this Agreement nor shall any Grantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Grantor in respect of payments made by any Grantor hereunder. Such right of subrogation shall be enforceable solely against the Grantors, and not against the Secured Parties, and neither the Second Lien Administrative Agent, the Collateral Agent nor any other Secured Party shall have any duty whatsoever to warrant, ensure or protect any such right of subrogation or to obtain, perfect, maintain, hold, enforce or retain any Collateral for any purpose related to any such right of subrogation. If subrogation is demanded by any Grantor, then (and only after payment in full of the Obligations) the Second Lien Administrative Agent or the Collateral Agent, as the case may be, shall deliver to the Grantors making such demand, or to a representative of such Grantors or of the Grantors generally, an instrument reasonably satisfactory to the Second Lien Administrative Agent or the Collateral Agent, as the case may be, transferring, on a quitclaim basis without any recourse, representation, warranty or obligation whatsoever, whatever security interest the Second Lien Administrative Agent or the Collateral Agent, as the case may be, then may hold in whatever Collateral may then exist that was not previously released or disposed of by the Second Lien Administrative Agent or the Collateral Agent, as the case may be.

(d) All rights and claims arising under this Section 2.2 or based upon or relating to any other right of reimbursement, indemnification, contribution or subrogation

that may at any time arise or exist in favor of any Grantor as to any payment on account of the Obligations made by it or received or collected from its property shall be fully subordinated in all respects to the prior payment in full of all of the Obligations. Until payment in full of the Obligations, no Grantor shall demand or receive any collateral security, payment or distribution whatsoever (whether in cash, property or securities or otherwise) on account of any such right or claim. If any such payment or distribution is made or becomes available to any Grantor in any bankruptcy case or receivership, insolvency or liquidation proceeding, such payment or distribution shall be delivered by the person making such payment or distribution directly to the Second Lien Administrative Agent, for application to the payment of the Obligations. If any such payment or distribution is received by any Grantor, it shall be held by such Grantor in trust, as trustee of an express trust for the benefit of the Secured Parties, and shall forthwith be transferred and delivered by such Grantor to the Second Lien Administrative Agent, in the exact form received and, if necessary, duly endorsed.

(e) The obligations of the Grantors under the Loan Documents, including their liability for the Obligations and the enforceability of the security interests granted thereby, are not contingent upon the validity, legality, enforceability, collectibility or sufficiency of any right of reimbursement, contribution or subrogation arising under this Section 2.2 and the provisions of this Section 2.2 shall in no respect limit the obligations and liabilities of any Guarantor to the Second Lien Administrative Agent and Secured Parties, and each Guarantor shall remain liable to the Second Lien Administrative Agent and the Secured Parties for the full amount guaranteed by such Guarantor hereunder. The invalidity, insufficiency, unenforceability or uncollectibility of any such right shall not in any respect diminish, affect or impair any such obligation or any other claim, interest, right or remedy at any time held by any Secured Party against any Guarantor or its property. The Secured Parties make no representations or warranties in respect of any such right and shall have no duty to assure, protect, enforce or ensure any such right or otherwise relating to any such right.

(f) Each Grantor reserves any and all other rights of reimbursement, contribution or subrogation at any time available to it as against any other Grantor, but (i) the exercise and enforcement of such rights shall be subject to Section 2.2(d) and (ii) neither the Second Lien Administrative Agent nor any other Secured Party shall ever have any duty or liability whatsoever in respect of any such right, except as provided in the last sentence of Section 2.2(c).

2.3. Amendments, etc. with respect to the Borrower Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by any Secured Party may be rescinded by such Secured Party and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, increased, extended, amended, modified, accelerated, compromised, waived, surrendered or released by any Secured Party, and the Second Lien Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith

may be amended, modified, supplemented or terminated, in whole or in part, as the parties thereto may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by any Secured Party for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. No Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

2.4. Guarantee Absolute and Unconditional. Each Guarantor waives, to the extent permitted by applicable law, any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by any Secured Party upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Borrower and any of the Guarantors, on the one hand, and the Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives, to the extent permitted by applicable law, diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Borrower Obligations. Each Guarantor understands and agrees, to the extent permitted by applicable law, that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment and performance without regard to (a) the validity or enforceability of the Second Lien Credit Agreement or any other Loan Document, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any Secured Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance hereunder) which may at any time be available to or be asserted by the Borrower or any other person against any Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Borrower Obligations, or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, any Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by any Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor or any other person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of any Secured Party against any Guarantor. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

2.5. Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any

of the Borrower Obligations is rescinded or must otherwise be restored or returned by any Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.6. Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Second Lien Administrative Agent without set-off or counterclaim in Dollars in immediately available funds at the office of the Second Lien Administrative Agent as specified in the Second Lien Credit Agreement.

SECTION 3. GRANT OF SECURITY INTEREST;
CONTINUING LIABILITY UNDER COLLATERAL

(a) Each Grantor hereby assigns and transfers to the Collateral Agent, and hereby grants to the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, a security interest in all of the personal property of such Grantor, including the following property, in each case, wherever located and now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations:

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Collateral Accounts and all Collateral Account Funds;

(iv) all Commercial Tort Claims from time to time specifically described on Schedule 4.11;

(v) all Contracts;

(vi) all Documents;

(vii) all Equipment;

(viii) all Fixtures;

(ix) all General Intangibles;

(x) all Goods;

(xi) all Instruments;

(xii) all Insurance;

(xiii) all Intellectual Property;

(xiv) all Inventory;

(xv) all Investment Property;

(xvi) all Letters of Credit and Letter of Credit Rights;

(xvii) all Money;

(xviii) all books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and other electronic storage media and related data processing software and similar items that at any time pertain to or evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon; and

(xix) to the extent not otherwise included, all other personal property, whether tangible or intangible, of the Grantor and all Proceeds, products, accessions, rents and profits of any and all of the foregoing and all collateral security, Supporting Obligations and guarantees given by any person with respect to any of the foregoing;

provided that, notwithstanding any other provision set forth in this Section 3, Collateral shall not include, and this Agreement shall not, at any time, constitute a grant of a security interest in any property that is, at such time, an Excluded Asset.

(b) Notwithstanding anything herein to the contrary, (i) each Grantor shall remain liable for all obligations under and in respect of the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Second Lien Administrative Agent, the Collateral Agent or any other Secured Party, (ii) each Grantor shall remain liable under and each of the agreements included in the Collateral, including any Receivables, any Contracts and any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and none of the Second Lien Administrative Agent, the Collateral Agent nor any other Secured Party shall have any obligation or liability under any of such agreements by reason of or arising out of this Agreement or any other document related hereto nor shall the Second Lien Administrative Agent, the Collateral Agent nor any other Secured Party have any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or have any obligation to take any action to collect or enforce any rights under any agreement included in the Collateral, including any agreements relating to any Receivables, any Contracts or any agreements relating to Pledged Partnership Interests or Pledged LLC Interests and (iii) the exercise by the Second Lien Administrative Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral, including any agreements relating to any Receivables, any Contracts and any agreements relating to Pledged Partnership Interests or Pledged LLC Interests.

(c) Notwithstanding anything herein to the contrary, it is the understanding of the parties that the Liens granted pursuant to Section 3(a) herein shall, prior to the Discharge of First Lien Obligations (as defined in the Intercreditor Agreement), be subject

and subordinate (pursuant to the terms and conditions of the Intercreditor Agreement) to the Liens granted to the First Lien Administrative Agent for the benefit of the holders of the First Lien Obligations to secure the First Lien Obligations pursuant to the First Lien Security Agreement. Notwithstanding anything herein to the contrary, the Liens and security interest granted to the Collateral Agent pursuant to this Agreement and the exercise of any right or remedy by the Second Lien Administrative Agent or the Collateral Agent hereunder are subject in all instances to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern and control. In the event of any conflict between the terms of this Agreement and the terms of the First Lien Collateral Documents, the terms of the First Lien Collateral Documents shall control.

(d) Each of the parties hereto (including the Collateral Agent) acknowledges and agrees that any provision of this Agreement to the contrary notwithstanding, until the Discharge of First Lien Obligations (as defined in the Intercreditor Agreement), the Grantors shall not be required to act or refrain from acting under this Agreement with respect to the Collateral in any manner that would be contrary to or would otherwise result in a Default or Event of Default under the terms and provisions of the First Lien Loan Documents (as defined in the Intercreditor Agreement) and no such failure to act or refrain from acting shall constitute a Default or Event of Default under the Loan Documents.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Joint Lead Arrangers, the Second Lien Administrative Agent, the Collateral Agent, the Syndication Agent, the Co-Documentation Agents and the Lenders to enter into the Second Lien Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby represents and warrants to the Secured Parties that:

4.1. Representations in Second Lien Credit Agreement. In the case of each Guarantor (other than Holdings), the representations and warranties set forth in Article III of the Second Lien Credit Agreement as they relate to such Guarantor or to the Loan Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct as of the date hereof in all material respects, and the Secured Parties shall be entitled to rely on each of them as if they were fully set forth herein.

4.2. Title; No Other Liens. Such Grantor owns each item of the Collateral free and clear of any and all Liens, including Liens arising as a result of such Grantor becoming bound (as a result of merger or otherwise) as grantor under a security agreement entered into by another person, except for Liens permitted by Section 6.02 of the Second Lien Credit Agreement.

4.3. Perfected First Priority Liens. The security interests (other than security interests in Excluded Perfection Assets) granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 4.3 (all of which, in the case of all filings and other documents referred to on such Schedule have been delivered to the Second Lien Administrative

Agent or the Collateral Agent, and in the case of all Instruments, Chattel Paper and certificated Pledged Equity Interests and Pledged Debt, to the First Lien Administrative Agent in accordance with the Intercreditor Agreement, in duly completed and duly executed form, as applicable, and may be filed by the Second Lien Administrative Agent or the Collateral Agent at any time) and payment of all filing fees, will constitute valid fully perfected security interests in all of the Collateral in favor of the Collateral Agent, for its benefit and for the ratable benefit of the other Secured Parties, as collateral security for such Grantor's Obligations and (b) are prior to all other Liens on the Collateral, except for Liens expressly permitted by Section 6.02 of the Second Lien Credit Agreement. Without limiting the foregoing but subject to the Intercreditor Agreement, each Grantor has taken all actions necessary (except with respect to Excluded Perfection Assets), including those specified in Section 5.2 to (i) establish the Collateral Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the New York UCC) over any portion of the Investment Property constituting Certificated Securities, Uncertificated Securities, Securities Entitlements or Commodity Accounts (each as defined in the New York UCC), (ii) establish the Collateral Agent's "control" (within the meaning of Section 9-107 of the New York UCC) over all Letter of Credit Rights, (iii) establish the Collateral Agent's control (within the meaning of Section 9-105 of the New York UCC) over all Electronic Chattel Paper and (iv) establish the Collateral Agent's "control" (within the meaning of Section 16 of the Uniform Electronic Transaction Act as in effect in the applicable jurisdiction "UETA") over all "transferable records" (as defined in UETA).

4.4. Name; Jurisdiction of Organization, etc. On the date hereof, such Grantor's exact legal name (as indicated on the public record of such Grantor's jurisdiction of formation or organization), jurisdiction of organization, organizational identification number, if any, and the location of such Grantor's chief executive office or sole place of business are specified on Schedule 4.4. On the date hereof, each Grantor is organized solely under the law of the jurisdiction so specified and has not filed any certificates of domestication, transfer or continuance in any other jurisdiction. On the date hereof, except as specified on Schedule 4.4, no such Grantor has changed its name, jurisdiction of organization, chief executive office or sole place of business in any way (e.g. by merger, consolidation, change in corporate form or otherwise) within the past five years and has not within the last five years become bound (whether as a result of merger or otherwise) as a grantor under a security agreement (other than in respect of a Lien permitted by Section 6.02 of the Second Lien Credit Agreement) entered into by another person, which has not heretofore been terminated.

4.5. Inventory and Equipment. None of the Inventory or Equipment that is included in the Collateral is in the possession of an issuer of a negotiable document (as defined in Section 7-104 of the New York UCC) therefor or is otherwise in the possession of any bailee or warehouseman.

4.6. Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

4.7. Investment Property. (a) Schedule 4.7(a) hereto (as such schedule may be amended or supplemented from time to time by notice from one or more Grantors to the Second Lien Administrative Agent) sets forth under the headings "Pledged Stock," "Pledged LLC Interests," "Pledged Partnership Interests" and "Pledged Trust Interests," respectively, all of the Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests owned by any Grantor and such Pledged Equity Interests

constitute the percentage of issued and outstanding shares of stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest of the respective issuers thereof indicated on such schedule. Schedule 4.7(b) (as such schedule may be amended or supplemented from time to time by notice from one or more Grantors to the Second Lien Administrative Agent) sets forth under the heading "Pledged Debt Securities" or "Pledged Notes" all of the Pledged Debt Securities and Pledged Notes owned by any Grantor, and except as set forth on Schedule 4.7(b) (as such schedule may be amended or supplemented from time to time by notice from one or more Grantors to the Second Lien Administrative Agent and the Collateral Agent) all of such Pledged Debt Securities and Pledged Notes have been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law and constitutes all of the issued and outstanding inter-company indebtedness evidenced by an instrument or certificated security of the respective issuers thereof owing to such Grantor; provided, however, that representations set forth in this sentence shall be limited in the case of Pledged Equity Interests or Pledged Debt Securities not issued by Loan Parties to the knowledge of such Grantor. Schedule 4.7(c) hereto (as such schedule may be amended from time to time by notice from one or more Grantors to the Second Lien Administrative Agent and the Collateral Agent) sets forth under the heading "Commodities Accounts" all of the "Commodities Accounts" in which each Grantor has an interest and in which the value of each such account is in excess of $1,000,000. Each Grantor is the sole entitlement holder or customer of each such account, and no Grantor has consented to or is otherwise aware of any person having "control" (within the meanings of Sections 8-106, 9-106 and 9-104 of the New York UCC) over, or any other interest in, Commodity Account, in each case in which such Grantor has an interest, or any commodities or other property credited thereto other than the First Lien Administrative Agent.

(b) The shares of Pledged Equity Interests pledged by such Grantor hereunder constitute all of the issued and outstanding shares of all classes of Equity Interests in each Issuer owned by such Grantor (other than any Equity Interests that are Excluded Assets).

(c) The Pledged Equity Interests issued by any Subsidiary have been duly and validly issued and are fully paid and nonassessable (except for shares of any unlimited liability company which are assessable in certain circumstances).

(d) None of the terms of any uncertificated Pledged LLC Interests and Pledged Partnership Interests expressly provide that they are securities governed by Article 8 of the Uniform Commercial Code in effect from time to time in the "issuer's jurisdiction" of each Issuer thereof (as such term is defined in the Uniform Commercial Code in effect in such jurisdiction).

(e) All other certificated Pledged LLC Interests and Pledged Partnership Interests, if any, do not expressly provide that they are "securities" for purposes of Section 8-103(c) of the Uniform Commercial Code as in effect in any relevant jurisdiction.

(f) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other person, except Liens permitted by Section 6.02 of the Second Lien Credit Agreement, and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests.

(g) Each Issuer that is not a Grantor hereunder has executed and delivered to the Collateral Agent an Acknowledgment and Consent, in substantially the form of Exhibit A, to the pledge of the Pledged Collateral pursuant to this Agreement.

4.8. Receivables. (a) No amount payable to such Grantor under or in connection with any Receivable that is included in the Collateral is evidenced by any Instrument or Tangible Chattel Paper with a value in excess of $1,000,000 which has not been delivered to the First Lien Administrative Agent or constitutes Electronic Chattel Paper that has not been subjected to the control (within the meaning of Section 9-105 of the New York UCC) of the Collateral Agent.

4.9. Intellectual Property. (a) Schedule 4.9(a) lists all material Intellectual Property which is registered with a Governmental Authority or is the subject of an application for registration and all material unregistered Intellectual Property (other than unregistered Copyrights), in each case which is owned by such Grantor in its own name on the date hereof (collectively, the "Owned Intellectual Property"). Except as set forth in Schedule 4.9(a) and except as would not reasonably be expected to have a Material Adverse Effect, such Grantor is the exclusive owner of the entire and unencumbered right, title and interest in and to all such Owned Intellectual Property and is otherwise entitled to use, and grant to others the right to use, all such Owned Intellectual Property subject only to the license terms of the licensing or franchise agreements referred to in paragraph (c) below. Such Grantor has the right to use all Intellectual Property which it uses in its business, but does not own (collectively, the "Licensed Intellectual Property").

(b) On the date hereof, all Owned Intellectual Property and, to such Grantor's knowledge, all Licensed Intellectual Property (collectively, the "Material Intellectual Property"), is subsisting, unexpired and has not been abandoned, except as would not reasonably be expected to have a Material Adverse Effect. Neither the operation of such Grantor's business as currently conducted or as contemplated to be conducted nor the use of the Intellectual Property in connection therewith conflicts with, infringes, misappropriates, dilutes, misuses or otherwise violates the intellectual property rights of any other person, except in each case as would not reasonably be expected to have a Material Adverse Effect.

(c) Except as set forth in Schedule 4.9(c), on the date hereof (i) none of the Material Intellectual Property is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor and (ii) there are no other agreements, obligations, orders or judgments which materially affect the use of any Material Intellectual Property.

(d) The rights of such Grantor in or to the Material Intellectual Property do not conflict with or infringe upon the rights of any third party, and no claim has been asserted that the use of such Intellectual Property does or may infringe upon the rights of any third party except in each case as would not reasonably be expected to have a Material Adverse Effect.

(e) No action or proceeding is pending, or, to such Grantor's knowledge, threatened, on the date hereof (i) seeking to limit, cancel or question any Owned Intellectual Property, (ii) alleging that any services provided by, processes used by, or products manufactured or sold by such Grantor infringe any patent, trademark, copyright, or any other right of any other person or (iii) alleging that any Material Intellectual Property is being licensed, sublicensed or used in violation of any intellectual property or any other right of any other person, in each case, which would reasonably be expected to have a material adverse effect on the value of the Collateral, taken as a whole. On the date hereof, to such Grantor's knowledge, except as set forth on Schedule 4.9(f) no person is engaging in any activity that infringes upon, or is otherwise an unauthorized use of, any Material Intellectual Property or upon the rights of such Grantor therein. Except as set forth in Schedule 4.9(f) as of the date hereof, such Grantor has not granted any license, release, covenant not to sue, non-assertion assurance, or other right to any person with respect to any part of the Material Intellectual Property. The consummation of the transactions contemplated by this Agreement (including the enforcement of remedies) will not result in the termination or impairment of any of the Material Intellectual Property the loss of which would be reasonably likely to have a Material Adverse Effect.

(f) To such Grantor's knowledge, with respect to each Copyright License, Trademark License, Trade Secret License and Patent License which relates to Material Intellectual Property or the loss of which could otherwise have a Material Adverse Effect: (i) such license is in full force and effect and represents the entire agreement between the respective licensor and licensee with respect to the subject matter of such license; (ii) such license will not cease to be valid and binding and in full force and effect on terms identical to those currently in effect as a result of the rights and interests granted herein, nor will the grant of such rights and interests constitute a breach or default under such license or otherwise give the licensor or licensee a right to terminate such license; (iii) such Grantor has not received any notice of termination or cancellation under such license; (iv) such Grantor has not received any notice of a breach or default under such license, which breach or default has not been cured; (v) such Grantor has not granted to any other person any rights, adverse or otherwise, under such license; and (vi) such Grantor is not in breach or default in any material respect, and no event has occurred that, with notice and/or lapse of time, would constitute such a breach or default or permit termination, modification or acceleration under such license, except in each case as would not have a material adverse effect on the value of the Collateral, taken as a whole.

(g) Except in each case as would not reasonably be expected to have a Material Adverse Effect, (i) none of the Trade Secrets of such Grantor that are material to its business have been used, divulged, disclosed or appropriated to the detriment of such Grantor for the benefit of any other person; (ii) no employee, independent contractor or agent of such Grantor has misappropriated any trade secrets of any other person in the course of the performance of his or her duties as an employee, independent contractor or agent of such Grantor; and (iii) no employee, independent contractor or agent of such Grantor is in default or breach of any term of any employment agreement, non-disclosure agreement, assignment of inventions agreement or similar agreement or contract relating in any way to the protection, ownership, development, use or transfer of such Grantor's Intellectual Property.

(h) Such Grantor has made all filings and recordations necessary to adequately protect (in its reasonable business judgment) its interest in its Material Intellectual Property, including recordation of its interests in the Patents and Trademarks with the United States Patent and Trademark Office and in corresponding national and international patent offices, and recordation of any of its interests in the Copyrights with the United States Copyright Office and in corresponding national and international copyright offices.

(i) Except as would not reasonably be expected to have a Material Adverse Effect, such Grantor has taken all commercially reasonable steps to use consistent standards of quality in the manufacture, distribution and sale of all products sold and provision of all services provided under or in connection with any item of Intellectual Property and has taken all reasonable steps to ensure that all licensed users of any kind of Intellectual Property use such consistent standards of quality.

(j) Except as would not reasonably be expected to have a Material Adverse Effect, no Grantor is subject to any settlement or consents, judgment, injunction, order, decree, covenants not to sue, non-assertion assurances or releases that would impair the validity or enforceability of, or such Grantor's rights in, any Material Intellectual Property.

4.10. Letters of Credit and Letter of Credit Rights. No Grantor is a beneficiary or assignee under any letter of credit with a face amount in excess of $1,000,000 (including any "Letter of Credit") other than the letters of credit described on Schedule 4.10 (as such schedule may be amended or supplemented from time to time). With respect to any letters of credit in excess of $1,000,000 in face amount that are by their terms transferable, each Grantor has caused (or, in the case of the letters of credit that are specified on Schedule 4.10 on the date hereof in excess of $1,000,000 in face amount, will use commercially reasonable efforts to cause) all issuers and nominated persons under letters of credit in which the Grantor is the beneficiary or assignee to consent to the assignment of such letter of credit to the First Lien Administrative Agent or the Second Lien Administrative Agent, as applicable in accordance with the Intercreditor Agreement, and has agreed that upon the occurrence of an Event of Default it shall cause all payments thereunder to be made to the Collateral Account or an account designated by the First Lien Administrative Agent, as applicable in accordance with the Intercreditor Agreement. With respect to any letters of credit in excess of $1,000,000 in face amount that are not transferable, each Grantor shall obtain (or, in the case of the letters of credit that are specified

on Schedule 4.10 on the date hereof in excess of $1,000,000 in face amount, use commercially reasonable efforts to obtain) the consent of the issuer thereof and any nominated person thereon to the assignment of the proceeds of the released letter of credit to the First Lien Administrative Agent or the Second Lien Administrative Agent, as applicable in accordance with the Intercreditor Agreement, in accordance with Section 5-114(c) of the New York UCC.

4.11. Commercial Tort Claims. No Grantor has any Commercial Tort Claims as of the date hereof in excess of $1,000,000 and, except as specifically described on Schedule 4.11 (as such schedule may be amended or supplemented from time to time), no Grantor has any Commercial Tort Claims after the date hereof in excess of $1,000,000.

SECTION 5. COVENANTS

Each Grantor covenants and agrees with the Secured Parties that, from and after the date of this Agreement until the Obligations shall have been paid in full, and all commitments to extend credit under the Second Lien Credit Agreement shall have expired or been terminated:

5.1. Covenants in Second Lien Credit Agreement. Each Grantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Grantor or any of its Subsidiaries.

5.2. Delivery and Control of Certain Collateral. (a) If any of the Collateral is or shall become evidenced or represented by any Certificated Security or Tangible Chattel Paper, such Certificated Security or Tangible Chattel Paper shall be delivered promptly to the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, duly endorsed, if applicable, in a manner reasonably satisfactory to the Second Lien Administrative Agent, to be held as Collateral pursuant to this Agreement, and all of such property owned by any Grantor as of the Closing Date shall be delivered on the Closing Date. Any Pledged Collateral evidenced or represented by any Instrument or Negotiable Document shall be delivered promptly to the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, duly endorsed, if applicable, in a manner reasonably satisfactory to such Collateral Agent, to be held as Collateral pursuant to this Agreement, and all of such property owned by any Grantor as of the Closing Date shall be delivered on the Closing Date. Notwithstanding the foregoing, no Instrument, Tangible Chattel Paper, Pledged Debt Security constituting a Certificated Security or Negotiable Document shall be required to be delivered to the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, pursuant to this clause (a) if the value thereof is less than $1,000,000 individually or $5,000,000 in the aggregate.

(b) If any of the Collateral is or shall constitute "Electronic Chattel Paper" (under Article 9 of the UCC) such Grantor shall ensure (to the Second Lien Administrative Agent's reasonable satisfaction) that (i) a single authoritative copy exists which is unique,

identifiable, unalterable (except as provided in clauses (iii), (iv) and (v) of this paragraph), (ii) such authoritative copy identifies the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, as the assignee and is communicated to and maintained by the Collateral Agent or its designee, (iii) copies or revisions that add or change the assignee of the authoritative copy can only be made with the participation of the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, (iv) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy and not the authoritative copy and (v) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision; provided that such actions shall not be required to be taken until the aggregate face amount of the Electronic Chattel Paper included in the Collateral exceeds $1,000,000.

(c) If any Collateral with a value in excess of $1,000,000 shall become evidenced or represented by an Uncertificated Security, such Grantor shall cause the Issuer thereof either (i) to register the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, as the registered owner of such Uncertificated Security, upon original issue or registration of transfer or (ii) to agree in writing with such Grantor and the Second Lien Administrative Agent that such Issuer will comply with instructions with respect to such Uncertificated Security originated by the Second Lien Administrative Agent or the Collateral Agent, subject to the Intercreditor Agreement, without further consent of such Grantor, such agreement to be in substantially the form of Exhibit C, or such other form as may be reasonably agreed to by the Second Lien Administrative Agent, and such actions shall be taken on or prior to the Closing Date with respect to any Uncertificated Securities owned as of the Closing Date by any Grantor.

(d) If any of the Collateral is or shall become evidenced or represented by a Commodity Contract, such Grantor shall cause the Commodity Intermediary with respect to such Commodity Contract to agree in writing with such Grantor and the Second Lien Administrative Agent that such Commodity Intermediary will apply any value distributed on account of such Commodity Contract as directed by the Second Lien Administrative Agent or the Collateral Agent without further consent of such Grantor, such agreement to be in the form reasonably agreed to by the Second Lien Administrative Agent subject to the Intercreditor Agreement.

(e) In the case of any transferable letters of credit with a face amount in excess of $1,000,000, such Grantor shall use commercially reasonable efforts to obtain the consent of any issuer thereof to the transfer of such letter of credit to the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement. In the case of any other letter of credit rights in excess of $1,000,000 such Grantor shall use commercially reasonable efforts to obtain the consent of the issuer thereof and any nominated person thereon to the assignment of the proceeds of the related letter of credit to the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, in accordance with Section 5-114(c) of the New York UCC.

5.3. Maintenance of Insurance. Such Grantor will maintain insurance on all its property in compliance with Section 5.02 of the Second Lien Credit Agreement.

5.4. Maintenance of Perfected Security Interest; Further Documentation. Such Grantor shall maintain each of the security interests created by this Agreement as a security interest having at least the perfection and priority described in Section 4.3 and shall defend such security interest against the claims and demands of all persons whomsoever except as otherwise permitted by Section 6.02 of the First Lien Credit Agreement, subject to the provisions of Section 8.15.

(b) At any time and from time to time, upon the written request of the Second Lien Administrative Agent, subject to the Intercreditor Agreement, and at the sole expense of such Grantor, such Grantor shall promptly and duly authorize, execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Second Lien Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, (i) the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) in the case of Investment Property subject to the requirements of Section 5.2 and any other relevant Collateral, taking any actions necessary to enable the Collateral Agent to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto.

5.5. Changes in Locations, Name, Jurisdiction of Incorporation, etc. Such Grantor shall give 10 days' written notice to the Second Lien Administrative Agent and delivery to the Second Lien Administrative Agent of duly authorized and, where required, executed copies of all additional financing statements and other documents reasonably requested by the Second Lien Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein after any of the following:

(i) a change in its legal name, jurisdiction of organization or the location of its chief executive office or sole place of business from that referred to in Section 4.4; or

(ii) a change in its legal name, identity or structure to such an extent that any financing statement filed by the Second Lien Administrative Agent in connection with this Agreement would become misleading.

5.6. Investment Property. (a) If such Grantor shall become entitled to receive or shall receive any stock or other ownership certificate (including any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Equity Interests in any issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of or other ownership interests in the Pledged Equity Interests, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Secured Parties, hold the same in trust for the Secured Parties and deliver the same forthwith to the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, in the exact

form received, duly endorsed by such Grantor to the Collateral Agent, if required, together with an undated stock power or similar instrument of transfer covering such certificate duly executed in blank by such Grantor and with, if such First Lien Administrative Agent or Collateral Agent so requests, signature guaranteed, to be held by such First Lien Administrative Agent or Collateral Agent, subject to the terms hereof, as additional collateral security for the Obligations. If an Event of Default shall occur and be continuing, (i) any sums paid upon or in respect of the Pledged Equity Interests upon the liquidation or dissolution of any Issuer shall be paid over to the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, to be held by it hereunder as additional collateral security for the Obligations and (ii) in case any distribution of capital shall be made on or in respect of the Pledged Equity Interests or any property shall be distributed upon or with respect to the Pledged Equity Interests pursuant to the recapitalization or reclassification of the capital of any issuer thereof or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Second Lien Administrative Agent, be delivered to the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Pledged Equity Interests shall be received by such Grantor, such Grantor shall, until such money, to the extent required pursuant to (i) above, or property is paid or delivered to such First Lien Administrative Agent or Collateral Agent, hold such money or property in trust for the Secured Parties, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the First Lien Administrative Agent or the Second Lien Administrative Agent, as applicable in accordance with the Intercreditor Agreement, such Grantor shall not (i) vote to enable, or take any other action to permit, any issuer of Pledged Equity Interests to issue any stock, partnership interests, limited liability company interests or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock, partnership interests, limited liability company interests or other equity securities of any nature of any such issuer (except, in each case, pursuant to a transaction expressly permitted by the Second Lien Credit Agreement), (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any of the Investment Property constituting Collateral or Proceeds thereof or any interest therein (except, in each case, pursuant to a transaction permitted by the Second Lien Credit Agreement), (iii) create, incur or permit to exist any Lien or option in favor of, or any claim of any person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or any Lien permitted thereon pursuant to Section 6.02 of the Second Lien Credit Agreement, (iv) enter into any agreement or undertaking (other than the Intercreditor Agreement or any replacement thereof) restricting the right or ability of such Grantor or the Collateral Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof or any interest therein or except as permitted by the First Lien Credit Agreement, or (v) cause or permit any Issuer of any Pledged Partnership Interests or Pledged LLC Interests which are not securities (for purposes of the New York UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated as

securities for purposes of the New York UCC; provided, however, notwithstanding the foregoing, if any Issuer of any Pledged Partnership Interests or Pledged LLC Interests takes any such action in violation of the provisions in this clause (v), such Grantor shall promptly notify the Second Lien Administrative Agent and the Collateral Agent in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Collateral Agent's "control" thereof.

(c) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it shall be bound by the terms of this Agreement relating to the Pledged Collateral issued by it and shall comply with such terms insofar as such terms are applicable to it, (ii) it shall notify the Second Lien Administrative Agent concurrently with delivery of the financial statements required under Section 5.04(b) of the First Lien Credit Agreement in writing of the occurrence of any of the events described in Section 5.7(a) with respect to the Pledged Collateral issued by it and (iii) the terms of Sections 6.3(c) and 6.7 shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 6.3(c) or 6.7 with respect to the Pledged Collateral issued by it. In addition, each Grantor which is either an Issuer or an owner of any Pledged Collateral hereby consents to the grant by each other Grantor of the security interest hereunder in favor of the Collateral Agent and to the transfer of any Pledged Collateral to the Collateral Agent or its nominee following an Event of Default and to the substitution of the Collateral Agent or its nominee as a partner, member or shareholder of the Issuer of the related Pledged Collateral.

5.7. Intellectual Property. Except as would not reasonably be expected to have a Material Adverse Effect (a) Such Grantor (either itself or through licensees) shall (i) to the extent commercially reasonable, continue to use each Trademark material to its business on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark and take all necessary steps to ensure that all licensed users of such Trademark maintain as in the past such quality, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Collateral

Agent, for its benefit and for the ratable benefit of the other Secured Parties, shall obtain a perfected security interest in such mark pursuant to this Agreement and the Intellectual Property Security Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark could reasonably be expected to become invalidated or impaired in any way.

(b) Such Grantor (either itself or through licensees) shall not do any act, or omit to do any act, whereby any Patent owned by such Grantor material to its business could reasonably be expected to become forfeited, abandoned or dedicated to the public.

(c) Such Grantor (either itself or through licensees) (i) shall employ each Copyright material to its business and (ii) shall not (and shall not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material portion of such Copyrights could reasonably be expected to become invalidated or

otherwise impaired. Such Grantor shall not (either itself or through licensees) do any act whereby any material portion of such Copyrights could reasonably be expected to fall into the public domain.

(d) Such Grantor (either itself or through licensees) shall not knowingly do any act that uses any Material Intellectual Property to infringe, misappropriate or violate the intellectual property rights of any other person in any material respect.

(e) Such Grantor (either itself or through licensees) shall use proper statutory notice in connection with the use of the Material Intellectual Property.

(f) Such Grantor shall notify the Second Lien Administrative Agent and the Collateral Agent promptly if it knows, or has reason to know, that any application or registration relating to any Material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, or the validity of, any Material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(g) Promptly upon such Grantor's acquisition or creation of any copyrightable work, invention, trademark or other similar property that is material to the business of such Grantor, apply for registration thereof with the United States Copyright Office, the United States Patent and Trademark Office and any other appropriate office. Whenever such Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property that is material to the business of such Grantor with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall report such filing to the Second Lien Administrative Agent within 45 days after the last day of the fiscal quarter in which such filing occurs (or 110 days if such filing occurs in the fourth fiscal quarter of a fiscal year). Upon request of the Second Lien Administrative Agent, such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Second Lien Administrative Agent may reasonably request to evidence the Secured Parties' security interest in any Copyright, Patent, Trademark or other Intellectual Property of such Grantor and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(h) Such Grantor shall take all reasonable and necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of Intellectual Property material to its business, including the payment of required fees and taxes, the filing of responses to office actions issued by the United States Patent and Trademark Office and the United States Copyright Office, the filing of applications for renewal or extension, the filing of affidavits

of use and affidavits of incontestability, the filing of divisional, continuation, continuation-in-part, reissue, and renewal applications or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings.

(i) Such Grantor (either itself or through licensees) shall not, without the prior written consent of the Second Lien Administrative Agent, discontinue use of or otherwise abandon any of its Intellectual Property, or abandon any application or any right to file an application for letters patent, trademark, or copyright, unless such Grantor shall have previously determined that such use or the pursuit or maintenance of such Intellectual Property is no longer desirable in the conduct of such Grantor's business and that the loss thereof could not reasonably be expected to have a Material Adverse Effect and, in which case, such Grantor shall give prompt notice of any such abandonment to the Second Lien Administrative Agent in accordance herewith.

(j) In the event that such Grantor reasonably believes that any Intellectual Property material to its business is infringed, misappropriated or diluted by a third party, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Second Lien Administrative Agent after it learns thereof and sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution.

(k) Such Grantor agrees that, should it obtain an ownership interest in any item of intellectual property which is not, as of the Closing Date, a part of the Intellectual Property Collateral (the "After-Acquired Intellectual Property"), (i) the provisions of Section 3 shall automatically apply thereto, (ii) any such After-Acquired Intellectual Property, and in the case of trademarks, the goodwill of the business connected therewith or symbolized thereby, shall automatically become part of the Intellectual Property Collateral, (iii) it shall give, within 45 days after the last day of the fiscal quarter in which such Grantor acquires such ownership interest (or 110 days if such filing occurs in the fourth fiscal quarter of a fiscal year), written notice thereof to the Second Lien Administrative Agent in accordance herewith, and (iv) it shall provide the Second Lien Administrative Agent within 45 days after the last day of the fiscal quarter in which such Grantor acquires such ownership interest (or 90 days if such filing occurs in the fourth fiscal quarter of a fiscal year) with an amended Schedule 4.9(a) and take the actions specified in 5.8(m).

(l) Such Grantor agrees to execute an Intellectual Property Security Agreement with respect to its Intellectual Property in substantially the form of Exhibit B-1 in order to record the security interest granted herein to the Collateral Agent for its benefit and for the ratable benefit of the other Secured Parties with the United States Patent and Trademark Office, the United States Copyright Office, and any other applicable Governmental Authority.

(m) Such Grantor agrees to execute an After-Acquired Intellectual Property Security Agreement with respect to its After-Acquired Intellectual Property in substantially the form of Exhibit B-2 in order to record the security interest granted herein to the Collateral Agent for its benefit and for the ratable benefit of the other Secured Parties with the United States Patent and Trademark Office, the United States Copyright Office and any other applicable Governmental Authority.

(n) Such Grantor shall take all steps reasonably necessary to protect the secrecy of all Trade Secrets material to its business, including entering into confidentiality agreements with employees and labeling and restricting access to secret information and documents.

5.8. Commercial Tort Claims. Such Grantor shall advise the Second Lien Administrative Agent concurrently with delivery of the financial statements required under Section 5.04(b) of the First Lien Credit Agreement of any Commercial Tort Claim held by such Grantor in excess of $1,000,000 and shall promptly execute a supplement to this Agreement in form and substance reasonably satisfactory to the Second Lien Administrative Agent to grant a security interest in such Commercial Tort Claim to the Collateral Agent for its benefit and for the ratable benefit of the other Secured Parties.

SECTION 6. REMEDIAL PROVISIONS

6.1. Certain Matters Relating to Receivables. (a) Upon the occurrence and during the continuance of any Event of Default, the Second Lien Administrative Agent shall have the right (but shall in no way be obligated) to make test verifications of the Receivables that are included in the Collateral in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Second Lien Administrative Agent may reasonably require in connection with such test verifications. At any time and from time to time following the occurrence and during the continuance of any Event of Default, upon the Second Lien Administrative Agent's request and at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others reasonably satisfactory to the Second Lien Administrative Agent to furnish to the Second Lien Administrative Agent, the Collateral Agent or any other Secured Party reports showing reconciliations, aging and test verifications of, and trial balances for, the Receivables.

(b) The Second Lien Administrative Agent hereby authorizes each Grantor to collect such Grantor's Receivables, subject to the Second Lien Administrative Agent's direction and control and subject to the terms of the Intercreditor Agreement, and each Grantor hereby agrees to continue to collect all amounts due or to become due to such Grantor under the Receivables and any Supporting Obligation and diligently exercise each material right it may have under any Receivable and any Supporting Obligation, in each case, at its own expense; provided, however, that the Second Lien Administrative Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Second Lien Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any

event, within two Business Days) deposited by such Grantor in the exact form received, duly endorsed by such Grantor to the Second Lien Administrative Agent if required, in a Collateral Account maintained under the sole dominion and control of the Collateral Agent, subject to withdrawal by the Collateral Agent or the Second Lien Administrative Agent for the account of the Secured Parties only as provided in Section 6.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Secured Parties, segregated from other funds of such Grantor. Each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Second Lien Administrative Agent's reasonable request (and subject to the terms of the Intercreditor Agreement) after the occurrence and during the continuance of any Event of Default, each Grantor shall deliver to the Second Lien Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables that are included in the Collateral, including all original orders, invoices and shipping receipts.

6.2. Communications with Obligors; Grantors Remain Liable.

(a) The Second Lien Administrative Agent or the Collateral Agent each in their own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables and parties to the Contracts to verify with them to the Second Lien Administrative Agent's satisfaction the existence, amount and terms of any Receivables or Contracts.

(b) At any time after the occurrence and during the continuance of any Event of Default, the Second Lien Administrative Agent or the Collateral Agent may at any time notify, or require any Grantor to so notify, the Account Debtor or counterparty on any Receivable or Contract of the security interest of the Collateral Agent therein. In addition, after the occurrence and during the continuance of an Event of Default, the Second Lien Administrative Agent, subject to the terms of the Intercreditor Agreement, may upon written notice to the applicable Grantor, notify, or require any Grantor to notify, the Account Debtor or counterparty to make all payments under the Receivables and/or Contracts directly to the Collateral Agent;

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables and Contracts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto) or Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to

enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.3. Pledged Collateral. (a) Unless an Event of Default shall have occurred and be continuing and the Second Lien Administrative Agent shall have given notice to the relevant Grantor of the Second Lien Administrative Agent's intent to exercise its corresponding rights pursuant to Section 6.3(b), each Grantor shall be permitted to receive all cash dividends paid in respect of the Pledged Equity Interests and all payments made in respect of the Pledged Notes, to the extent permitted in the Second Lien Credit Agreement, and to exercise all voting and corporate rights with respect to the Pledged Collateral.

(b) If an Event of Default shall occur and be continuing and the Second Lien Administrative Agent shall have given notice to the relevant Grantor of the Second Lien Administrative Agent's intent to exercise its rights pursuant to this Section 6.3(b): (i) all rights of each Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the First Lien Administrative Agent or the Second Lien Administrative Agent, as applicable in accordance with the Intercreditor Agreement, who shall thereupon have the sole right, but shall be under no obligation, to exercise or refrain from exercising such voting and other consensual rights, (ii) the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, shall have the right, without notice to any Grantor, to transfer all or any portion of the Investment Property to its name or the name of its nominee or agent and (iii) the Second Lien Administrative Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in such order as the Second Lien Administrative Agent may determine. In addition, the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, shall have the right at any time after the occurrence and during the continuance of any Event of Default, without notice to any Grantor, to exchange any certificates or instruments representing any Investment Property for certificates or instruments of smaller or larger denominations. In order to permit the Second Lien Administrative Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto after the occurrence and during the continuance of any Event of Default and to receive all dividends and other distributions which it may be entitled to receive hereunder each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Second Lien Administrative Agent all proxies, dividend payment orders and other instruments as the Second Lien Administrative Agent may from time to time reasonably request, subject to the terms of the Intercreditor Agreement and each Grantor acknowledges that the Second Lien Administrative Agent may utilize the power of attorney set forth herein.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Pledged Collateral pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Second Lien Administrative Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement and the Intercreditor Agreement, without any other or further

instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) upon any such instruction following the occurrence and during the continuance of an Event of Default, pay any dividends or other payments with respect to the Investment Property, including Pledged Collateral, directly to the Second Lien Administrative Agent.

6.4. Proceeds to be Turned Over To Second Lien Administrative Agent. In addition to the rights of the Secured Parties specified in Section 6.1 with respect to payments of Receivables, if an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, cash equivalents, checks and other near-cash items shall be held by such Grantor in trust for the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon demand, be turned over to the First Lien Administrative Agent or the Collateral Agent, as applicable in accordance with the Intercreditor Agreement, in the exact form received by such Grantor (duly endorsed by such Grantor to the applicable Administrative Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Collateral Agent in a Collateral Account (or by such Grantor in trust for the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

6.5. Application of Proceeds. At such intervals as may be agreed upon by the Borrower and the Second Lien Administrative Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Second Lien Administrative Agent's election, the Second Lien Administrative Agent may apply all or any part of the net Proceeds (after deducting fees and expenses as provided in Section 6.6) constituting Collateral realized through the exercise by the Second Lien Administrative Agent of its remedies hereunder, whether or not held in any Collateral Account, and any proceeds of the guarantee set forth in Section 2, in payment of the Obligations in the following order:

First, to the Collateral Agent, for payment of its fees and expenses (including, without limitation, all fees and expenses of its counsel) under the Loan Documents;

Second, to the Second Lien Administrative Agent, to pay incurred and unpaid fees and expenses of the Secured Parties under the Loan Documents;

Third, to the Second Lien Administrative Agent, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then due and owing and remaining unpaid to the Secured Parties;

Fourth, to the Second Lien Administrative Agent, for application by it towards prepayment of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then held by the Secured Parties; and

Fifth, any balance of such Proceeds remaining after the Obligations shall have been paid in full and the Commitments under the Second Lien Credit Agreement shall

have terminated or expired shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

6.6. Code and Other Remedies. (a) If an Event of Default shall occur and be continuing, the Second Lien Administrative Agent or the Collateral Agent, on behalf of the Secured Parties, subject to the terms and conditions set forth in the Intercreditor Agreement, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC (whether or not the New York UCC applies to the affected Collateral) or its rights under any other applicable law or in equity. Without limiting the generality of the foregoing, each of the Second Lien Administrative Agent and the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may, subject to the terms and conditions set forth in the Intercreditor Agreement, in such circumstances forthwith collect,

receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, license, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Each Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall, to the extent permitted by law, constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Collateral Agent may sell the Collateral without giving any warranties as to the Collateral. The Collateral Agent may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely effect the commercial reasonableness of any sale of the Collateral. Each Grantor agrees that it would not be commercially unreasonable for the Collateral Agent to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. Each Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less

than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. Each Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere upon the occurrence and during the continuance of any Event of Default. The Collateral Agent shall have the right, subject to the terms and conditions set forth in the Intercreditor Agreement, to enter onto the property where any Collateral is located and take possession thereof with or without judicial process.

(b) The Collateral Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Parties hereunder, including reasonable attorneys' fees and disbursements to the extent required to be paid in accordance with the First Lien Credit Agreement, to the payment in whole or in part of the Obligations and only after such application and after the payment by the Collateral Agent of any other required by any provision of law, including Section 9-615(a) of the New York UCC, need the Collateral Agent account for the surplus, if any, to any Grantor. If the Collateral Agent sells any of the Collateral upon credit, the Grantor will be credited only with payments actually made by the purchaser and received by the Collateral Agent and applied to indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, the Collateral Agent may resell the Collateral and the Grantor shall be credited with proceeds of the sale. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against any Secured Party arising out of the exercise by them of any rights hereunder.

(c) Upon the occurrence and during the continuance of any Event of Default, in the event of any disposition of any of the Intellectual Property, the goodwill of the business connected with and symbolized by any Trademarks subject to such disposition shall be included, and the applicable Grantor shall supply the Collateral Agent or its designee with such Grantor's know-how and expertise, and with documents and things embodying the same, relating to the manufacture, distribution, advertising and sale of products or the provision of services relating to any Intellectual Property subject to such disposition, and such Grantor's customer lists and other records and documents relating to such Intellectual Property and to the manufacture, distribution, advertising and sale of such products and services.

6.7. Registration Rights. (a) If the Collateral Agent shall determine to exercise its right to sell any or all of the Pledged Equity Interests or the Pledged Debt Securities pursuant to Section 6.6, and if in the opinion of the Collateral Agent it is necessary or advisable to have the Pledged Equity Interests or the Pledged Debt Securities, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor shall use commercially reasonable efforts to cause the Issuer thereof to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the reasonable opinion of the Collateral Agent, necessary or advisable to register the

Pledged Equity Interests or the Pledged Debt Securities, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Pledged Equity Interests or the Pledged Debt Securities, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Collateral Agent, are reasonably necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the SEC applicable thereto. Each Grantor agrees to use commercially reasonable efforts to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Collateral Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each Grantor recognizes that the Collateral Agent may be unable to effect a public sale of any or all the Pledged Equity Interests or the Pledged Debt Securities, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Collateral Agent shall be under no obligation to delay a sale of any of the Pledged Equity Interests or the Pledged Debt Securities for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its commercially reasonable efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Equity Interests or the Pledged Debt Securities pursuant to this Section 6.7 valid and binding and in compliance with any and all other applicable Requirements of Law. Each Grantor further agrees that a breach of any of the covenants contained in this Section 6.7 will cause irreparable injury to the Secured Parties, that the Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 6.7 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees, to the extent permitted by applicable law, not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing under the Second Lien Credit Agreement or a defense of payment.

6.8. Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by any Secured Party to collect such deficiency.

SECTION 7. THE COLLATERAL AGENT

7.1. Collateral Agent's Appointment as Attorney-in-Fact, etc. (a) Subject to the terms and conditions set forth in the Intercreditor Agreement, each Grantor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or Contract or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Receivable or Contract or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Second Lien Administrative Agent or the Collateral Agent may request to evidence the Secured Parties' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 6.7 or 6.8, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Second Lien Administrative Agent or the Collateral Agent or as the Second Lien Administrative Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any

Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Second Lien Administrative Agent or the Collateral Agent may deem appropriate; (7) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Second Lien Administrative Agent or the Collateral Agent shall in their sole discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Second Lien Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Second Lien Administrative Agent or the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, the Second Lien Administrative Agent agrees that, except as provided in Section 7.1(b), it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Second Lien Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Second Lien Administrative Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable on past due Revolving Loans that are ABR Loans under the Second Lien Credit Agreement, from the date of payment by the Second Lien Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Second Lien Administrative Agent on demand; provided, however, that unless an Event of Default has occurred and is continuing, the Second Lien Administrative Agent shall not exercise this power without first making demand on such Grantor and the Grantor failing to immediately comply therewith.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

7.2. Duty of Second Lien Administrative Agent and the Collateral Agent. The Second Lien Administrative Agent's and the Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the

Second Lien Administrative Agent or the Collateral Agent, as the case may be, deals with similar property for its own account. None of the Second Lien Administrative Agent, the Collateral Agent, nor any other Secured Party nor any of their respective officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be liable for failure to demand, collect or realize upon any of the Collateral or be responsible for the perfection of the Secured Parties' security interests in such Collateral (including, without limitation, the filing or renewal of any UCC financing statements) or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Secured Parties hereunder are solely to protect the Secured Parties' interests in the Collateral and shall not impose any duty upon any Secured Party to exercise any such powers. The Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be responsible to any Grantor for any act or failure to act hereunder, except to the extent that any such act or failure to act is found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from their own gross negligence or willful misconduct in breach of a duty owed to such Grantor.

7.3. Execution of Financing Statements. Each Grantor acknowledges that pursuant to Section 9-509(b) of the New York UCC and any other applicable law, each Grantor authorizes the Second Lien Administrative Agent to file or record financing or continuation statements, and amendments thereto, and other filing or recording documents or instruments with respect to the Collateral, in such form and in such offices as the Second Lien Administrative Agent reasonably determines appropriate to perfect or maintain the perfection of the security interests of the Collateral Agent or the Second Lien Administrative Agent under this Agreement. Each Grantor agrees that such financing statements may describe the collateral in the same manner as described in the Security Documents or as "all assets" or "all personal property," whether now owned or hereafter existing or acquired or such other description as the Second Lien Administrative Agent, in its sole judgment, determines is necessary or advisable. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

7.4. Authority of Second Lien Administrative Agent and the Collateral Agent. Each Grantor acknowledges that the rights and responsibilities of the Second Lien Administrative Agent and the Collateral Agent under this Agreement with respect to any action taken by the Second Lien Administrative Agent or the Collateral Agent, as the case may be, or the exercise or non-exercise by the Second Lien Administrative Agent or the Collateral Agent, as the case may be, of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Second Lien Administrative Agent and the Collateral Agent, on the one hand, and the other Secured Parties, on the other hand, be governed by the Second Lien Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Second Lien Administrative Agent and the Collateral Agent on the one hand, and the Grantors, on the other hand, the Second Lien Administrative Agent and the Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority

so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

7.5. Appointment of Co-Collateral Agents. At any time or from time to time, in order to comply with any applicable requirement of law, the Second Lien Administrative Agent and the Collateral Agent may appoint another bank or trust company or one of more other persons, either to act as co-agent or agents on behalf of the Secured Parties with such power and authority as may be necessary for the effectual operation of the provisions hereof and which may be specified in the instrument of appointment (which may, in the discretion of the Second Lien Administrative Agent or the Collateral Agent, as the case may be, include provisions for indemnification and similar protections of such co-agent or separate agent).

SECTION 8. MISCELLANEOUS

8.1. Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each affected Grantor, the Second Lien Administrative Agent and the Collateral Agent (which shall execute any such waiver, amendment, supplement or modification upon the request of the Required Lenders), subject to any consents required under Section 9.08 of the Second Lien Credit Agreement; provided that any provision of this Agreement imposing obligations on any Grantor may be waived by the Second Lien Administrative Agent in a written instrument executed by the Second Lien Administrative Agent.

8.2. Notices. All notices, requests and demands to or upon the Second Lien Administrative Agent, the Collateral Agent or any Grantor hereunder shall be effected in the manner provided for in Section 9.01 of the Second Lien Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 8.2.

8.3. No Waiver by Course of Conduct; Cumulative Remedies. No Secured Party shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4. Enforcement Expenses; Indemnification. (a) Each Grantor agrees to pay or reimburse each Secured Party for all its reasonable costs and expenses incurred in collecting against such Grantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Grantor is a party, including the fees and disbursements of counsel to each

Secured Party and of counsel to the Second Lien Administrative Agent and the Collateral Agent.

(b) Each Grantor agrees to pay, and to hold the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Grantor agrees to pay, and to hold the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to Section 9.05 of the Second Lien Credit Agreement.

(d) The agreements in this Section shall survive repayment of the Obligations and all other amounts payable under the Second Lien Credit Agreement and the other Loan Documents.

8.5. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Second Lien Administrative Agent, and any attempted assignment without such consent shall be null and void.

8.6. Set-Off. Each Grantor hereby irrevocably authorizes each Secured Party at any time and from time to time while an Event of Default shall have occurred and be continuing, without notice to such Grantor or any other Grantor, any such notice being expressly waived by each Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Secured Party to or for the credit or the account of such Grantor, or any part thereof in such amounts as such Secured Party may elect, against and on account of the obligations and liabilities of such Grantor to such Secured Party hereunder and claims of every nature and description of such Secured Party against such Grantor, in any currency, whether arising hereunder, under the Second Lien Credit Agreement, any other Loan Document or otherwise, as such Secured Party may elect, whether or not any Secured Party has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. Each Secured Party shall notify such Grantor promptly of any such set-off and the application made by such Secured Party of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Secured Party under this Section are in addition to other rights and remedies (including other rights of set-off) which such Secured Party may have.

8.7. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

8.8. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.9. Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10. Integration. This Agreement and the other Loan Documents represent the agreement of the Grantors, the Second Lien Administrative Agent, the Collateral Agent and the other Secured Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Secured Party relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

8.11. **APPLICABLE LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

8.12. Submission to Jurisdiction; Waivers. Each Grantor, the Collateral Agent and the Second Lien Administrative Agent hereby irrevocably and unconditionally:

(a) submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Lender, the Collateral Agent or the Second Lien Administrative Agent may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against Holdings, the Borrower or any Loan Party or their properties in the courts of any jurisdiction;

(b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to

the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court; and

(c) agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested at its address provided in Section 9.01 agrees that service as so provided in is sufficient to confer personal jurisdiction over the applicable credit party in any such proceeding in any such court, and otherwise constitutes effective and binding service in every respect; and agrees that agents and lenders retain the right to serve process in any other manner permitted by law or to bring proceedings against any credit party in the courts of any other jurisdiction.

8.13. Acknowledgments. Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) no Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Grantors and the Secured Parties.

8.14. Additional Grantors. Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 5.09 of the Second Lien Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Exhibit D hereto.

8.15. Releases. (a) At such time as the Loans and the other Obligations (other than contingent reimbursement or indemnification obligations) shall have been paid in full, the commitments under the Second Lien Credit Agreement have been terminated or expired and no letter of credit issued under the Second Lien Credit Agreement shall be outstanding, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Second Lien Administrative Agent, the Collateral Agent and each Grantor hereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Second Lien Administrative Agent or the Collateral Agent, as the case may be, shall deliver to such Grantor any Collateral held by the Second Lien Administrative Agent or the Collateral Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) The obligations of Guarantors that are Subsidiaries and the security interests created hereunder shall be subject to release in accordance with Section 9.17 of the Second Lien Credit Agreement.

(c) Each Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement originally filed in connection herewith without the prior written consent of the Second Lien Administrative Agent, subject to such Grantor's rights under Section 9-509(d)(2) of the New York UCC.

8.16. **WAIVER OF JURY TRIAL**. **EACH GRANTOR, THE COLLATERAL AGENT AND THE SECOND LIEN ADMINISTRATIVE AGENT HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 8.16 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.**

8.17 Authority Subject to Credit Agreement

(a) Wilmington Trust Company has been appointed the Collateral Agent hereunder pursuant to Section 8.12 of the Second Lien Credit Agreement. It is expressly understood and agreed by the parties to this Agreement that any authority conferred upon the Collateral Agent hereunder is subject to the terms of the delegation of authority made by the Secured Parties (other than the Collateral Agent) to the Collateral Agent pursuant to the Second

Lien Credit Agreement and that the Collateral Agent has agreed to act (and any successor Collateral Agent shall act) as such hereunder only on the express conditions contained in the Second Lien Credit Agreement (including, without limitation, Section 8.09 thereof). Any successor Collateral Agent appointed in accordance with Section 8.09 of the Second Lien Credit Agreement shall be entitled to all the rights, interests and benefits of the Collateral Agent hereunder.

(b) In the event of a conflict between this Agreement and the Second Lien Credit Agreement, the Second Lien Credit Agreement will govern and control.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

GENERAC ACQUISITION CORP.

By: /s/ Aaron P. Jagdfeld
Name: Aaron P. Jagdfeld
Title: Chief Financial Officer

GPS CCMP MERGER CORP.

By: /s/ Aaron P. Jagdfeld
Name: Aaron P. Jagdfeld
Title: Chief Financial Officer

WILMINGTON TRUST COMPANY,
as Collateral Agent

By: /s/ James A. Hanley
Name: James A. Hanley
Title: Assistant Vice President

ADVISORY SERVICES AND MONITORING AGREEMENT

This Advisory Services and Monitoring Agreement (this "*Agreement*") is entered into as of November 10, 2006, by and among GPS CCMP ACQUISITION CORP. (the "*Company*"), GENERAC ACQUISITION CORP. ("*Holding*"), GENERAC POWER SYSTEMS, INC., a Wisconsin corporation ("*Generac*"), CCMP CAPITAL ADVISORS, LLC ("*Capital Advisors*"), and CCMP CAPITAL ASIA PTE. LTD. ("*CCMP Asia Pte.*") and CCMP CAPITAL ASIA CONSULTING COMPANY LTD. ("*CCMP Asia Consulting*", together with CCMP Asia Pte., "*CCMP Asia*"; and together with CCMP Asia Pte. and Capital Advisors, "*CCMP*").

WHEREAS, the Company and Holding acquired all of the issued and outstanding capital stock of Generac on November 10, 2006 pursuant to an Agreement and Plan of Merger, dated September 13, 2006, by and among the Company, Generac Power Systems, Inc., a Wisconsin corporation ("*Merger Sub*"), and Generac (the "*Acquisition*");

WHEREAS, in connection with the Acquisition, Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting (together with any investment funds managed or advised by any of them, the "*Funds*") provided advice and analysis including assistance with due diligence and other investigatory matters to the Company, Holding and Merger Sub related to Generac and the industry in which it operates, advice with respect to senior debt facilities and related arrangements for the debt financing of the Acquisition, advice with respect to the syndication of equity funding with respect to the Acquisition, and other ancillary matters in respect thereof (collectively, "*Advisory Services*");

WHEREAS, each of Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting has a staff specially skilled in corporate finance, strategic corporate planning, and other management skills and advisory and business monitoring services (the "*Management Professionals*");

WHEREAS, each of the Company, Holding and Generac (collectively, the "*Company Group*") will require such skills and services from Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting in connection with their business operations and execution of their strategic plan, and the members of the Company Group desire to engage Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting utilize such skills and perform such services; and

WHEREAS, each of Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting is willing to and shall provide the Management Services (as hereinafter defined) to each of the members of the Company Group, and in connection therewith, may make available to the members of the Company Group, the Management Professionals.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and

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sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions.

"*Shareholders Agreement*" means the Shareholders Agreement, dated the date hereof, by and among the Company, CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman), L.P., AOF II Employee Co-Invest Fund, L.P. Asia Opportunity Fund II, L.P., CCMP Generac Co-Invest, L.P., the management shareholders party thereto and the other parties from time to time party thereto, as the same may be amended from time to time.

2. Appointment; Management Services.

(a) Each of the Company, Holding and Generac hereby appoints each of Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting, or their respective designees, as its financial advisors with respect to the following services (the "*Management Services*") (and each of Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting agrees to perform the Management Service, to the extent appropriate and requested by any member of the Company Group): (i) assisting each of the Company, Holding and Generac in analyzing their operations and historical performance; (ii) assisting each of the Company, Holding and Generac in analyzing future prospects; (iii) assisting each of the Company, Holding and Generac with respect to future proposals for tender offers, acquisitions, sales, mergers, financings (other than with respect to any registered public offering of any securities of the Company or Generac), exchange offers, recapitalizations, restructurings or other similar transactions; and (iv) providing financial and business monitoring services, including with respect to assisting each of the Company, Holding and Generac in preparing a strategic plan.

(b) None of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting, nor any of their respective designees, makes any representations or warranties, express or implied, in respect of the services to be provided by any of them or their designee hereunder. In no event shall any of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting or their respective affiliates be liable to any of the Company, Generac or any of their respective affiliates for any act, alleged act, omission or alleged omission that does not constitute gross negligence or willful misconduct of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting or their respective designee (as applicable) as determined by a final, non-appealable determination of a court of competent jurisdiction.

(c) Each of Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting shall perform the Management Services, and shall devote such time and efforts to the performance of such Management Services contemplated hereby as it deems reasonably necessary or appropriate (including, without limitation, by making the Management Professionals employed or engaged by it available in connection therewith); *provided*, *however*, that no minimum number of hours shall be required to be devoted by

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any of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting on a weekly, monthly, annual or other basis. The Company, Holding and Generac acknowledge that the Management Services to be performed by any of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting are not exclusive to the members of the Company Group and that any of them may render similar services to other persons and entities.

3. Term and Termination.

(a) This Agreement shall continue in full force and effect for a term of five (5) years. Prior to the expiration of the term of this Agreement, and provided that the members of the Company Group and CCMP shall discuss and consider, in good faith, the renewal of this Agreement on terms mutually acceptable to each of the parties hereto; *provided, however,* that this Agreement may only be renewed by written agreement of each of the parties hereto, and in such case, only upon the consent or approval of a majority of Independent Directors (as defined in the Shareholders Agreement) of the Company.

(b) This Agreement (i) may be terminated by Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting (acting together) at any time prior to the consummation of an IPO (as such term is defined in the Shareholders Agreement), (ii) shall terminate automatically upon the consummation of an IPO, (iii) shall be terminated if, following a material breach of this Agreement by any of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting, both (x) CCMP shall have failed to cure such breach within 30 business days after receipt of written notice thereof from the Company, and (y) during the continuation of any such breach (and prior to any cure, waiver or satisfaction thereof), a majority of Independent Directors (as defined in the Shareholders Agreement) of the Company shall elect to terminate this Agreement, or (iv) shall terminate automatically on the date that CCMP and all of the Funds cease to own at least 25% of the voting capital stock of the Company owned by CCMP and the Funds on the date hereof.

(c) Upon any termination of this Agreement, Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting will be entitled to prompt payment of all fees (including under Sections 3(b) and 4) and reimbursement of all out-of-pocket expenses as described herein. No termination of CCMP's engagement hereunder shall affect any of the Company's or Generac's obligations under this Agreement, including, without limitation, each of the Company's or Generac's indemnity obligations as set forth herein.

(d) The terms and provisions of Sections 5, 6 and Annex A shall survive any termination of this Agreement.

4. Payment of Fees.

(a) In consideration of the Advisory Services provided by Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting in connection with the transactions related to the consummation of the Acquisition, and subject to the terms of

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Section 4(a)(i) and (ii) below), the Company, Holding and Generac, jointly and severally, agree to pay to CCMP a one-time transaction fee equal to $30,000,000, which shall be payable as follows:

(i) an amount equal to $15,000,000 ($11,250,000 of which shall be for the benefit and account of Capital Advisors, $2,750,000 of which shall be for the benefit and account of CCMP Asia Pte and $1,000,000 of which shall be for the benefit and account of CCMP Asia Consulting) shall be payable to CCMP upon the consummation of the Acquisition; and

(ii) in the event that, during any fifteen (15) consecutive day period after January 1, 2007, the Net Liquidity Amount is greater than $180,000,000, then the Company, Holding and Generac, jointly and severally, shall promptly pay to CCMP an aggregate amount equal to $15,000,000 ($11,250,000 of which shall be for the benefit and account of Capital Advisors, $2,750,000 of which shall be for the benefit and account of CCMP Asia Pte and $1,000,000 of which shall be for the benefit and account of CCMP Asia Consulting). Upon the first payment of the amount set forth in this Section 4(a)(ii), the provisions of this Section 4(a)(ii) shall cease to have any further force or effect, and neither the Company nor Generac shall have any further obligation to make any subsequent payments hereunder.

For purposes of this Section 4(a):

"*Net Liquidity Amount* " means, at any time, an amount equal to the sum of: (a) the positive difference (if any) between (i) the maximum aggregate principal amount that may be borrowed under any revolving credit or other similar credit facility under the First Lien Facility, *and* (ii) the aggregate principal amount of loans outstanding under such revolving credit or other similar credit facility, *plus* (b) the aggregate amount of cash and cash equivalents (determined in accordance with United States generally accepted accounting principles) held, at such time, by the Company, Holding and Generac (determined on a consolidated basis), *plus* (c) the aggregate amount of principal payments made by Holding or Generac under or in respect of any term loan or other similar credit facility under the First Lien Credit Facility or the Second Lien Credit Facility, from and after the date hereof.

"*First Lien Facility*" means the Credit Agreement, dated as of November 10, 2006, among Generac (as successor by merger to Merger Sub), Holding, the lenders party thereto from time to time, Goldman Sachs Credit Partners L.P., as administrative agent, and the other agents named therein (as the same may be amended, modified, restated or refinanced from time to time).

"*Second Lien Facility*" means the Credit Agreement, dated as of November 10, 2006, among Generac (as successor by merger to Merger Sub), Holding, the lenders party thereto from time to time, JPMorgan Chase Bank, N.A., as administrative agent, and the other agents named therein (as the same may be amended, modified, restated or refinanced from time to time).

(b) In consideration of Capital Advisors', CCMP Asia Pte.'s and CCMP Asia Consulting's performance of the Management Services and agreements to make the Management Professionals available in connection therewith, the Company, Holding and Generac, jointly and severally, agree to pay to CCMP, a quarterly advisory fee in an amount equal to $125,000 ($93,750 of which shall be for the benefit and account of Capital Advisors, $22,917 of which shall be for the benefit and account of CCMP Asia Pte and $8,333 of which shall be for the benefit and account of CCMP Asia Consulting) (the "*Quarterly Fee*"), payable on the first business day of each calendar quarter (January 1, April 1, July 1 and September 1), and upon the termination of this Agreement, the final installment shall be paid on the effective date of such termination and prorated for any final period consisting of less than ninety (90) days; *provided,* that the first Quarterly Fee shall be paid on January 1, 2006, in a pro-rated amount to reflect the period from November 10, 2006, through December 31, 2006, and shall be divided among Capital Investors, CCMP Asia Pte. and CCMP Asia Consulting in the same proportion as the other Quarterly Fees shall be divided between such persons in accordance with the terms and provisions above.

(c) All payments and reimbursements made pursuant to Sections 3, 4 and 5 will be paid by wire transfer of immediately available U.S. Dollars to the accounts specified by Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting in writing to the Company, Holding and Generac.

(d) Any payments required to be made to any of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting shall, upon the written request of such person to Company, Holding and Generac, be made to such person's designee, as set forth in such notice.

5. Expenses; Indemnification.

(a) *Expenses*. In addition to the compensation to be paid pursuant to Sections 3(b), 4(a), (b) and (c) above, promptly upon request by any of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting from time to time, the Company, Holding and Generac agree, jointly and severally, to reimburse Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting (as applicable) for (i) all reasonable out-of-pocket expenses incurred by each director appointed to the board of directors of any member of the Company Group in connection with attending regular and special meetings of such board of directors and any committee thereof and (ii) all reasonable out-of-pocket expenses incurred in connection with the provision of services hereunder to any member of the Company Group, including, without limitation, the reasonable fees and disbursements of

their legal counsel, if any, and of any other advisors retained by any of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting, in connection with the enforcement, preservation or analysis of rights or taking of actions under this Agreement or otherwise resulting from or arising out of this engagement.

(b) *Indemnification*. As Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting will be acting on behalf of each of the Company, Holding and Generac in connection with its engagement hereunder, and as further consideration for such CCMP's services hereunder, each of the Company, Generac, Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting agree to the indemnity provisions and other matters set forth in Annex A hereto, which Annex A is incorporated herein by reference and made an integral part hereof.

6. No Exclusive Duty to the Company Group. In recognition that (i) each of Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting currently has, and will in the future have or will consider acquiring, investments in numerous companies with respect to which Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting (as applicable) may serve as an advisor, consultant or in some other capacity, (ii) each of Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting may have a myriad of duties to various investors and partners, (iii) each of Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting (or one or more affiliates, associated investment funds or portfolio companies) may engage in the same or similar activities or lines of business as the Company or Generac and may have an interest in the same areas of corporate opportunities, (iv) the Company, Holding and Generac will derive certain benefits hereunder and (v) each of Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting, in connection with its endeavors to fully to satisfy its duties, may confront difficulties in determining the full scope of such duties in any particular situation, the provisions of this Section 6 are set forth to regulate, define and guide the conduct of certain affairs of the Company, Holding and Generac as they may involve each of Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting.

(a) Each of Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting shall have the right:

(i) to directly or indirectly engage in any business (including, without limitation, any business activities or lines of business that are the same as or similar to those pursued by, or competitive with, the Company, Generac or their subsidiaries or affiliates),

(ii) to directly or indirectly do business with any client or customer of the Company, Generac or their subsidiaries or affiliates,

(iii) to take any other action that it believes in good faith is necessary or appropriate to fulfill its duties and obligations, and

(iv) not to communicate or present potential transactions, matters or business opportunities to the Company, Generac or their subsidiaries or affiliates, and to pursue, directly or indirectly, any such opportunity for itself, and to direct any such opportunity to another person.

(b) None of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting nor any of its affiliates shall have any duty (contractual or otherwise) to communicate or present any corporate opportunities to the Company, Generac or any of their affiliates or to refrain from any actions specified in Section 6(a), and the Company, Holding and Generac, on their own behalf and on behalf of their affiliates, hereby renounce and waive any right to require any of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting or any of its affiliates to act in a manner inconsistent with the provisions of Section 6(a).

(c) None of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting nor any of its affiliates shall be liable to the Company, Generac or any of their affiliates for breach of any duty (contractual or otherwise) by reason of any activities or omissions of the types referred to in Section 6(a) or its or its affiliates' participation therein.

7. Amendments and Waivers. No amendment or waiver of any term, provision or condition of this Agreement shall be effective, unless in writing and executed by each of the parties hereto. No waiver on any one occasion shall extend to or effect or be construed as a waiver of any right or remedy on any future occasion. No course of dealing of any person nor any delay or omission in exercising any right or remedy shall constitute an amendment of this Agreement or a waiver of any right or remedy of any party hereto.

8. Miscellaneous.

(a) *Choice of Law*. This Agreement shall be governed by and construed in accordance with the domestic substantive laws of the State of New York without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

(b) *Consent to Jurisdiction*. Each of the parties agrees that all actions, suits or proceedings arising out of or based upon this Agreement or the subject matter hereof shall be brought and maintained exclusively in the federal and state courts of the State of New York. Each of the parties hereto by execution hereof (i) hereby irrevocably submits to the jurisdiction of the federal and state courts in the State of New York for the purpose of any action, suit or proceeding arising out of or based upon this Agreement or the subject matter hereof and (ii) hereby waives to the extent not prohibited by applicable law, and agrees not to assert, by way of motion, as a defense or otherwise, in any such action, suit or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that it is immune from extraterritorial injunctive relief or other injunctive relief, that its property is exempt or immune from attachment or execution, that

any such action, suit or proceeding may not be brought or maintained in one of the above-named courts, that any such action, suit or proceeding brought or maintained in one of the above-named courts should be dismissed on grounds of *forum non conveniens*, should be transferred to any court other than one of the above-named courts, should be stayed by virtue of the pendency of any other action, suit or proceeding in any court other than one of the above-named courts, or that this Agreement or the subject matter hereof may not be enforced in or by any of the above-named courts. Each of the parties hereto hereby consents to service of process in any such suit, action or proceeding in any manner permitted by the laws of the State of New York, agrees that service of process by registered or certified mail, return receipt requested, at the address specified in or pursuant to Section 13 is reasonably calculated to give actual notice and waives and agrees not to assert by way of motion, as a defense or otherwise, in any such action, suit or proceeding any claim that service of process made in accordance with Section 13 does not constitute good and sufficient service of process. The provisions of this Section 8(b) shall not restrict the ability of any party to enforce in any court any judgment obtained in a federal or state court of the State of New York.

(c) *Waiver of Jury Trial*. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH OF THE PARTIES HERETO HEREBY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT, OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, CAUSE OF ACTION, ACTION, SUIT OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT OR TORT OR OTHERWISE. Each of the parties hereto acknowledges that it has been informed by each other party that the provisions of this Section 8(c) constitute a material inducement upon which such party is relying and will rely in entering into this Agreement and the transactions contemplated hereby. Any of the parties hereto may file an original counterpart or a copy of this Agreement with any court as written evidence of the consent of each of the parties hereto to the waiver of its right to trial by jury.

(d) *Authority to Enter Agreement*. Each party to this Agreement represents and warrants to the other parties hereto that it has all requisite power and authority to enter into this Agreement and the transactions contemplated hereby, that this Agreement has been duly and validly authorized by all necessary action on the part of such party and that when duly executed and delivered by such party, this Agreement shall constitute a legal, valid and binding agreement of such party, enforceable against it in accordance with its terms.

9. Independent Contractor. The parties agree and understand that each of Capital Advisors, CCMP Asia Pte. and CCMP Asia Consulting is and shall act as an independent contractor of each of the Company, Holding and Generac in the performance of its duties hereunder. None of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting is, and in the performance of their respective duties hereunder

will not hold themselves out as, employees, agents or partners of any of the Company or Generac.

10. Information. Each of the Company, Holding and Generac shall furnish and make available to CCMP all financial and other information as CCMP deems appropriate in connection with the performance of the services contemplated by this engagement and, in connection therewith, will provide CCMP with reasonable access to its officers, directors, employees, agents, accountants, counsel and other representatives. Each of the Company, Holding and Generac acknowledges and confirms that CCMP (i) will rely solely on such information and information that is available from public sources in the performance of the services contemplated by this Agreement without assuming any responsibility for independent investigation or verification thereof, (ii) assume no responsibility for the accuracy or completeness of such information or any other information regarding the Company or Generac and (iii) will not make any appraisal of any assets of the Company or Generac.

11. Confidentiality. No advice rendered by CCMP, whether formal or informal, may be disclosed, in whole or in part, or summarized, excerpted from or otherwise referred to without CCMP's prior written consent. To the extent consistent with legal requirements, all information given to one party of this Agreement (the "*Recipient Party*") by another party (the "*Providing Party*"), including, without limitation, this Agreement, unless publicly available or otherwise available to the Recipient Party without restriction or breach of any confidentiality agreement, will be held by the Recipient Party in confidence and will not, without the Providing Party's prior approval, be disclosed to anyone other than the Recipient's agents and advisors who require such information to perform services for the Providing Party as contemplated by this Agreement (and who agree to use such information only in connection with such services) or used by such person for any purpose other than those contemplated by this Agreement. Each party hereto shall be responsible for violations of its respective agents and advisors of the obligations set forth in this Section 11. Notwithstanding anything to the contrary set forth herein or in any other agreement to which the parties hereto are parties or by which they are bound, the obligations of confidentiality contained herein and therein, as they relate to the services to be provided hereunder, shall not apply to the tax structure or tax treatment of the transactions subject to the services to be provided hereunder, and each party hereto (and any employee, representative, or agent of any party hereto) may disclose to any and all persons, without limitation of any kind, the tax structure and tax treatment of the transaction subject to the services to be provided hereunder and all materials of any kind (including opinions or other tax analysis) that are provided to such party relating to such tax treatment and tax structure; *provided*, *however*, that such disclosure shall not include the name (or other identifying information not relevant to the tax structure or tax treatment) of any person and shall not include information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws.

12. Merger/Entire Agreement. This Agreement and the other agreements referred to herein (including, without limitation, the Shareholders

Agreement), contain the entire understanding of the parties with respect to the specific subject matter hereof and supersede any prior communication or agreement with respect thereto.

13. Notice. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or sent by telecopy, nationally-recognized overnight courier or first class registered or certified mail, return receipt requested, postage prepaid, addressed to such party at the address set forth below or such other address as may hereafter be designated in writing by such party to the other parties:

If to any of the Company or Generac, to:

GPS CCMP Acquisition Corp.
c/o CCMP Capital Advisors, LLC
245 Park Avenue, 16th Floor
New York, NY 10167
Attention: Stephen Murray

If to CCMP, to:

CCMP Capital Advisors, LLC
245 Park Avenue
16th Floor
New York, New York 10167
Attn: Stephen Murray
Facsimile: (917) 464-9200

All such notices, requests, consents and other communications shall be deemed to have been delivered (a) in the case of personal delivery or delivery by telecopy, on the date of such delivery, (b) in the case of dispatch by nationally-recognized overnight courier, on the next business day following such dispatch and (c) in the case of mailing, on the third business day after the posting thereof.

14. Severability. If in any judicial or arbitral proceedings a court or arbitrator shall refuse to enforce any provision of this Agreement, then such unenforceable provision shall be deemed eliminated from this Agreement for the purpose of such proceedings to the extent necessary to permit the remaining provisions to be enforced. To the full extent, however, that the provisions of any applicable law may be waived, they are hereby waived to the end that this Agreement be deemed to be a valid and binding agreement enforceable in accordance with its terms, and in the event that any provision hereof shall be found to be invalid or unenforceable, such provision shall be construed by limiting it so as to be valid and enforceable to the maximum extent consistent with and possible under applicable law.

15. **Counterparts**. This Agreement may be executed in any number of counterparts and by each of the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement.

16. **Descriptive Headings**. All descriptive headings in this Agreement are inserted for convenience only and shall be disregarded in construing or applying any provision of this Agreement.

17. **Prevailing Party**. If any legal action or other proceedings is brought for a breach of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs incurred in bringing such action or proceeding, in addition to any other relief to which such party may be entitled.

18. **Non-Recourse**. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, affiliate, agent, attorney or representative of any of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting, any member of the Company Group or any of their respective affiliates shall have any liability for any obligations or liabilities of Capital Advisors, CCMP Asia Pte. or CCMP Asia Consulting, any member of the Company Group or any of their respective affiliates under this Agreement or for any claim based on, in respect of, or by reason of, the transactions or other matters contemplated hereby.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its duly authorized officer or representative as of the date first above written.

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title: Assistant Secretary

GENERAC ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title: Assistant Secretary

GENERAC POWER SYSTEMS, INC.

By: /s/ William Treffert
Name: William Treffert
Title: Chief Executive Officer

CCMP CAPITAL ADVISORS, LLC

By: /s/ [ILLEGIBLE]
Name:
Title:

CCMP CAPITAL ASIA PTE. LTD.

By: /s/ Stephen King
Name: Stephen King
Title: Partner

CCMP CAPITAL ASIA CONSULTING COMPANY LTD.

By: /s/ Simon Bell
Name: Simon Bell
Title: Director

ANNEX A

This Annex A is a part of and is incorporated into that certain Advisory Services and Monitoring Agreement (the "*Agreement*") dated November 10, 2006, by and among GPS CCMP ACQUISITION CORP. ("*Parent*"), GENERAC ACQUISITION CORP. ("*Holding*"), GENERAC POWER SYSTEMS, INC. (together with Holding and Parent, the "*Companies*"), CCMP Capital Advisors, LLC ("*Capital Advisors*") and CCMP CAPITAL ASIA PTE. LTD. and CCMP CAPITAL ASIA CONSULTING COMPANY LTD. (collectively, "*CCMP Asia*", and together with Capital Advisors, the "*Sponsors*").

In further consideration of the engagement by each of the Companies of the Sponsors to act in the capacities set forth in the Agreement, in the event that Sponsors or any affiliates, the directors, officers, partners, agents or employees of any Sponsor, or any of their respective affiliates, or any other person controlling any Sponsor or any of their respective affiliates (collectively, "*Indemnified Persons*") becomes involved in any capacity in any action, claim, suit, investigation or proceeding, actual or threatened, brought by or against any person, including stockholders of such Company or any other member of the Company Group, in connection with or as a result of the Agreement or any matter referred to in the Agreement, the Companies will reimburse such Indemnified Person for its reasonable legal and other expenses (including, without limitation, the costs and expenses incurred in connection with investigating, preparing for and responding to third party subpoenas or enforcing this Annex or the Agreement) incurred in connection therewith as such expenses are incurred. The Companies shall also, jointly and severally, indemnify and hold harmless any Indemnified Person from and against, and the Companies agree that no Indemnified Person shall have any liability to any such Company or its owners, parents, affiliates, security holders or creditors for, any losses, claims, damages or liabilities (including actions or proceedings in respect thereof) (collectively, "*Losses*") related to or arising out of the Agreement or the Sponsors' performance thereof, except that this provision shall not apply to any Losses that are finally determined by a court or arbitral tribunal to have resulted primarily from the bad faith or gross negligence of the Sponsors.

If such indemnification is for any reason not available or insufficient to hold an Indemnified Person harmless, the Companies agree to contribute to the Losses involved in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by the Companies, on the one hand, and by the Sponsors, on the other hand, with respect to the Agreement or, if such allocation is determined by a court or arbitral tribunal to be unavailable, in such proportion as is appropriate to reflect other equitable considerations such as the relative fault of the Companies, on the one hand, and the Sponsors, on the other hand; *provided*, *however*, that, to the extent permitted by applicable law, the Indemnified Persons shall not be responsible for amounts which in the aggregate are in excess of the amount of all fees actually received by the Sponsors from each of the Companies in connection with the Agreement. Relative benefits to the Companies, on the one hand, and to the Sponsors, on the other hand, with respect to the Agreement shall be deemed to be in the same proportion as (i) the total value received or proposed to be received by each of the Companies in connection with the transactions

contemplated by this Agreement, whether or not consummated, bears to (ii) all fees actually received by the Sponsors in connection with the Agreement. Relative fault shall be determined, in the case of Losses arising out of or based on any untrue statement or any alleged untrue statement of a material fact or omission or alleged omission to state a material fact, by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Companies to the Sponsors and the parties' relative

intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933, as amended) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

Upon receipt by an Indemnified Person of actual notice of any pending or threatened action claim, suit, investigation or proceeding (an "*Action*") against such Indemnified Person with respect to which indemnity may be sought under this Agreement, such Indemnified Person shall promptly notify the Companies in writing; *provided* that failure to so notify the Companies shall not relieve the Companies from any liability which the Companies may have on account of this indemnity or otherwise, except to the extent the Companies shall have been materially prejudiced by such failure. The Companies shall, if requested by a Sponsor, assume the defense of any such Action including the employment of counsel reasonably satisfactory to such Sponsor. Any Indemnified Person shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person, unless: (i) one of the Companies has failed promptly to assume the defense and employ counsel or (ii) the named parties to any such Action (including any impleaded parties) include such Indemnified Person and the Companies, and such Indemnified Person shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or in addition to those available to the Companies. No Company will, without the prior written consent of the Sponsors, settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any Action in respect of which indemnification may be sought hereunder (whether or not any Indemnified Person is a party therein) unless the Companies have given the Sponsors reasonable prior written notice thereof and such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Person from any liabilities arising out of such Action. No Company will permit any such settlement, compromise, consent or termination to include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an Indemnified Person, without such Indemnified Person's prior written consent. No Indemnified Person seeking indemnification, reimbursement or contribution under this agreement will, without the Companies' prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Action referred to herein.

Prior to entering into any agreement or arrangement with respect to, or effecting, any merger, statutory exchange or other business combination or proposed sale or exchange,

dividend or other distribution or liquidation of all or a significant portion of its assets in one or a series of transactions or any significant recapitalization or reclassification of its outstanding securities that does not directly or indirectly provide for the assumption of the obligations of the Companies set forth herein, the Companies will promptly notify the Sponsors in writing thereof and, if requested by the Sponsors, shall arrange in connection therewith alternative means of providing for the obligations of the Companies set forth herein, including the assumption of such obligations by another party, insurance, surety bonds or the creation of an escrow, in each case in an amount and on terms and conditions satisfactory to the Sponsors.

Each of the Companies' obligations hereunder shall be in addition to any rights that any Indemnified Person may have at common law or otherwise. Each of the Companies acknowledges that in connection with the Agreement, the Sponsors are acting as independent contractors and not in any other capacity with duties owing solely to the Companies. This Annex and any other agreements relating to the Agreement shall be governed by and construed in accordance with the laws of the State of New York, applicable to contracts made and to be performed therein and, in connection therewith, the parties hereto consent to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County or the United States District Court for the Southern District of New York and the respective appellate courts thereof. Notwithstanding the foregoing, solely for the purpose of enforcing each of the Companies' obligations hereunder, each of the Companies consents to personal jurisdiction, service and venue in any court proceeding in which any claim subject to this agreement is brought by or against any Indemnified Person. THE SPONSORS HEREBY AGREES, AND EACH OF THE COMPANIES HEREBY AGREES ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS SECURITY HOLDERS, TO WAIVE ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTER-CLAIM OR ACTION ARISING OUT OF THE ENGAGEMENT, THE SPONSORS' PERFORMANCE THEREOF OR THIS AGREEMENT.

The provisions of this agreement shall apply to the services provided to each of the Companies by the Sponsors (including related activities prior to the date hereof) and any modification thereof and shall remain in full force and effect regardless of the completion or termination of the Agreement. If any term, provision, covenant or restriction herein is held by a court of competent jurisdiction to be invalid, void or unenforceable or against public policy, the remainder of the terms, provisions and restrictions contained herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

GPS CCMP ACQUISITION CORP.

2006 MANAGEMENT EQUITY INCENTIVE PLAN

EFFECTIVE AS OF NOVEMBER 10, 2006

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GPS CCMP ACQUISITION CORP.

2006 MANAGEMENT EQUITY INCENTIVE PLAN

SECTION 1. PURPOSE.

The purpose of the Plan is to attract and retain the best available personnel, to provide additional incentive to persons who provide services to the Company and its Subsidiaries, and to promote the success of the Company's business. Unless the context otherwise requires, capitalized terms used herein are defined in Section 17 of the Plan.

SECTION 2. ADMINISTRATION.

The Plan shall be administered by the Board. The Board shall have full authority and sole discretion to take any actions it deems necessary or advisable for the administration and operation of the Plan, subject to the terms and conditions of the Plan, including, without limitation, the right to construe and interpret the provisions of the Plan or any Award, to provide for any omission in the Plan, to resolve any ambiguity or conflict under the Plan or any Award, to accelerate vesting of or otherwise waive any requirements applicable to any Award, to extend the term or any period of exercisability of any Award, to modify the purchase price or exercise price under any Award, to establish terms or conditions applicable to any Award and to review any decisions or actions made or taken by the compensation or similar committee (if appointed). All decisions, interpretations and other actions of the Board shall be final and binding on all Participants and other persons deriving their rights from a Participant.

SECTION 3. ELIGIBILITY

The Board is authorized to grant Awards to employees of the Company or any Subsidiary of the Company. Employees who have been granted Awards shall be Participants in the Plan with respect to such Awards.

SECTION 4. SHARES SUBJECT TO PLAN.

a. Basic Limitation. Subject to the following provisions of this Section 4 and Section 13 herein, the maximum number of Shares that may be issued pursuant to Awards under the Plan is 9,350.0098, with respect to shares of Class A Common Stock, and 5,000, with respect to shares of Class B Common Stock (the "***Basic Limitation***"). Shares that are subject to or underlying an Award may only be authorized but unissued Shares, and such Shares may not be treasury Shares. Where an Award is granted in tandem, the number of Shares charged against the Basic Limitation shall be the maximum number of Shares of each class that may be issued pursuant to the Award.

b. Additional Shares. In the event that any outstanding Award expires, is cancelled or otherwise terminated, any rights to acquire Shares allocable to the unexercised or unvested portion of such Award shall again be available for the purposes of the Plan. In the event that Shares issued under the Plan are reacquired by the Company pursuant to any forfeiture provision, such Shares shall again be available for the purposes of the Plan. In the event a Participant pays for any Award through the delivery of previously acquired Shares, the number of Shares available shall be increased by the number of Shares delivered by the Participant.

SECTION 5. AWARDS.

a. Types of Awards. The Board may, in its sole discretion, make Awards. The Company shall make Awards directly or cause one or more of its Subsidiaries to make Awards; provided, however, that the Company shall be responsible for causing any such Subsidiary to comply with the terms of any Award and the Plan. Awards may be granted singly or in tandem.

b. Award Agreements. Each Award made under the Plan shall be evidenced by a written agreement between the Participant and the Company, and no Award shall be valid without any such agreement. An Award shall be subject to all applicable terms and conditions of the Plan and to any other terms and conditions which the Board in its sole discretion deems appropriate for inclusion in the Award agreement provided such terms and conditions are not inconsistent with the Plan. Accordingly, in the event of any conflict between the provisions of the Plan and any such agreement, the provisions of the Plan shall prevail. Each agreement evidencing an Award shall provide, in addition to any terms and conditions required to be provided in such agreement pursuant to any other provision of this Plan, the following terms:

(i) Number and Class of Shares. The number and class of Shares subject to the Award, if any, which number shall be subject to adjustment in accordance with Section 13 of the Plan.

(ii) Price. Where applicable, each agreement shall designate the price, if any, to acquire any Shares underlying the Award, which price shall be payable in a form described in Section 11 of the Plan and subject to adjustment pursuant to Section 13 of the Plan.

(iii) Vesting. Each agreement shall specify the dates and events on which all or any installment of the Award shall be vested and/or nonforfeitable.

c. No Rights as a Shareholder. A Participant, or a transferee of a Participant, shall have no rights as a shareholder with respect to any Shares covered by an Award unless and until such Shares are actually issued in the name of such person (or if Shares will be held in street name, to a broker who will hold such Shares on behalf of such person), except as set forth in Section 8(b) of the Plan or as may be set forth in the Award agreement.

SECTION 6. OPTIONS.

a. Grant of Options. The Board may, in its sole discretion, grant Options only in respect of Class B Common Stock prior to the consummation of the Initial Public Offering and, from after the consummation of the Initial Public Offering, in respect of the Class A Common Stock. All Options granted hereunder shall be nonqualified stock options. The Plan does not provide for the grant of "incentive stock options" within the meaning of Section 422 of the Code.

b. Options Award Agreement. Each agreement evidencing an Award of Options shall contain the following information, which shall be determined by the Board, in its sole discretion:

(i) Exercise Price. Each agreement shall state the per share exercise price, which shall not be less than the Fair Market Value of a share of the class subject to such Option on the date of grant unless such Option otherwise would satisfy Section 409A of the Code.

(ii) Exercisability. Each agreement shall specify the dates and events when all or any installment of the Option becomes exercisable.

(iii) Term. Each agreement shall state the term of each Option (including the circumstances under which such Option will expire prior to the stated term thereof), which shall not exceed ten years from the date of grant.

c. Method of Exercise. Options shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Board, or by complying with any alternative procedures which may be authorized by the Board, setting forth the number and class of Shares with respect to which the Option is to be exercised, accompanied by full payment for such Shares. As soon as practicable after receipt of written notification of exercise and full payment (including satisfaction of any applicable tax withholding), the Company shall deliver to the Participant evidence of book entry Shares, or upon the Participant's request, Share certificates in an appropriate amount and class based upon the number and class of Shares purchased under the Option(s).

SECTION 7. STOCK APPRECIATION RIGHTS.

a. Generally. The Board may, in its sole discretion, grant "***Stock Appreciation Rights***" only in respect of the Class B Common Stock prior to the Initial Public Offering and from and after the Initial Public Offering in respect of the Class A Common Stock. A Stock Appreciation Right means a right to receive a payment in cash, the relevant class of Shares or a combination thereof, in the sole discretion of the Board, in an amount equal to the excess of (i) the Fair Market Value, or other specified valuation, of a number of the relevant class of Shares on the date the right is exercised over (ii) the Initial Base Value (as defined below). If a Stock Appreciation Right is granted in tandem with or in substitution for an Option, the designated Initial Base Value in the Award agreement shall reflect the Fair Market Value of the Shares underlying the Awards on the date the Option is granted.

b. Stock Appreciation Rights Award Agreement. Each agreement evidencing an Award of Stock Appreciation Rights shall contain the following information, which shall be determined by the Board, in its sole discretion:

(i) Base Value. Each agreement shall specify the base value of the Shares which a Participant shall be entitled to share in the appreciation in the value of (the "***Initial Base Value***"). The per share Initial Base Value for any class of Shares subject to an Award shall not be less than the Fair Market Value of such share subject to such Award on the date of grant unless such Stock Appreciation Right otherwise would satisfy Section 409A of the Code.

(ii) Exercisability. Each agreement shall specify how all or any portion of a Stock Appreciation Right shall be exercisable. The Company, at its election and in its sole discretion, may settle any Stock Appreciation Rights requested to be exercised in Shares or cash.

(iii) Term. Each agreement shall state the term of each Stock Appreciation Right (including the circumstances under which such Stock Appreciation Right will expire prior to the stated term thereof), which shall not exceed ten years from the date of grant.

SECTION 8. RESTRICTED STOCK

a. Generally. The Board is hereby authorized to grant or sell Shares that may be subject to a risk of forfeiture and contain such other restrictions, including restrictions on transferability, as the Board shall determine. Each such share shall be known as a share of Restricted Stock.

(i) **Restricted Stock Award Agreement**. Each agreement evidencing an Award of Restricted Stock shall specify the restriction period and such other such terms, including as to vesting, term and transfer restrictions, as determined by the Board, in its sole discretion. If Restricted Stock will be granted or the restrictions shall have lapsed upon the achievement of performance goals over a performance period, such Award of Restricted Stock shall be referred to as "***Performance Shares***."

b. Voting Rights. Unless otherwise determined by the Board and set forth in a Participant's award agreement, to the extent permitted or required by law, as determined by the Board, Participants holding Shares of Restricted Stock granted hereunder shall have the right to exercise full voting rights (if any) with respect to the applicable Shares during the period of restriction.

c. Section 83(b) Election. The Board may provide in an award agreement that the Award of Restricted Stock is conditioned upon the Participant making or refraining from making an election with respect to the Award under Section 83(b) of the Code. If a Participant makes an election pursuant to Section 83(b) of the Code concerning a Restricted Stock Award, the Participant shall be required to file promptly a copy of such election with the Company.

SECTION 9. RESTRICTED STOCK UNITS.

a. Generally. The Board may, in its sole discretion, grant Restricted Stock Units, where in each case one Unit shall be a notional unit representing one Share of a designated class of Shares.

b. Settlement of Restricted Stock Units. Restricted Stock Units shall be settled in the applicable class of Shares unless the agreement evidencing the Award expressly provides for settlement of all or a portion of the Restricted Stock Units in cash equal to the value of the Shares that would otherwise be distributed in settlement of such units. Shares distributed to settle a Restricted Stock Unit may be issued with or without payment or consideration therefor, except as may be required by applicable law or the Board in its sole discretion as set forth in the agreement evidencing the Award. The Board may, in its sole discretion, establish a program to permit participants to defer payments and distributions made in respect of Restricted Stock Units, which shall be in compliance with Section 409A of the Code.

SECTION 10. DIVIDEND EQUIVALENT RIGHTS.

a. Generally. The Board may, in its sole discretion, grant awards based on the value of dividends that the Company has paid on any class of Shares (the "***Dividend Equivalent Rights***") with respect to any Award before the Award vests or is still held.

b. Settlement of Dividend Equivalent Rights. Dividend Equivalent Rights may be settled in cash, Shares, additional Awards or other securities or property, all as provided in the Award agreement. The Board may, in its sole discretion, establish a program to permit participants to defer payments and distributions made in respect Dividend Equivalent Rights.

SECTION 11. PAYMENT FOR SHARES.

a. General Rule. The exercise price of Options and/or the purchase price (if any) of any Shares issuable under the Plan shall be payable in cash or personal check at the time when such Shares are purchased, except as otherwise provided in this Section 11 herein.

b. Surrender of Shares. At the sole discretion of the Board, all or any part of the purchase price in respect of an Award and any applicable withholding requirements may be paid by surrendering, or attesting to the ownership of Shares that have fully vested, and are already owned by the Participant. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value on the date when the surrender option is exercised or payment is made. The Participant shall not surrender, or attest to the ownership of, Shares in payment of any portion of the purchase price (or withholding) if such action would cause the Company or any Subsidiary thereof to recognize a compensation expense (or additional compensation expense) with respect to the applicable Award for financial reporting purposes, unless the Board consents thereto.

c. Services Rendered. At the sole discretion of the Board, and except as required by applicable law, Shares may be awarded under the Plan in consideration of services rendered to the Company or a Subsidiary thereof prior to or after the Award.

d. Promissory Note. At the sole discretion of the Board, all or a portion of the exercise price of Options and/or the purchase price (if any) of Shares issuable under the Plan and any applicable withholding requirements may be paid with a full-recourse promissory note. However, the par value of the Shares, if newly issued, shall be paid in cash. The Shares shall be pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest or the creation of original issue discount under the Code. Subject to the foregoing, the Board (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

e. Net Exercise. At the sole discretion of the Board, payment of all or any portion of the purchase price in respect of any Award under the Plan and any applicable withholding requirements may be made by reducing the number of Shares otherwise deliverable pursuant to the Award by the number of such Shares having a Fair Market Value equal to the purchase price in respect of such Award. For the avoidance of doubt, the Company will not withhold any amounts greater than the statutory minimum withholding requirements.

f. Exercise/Sale. At the sole discretion of the Board on or after an Initial Public Offering, at any time, payment may be made in whole or in part by the delivery (on a form prescribed by the Company) of an irrevocable direction (i) to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company, or (ii) to pledge Shares to a securities broker or lender approved by the Company as security for a loan, and to deliver all or part of the loan proceeds to the Company, in each case in payment of all or part of the purchase price and any withholding requirements.

g. Discretion of Board. Should the Board exercise its sole discretion to permit the Participant to pay the purchase price under an Award in whole or in part in accordance with Sections 11(b) through (f) above, it shall not be bound to permit such alternative method of payment for the remainder of any such Award or with respect to any other Award or Participant under the Plan.

SECTION 12. TERMINATION OF SERVICE.

a. Termination of Service. If a Participant's Service terminates for any reason, then the Award shall be subject to termination, rights of repurchase, and the other provisions, set forth in the written agreement with the Participant governing such Award.

b. Leave of Absence. For purposes of this Section 12, Service shall be deemed to continue while a Participant is a bona fide leave of absence, if such leave is approved by the Company in writing or if continued crediting of service for this purpose is expressly required by the terms of such leave or by applicable law (as determined by the Board).

SECTION 13. ADJUSTMENT OF SHARES.

a. General. If there shall be a Recapitalization, an adjustment shall be made to each outstanding Award such that each such Award shall thereafter be exercisable or payable, as the case may be, in such securities, cash and/or other property as would have been received in respect of each class of Shares subject to, or referenced by, such Award had such Award been exercised and/or settled in full immediately prior to such Recapitalization and such an adjustment shall be made successively each time any such change shall occur. In addition, in the event of any Recapitalization, the Board will adjust, in a fair and equitable manner, the number of each class of Shares that may be issued under the Plan, the number of each class of Shares subject to outstanding Awards, and the exercise price or purchase price applicable to outstanding Awards to prevent dilution or enlargement of Participants' rights under the Plan and outstanding Awards. Should the vesting of any Award be conditioned upon the Company's attainment of performance conditions, the Board may, in a fair and equitable manner, make such adjustments to the terms and conditions of such Awards and the criteria therein to recognize unusual and nonrecurring events affecting the Company or in response to changes in applicable laws, regulations or accounting principles.

b. Mergers and Consolidations/Change of Control. In the event that the Company is a party to a merger or consolidation or a Change of Control, outstanding Awards shall be subject to the agreement of merger or consolidation or Change of Control and the treatment of outstanding Awards in connection with a merger or consolidation or a Change of Control shall not require the consent of any Participant. Subject to the terms of the applicable Award agreement, the agreement with respect to such merger or consolidation or Change of Control, without the Participants' consent, may, among other things, provide for:

(i) The continuation or assumption of such outstanding Awards under the Plan by the Company (if it is the surviving entity) or by the surviving entity or its direct or indirect parent;

(ii) The substitution by the surviving entity or its direct or indirect parent of share awards with substantially the same terms and economic value for such outstanding Awards;

(iii) The acceleration of the vesting of or right to exercise such outstanding Awards immediately prior to or as of the date of the merger or consolidation, and the expiration of such outstanding Awards to the extent not timely exercised or purchased by the date of the merger or consolidation or other date thereafter designated by the Board, after reasonable advance written notice thereof to the holder of each such Award; or

(iv) The cancellation of all or any portion of such outstanding Awards; provided that, with respect to vested "in-the-money" Awards, such cancellation must be made in exchange for a cash payment of the excess of the Fair Market Value of the Shares subject to such

outstanding Awards or portion thereof being canceled over the exercise price or purchase price, if any, with respect to such Awards or the portion thereof being canceled.

SECTION 14. SECURITIES LAW REQUIREMENTS.

No Shares shall be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, state or foreign securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Company shall not be obligated to file any registration statement under any applicable securities laws to permit the purchase or issuance of any Shares under the Plan, and accordingly any certificates for Shares may have an appropriate legend or statement of applicable restrictions endorsed thereon. Each Participant and any person deriving its rights from any Participant shall, as a condition to the purchase or issuance of any Shares under the Plan, deliver to the Company an agreement or certificate containing such representations, warranties and covenants as the Company may deem necessary or appropriate to ensure that the issuance of Shares is not required to be registered under any applicable securities laws.

SECTION 15. GENERAL TERMS.

a. Nontransferability of Awards. No Award may be transferred, assigned, pledged or hypothecated by any Participant except in compliance with the terms of the agreement governing such Award. The exercisability of an Option or other right to acquire Shares under the Plan by someone other than the Participant shall be governed by the agreement pursuant to which such Option or other right is granted.

b. Restrictions on Transfer of Shares. Any Shares issued under the Plan shall be subject to such vesting and special forfeiture conditions, repurchase rights, rights of first offer and other transfer restrictions as the Board may determine. Such restrictions shall be set forth in the applicable Award agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

c. Compliance with Section 409A of the Code. To the extent applicable, it is intended that this Plan and all Awards comply with the provisions of Section 409A of the Code and the Plan and all Awards shall be administered accordingly. Notwithstanding anything in the Plan to the contrary, the Board shall have authority to amend the Plan and modify any Award to the extent necessary to fulfill this intent and any provision that would cause the Plan or any Award to fail to satisfy Section 409A of the Code shall have no force and effect unless and until amended or modified to comply with Section 409A of the Code. Reference to Section 409A of the Code includes reference to any proposed, temporary or final regulations and any other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

d. Withholding Requirements. As a condition to the receipt or purchase of an Award or Shares pursuant to an Award, a Participant shall make such arrangements as the Board may require for the satisfaction of any federal, state, local or foreign withholding obligations that may arise in connection with such receipt or purchase. The Participant shall also make such arrangements as the Board may require for the satisfaction of any federal, state, local or foreign withholding obligations that may arise in connection with the disposition of Shares acquired pursuant to an Award.

e. No Retention Rights. Nothing in the Plan or in any Award granted under the Plan shall confer upon a Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Subsidiary thereof employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

f. Unfunded Plan. Participants shall have no right, title or interest whatsoever in or to any investments which the Company may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, nor a fiduciary relationship between the Company and any Participant, beneficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the rights of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended.

SECTION 16. DURATION AND AMENDMENTS.

a. Term of the Plan. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board, subject to (i) the approval of the holders of a majority of the Class B Common Stock and (ii) any other shareholder approval required pursuant to the Shareholders' Agreement. If the requisite shareholder approvals set forth in the immediately preceding sentence to approve the Plan are not obtained within 12 months of its adoption by the Board, any Awards that have already been made shall be rescinded, and no additional Awards shall be made thereafter under the Plan. The Plan shall terminate automatically on the day preceding the tenth anniversary of its adoption by the Board unless earlier terminated pursuant to Section 16(b) below.

b. Right to Amend or Terminate the Plan. The Board may amend, suspend or terminate the Plan at any time and for any reason; provided, however, that any amendment of the Plan (except as provided in Section 13 herein) which increases the maximum number of any class of Shares available for issuance under the Plan in the aggregate, changes the legal entity authorized to make Awards under this Plan from the Company (or its successor) to any other legal entity, shall be subject to: (i) the approval of the holders of a majority of the applicable class of Shares and (ii) any other shareholder approval required pursuant to the Shareholders' Agreement. Except as may be required by the Shareholders' Agreement, approval of the holders of any Shares shall not be required for any other amendment of the Plan.

c. Effect of Amendment or Termination. Except as otherwise provided under the Plan, any amendment of the Plan shall not adversely affect in any material respect any Participant's rights under any Award previously made or granted under the Plan without the Participant's consent. No Shares shall be issued or sold under the Plan after the termination thereof, except pursuant to an Award granted prior to such termination. The termination of the Plan shall not affect any Awards outstanding on the termination date.

d. Modification, Extension and Assumption of Awards. Within the limitations of the Plan, the Board may modify, extend or assume outstanding Awards or may provide for the cancellation of outstanding Awards in return for the grant of new Awards for the same or a different number of Shares and at the same or a different price. Except as otherwise provided under the Plan, no modification of an Award shall, without the consent of the Participant, materially impair the Participant's rights or materially increase the Participant's obligations under such Award or materially impair the economic value of any such Award.

e. Initial Public Offering. Prior to an Initial Public Offering, the Board may amend and restate this Plan to include such provisions as the Board determines in good faith necessary or appropriate as a result of the Company becoming, after an Initial Public Offering, a publicly-traded company and the treatment of outstanding Awards in connection with an Initial Public Offering shall not require the consent of any Participant.

SECTION 17. DEFINITIONS.

a. "*Affiliate*" shall mean, with respect to any specified Person, (a) any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise); provided, however, that neither the Company nor any of its Subsidiaries shall be deemed an Affiliate of any of the Shareholders (and *vice versa*), and (b) if such specified Person is an investment fund, any other investment fund the primary investment advisor to which is the primary investment advisor to such specified Person.

b. "*Award*" shall mean, as the case may be: (i) prior to the consummation of an Initial Public Offering with respect to Class B Common Stock, the grant of an Option, Stock Appreciation Right, Restricted Stock or Restricted Stock Unit under the Plan; and (ii) with respect to Class A Common Stock, (A) prior to the consummation of an Initial Public Offering, the grant of Restricted Stock or Restricted Stock Units under the Plan, and (B) upon the occurrence of an Initial Public Offering, the grant of an Option, Stock Appreciation Right, Restricted Stock or Restricted Stock Unit under the Plan.

c. "*Basic Limitation*" shall have the meaning described in Section 4(a) herein.

d. "*Board*" shall mean the Board of Directors of the Company, as constituted from time to time, or if such Board of Directors has appointed a Compensation Committee, the Compensation Committee.

e. "*Change of Control*" shall have the meaning ascribed to such term in the Shareholders' Agreement.

f. "*Class A Common Stock*" shall mean the Class A Nonvoting Common Stock of the Company, par value $0.01 per share.

g. "*Class B Common Stock*" shall mean the Class B Voting Common Stock of the Company, par value $0.01 per share.

h. "*Code*" shall mean the Internal Revenue Code of 1986, as amended.

i. "*Company*" shall mean GPS CCMP Acquisition Corp., a Delaware corporation.

j. "***Distributions***" means all distributions made by the Company to holders of Shares, whether in cash, property, or securities of the Company or its Subsidiaries and whether by dividend, Liquidating distributions, or otherwise; provided that none of the following events shall be considered a Distribution: (i) any redemption or repurchase of acquisition by the Company for value of any share or shares of its capital stock held by a present or former employee, director or consultant of the Company or any Subsidiary pursuant to a restricted stock agreement, stock repurchase agreement, stock option agreement, stockholder agreement (including this Plan), management agreement or other repurchase agreement, arrangement, option or obligation approved by the Board; or (ii) any recapitalization, subdivision (including stock dividends and stock splits), combination (including reverse stock splits) or exchange of Common Shares.

k. "*Dividend Equivalent Rights*" shall have the meaning described in Section 10(a) herein.

l. "***Fair Market Value***" shall mean, with respect to any of the Shares as of any date of determination:

(1) in the event that such Shares are listed on an established U.S. exchange or through the NASDAQ National Market or any established over-the-counter trading system, the average of the closing prices of such Shares on such exchange if listed or, if not so listed, the average bid and asked price of such Shares reported on the NASDAQ National Market or any established over-the-counter trading system on which prices for such Shares are quoted, in each case, for a period of twenty trading days prior to such date of determination, and

(2) in the event that such Shares are not listed on an established U.S. exchange or through the NASDAQ National Market or any established over-the-counter trading system, the fair market value of such Shares as determined by the Board in good faith. The Board's determination of Fair Market Value shall be based on the following methodology (such methodology, the "***Valuation Methodology***"):

A. the Fair Market Value of a share of Class B Common Stock shall be an amount equal to the Unreturned Paid in Capital per share of Class B Common Stock *plus* a pro rata share (based upon the number of shares of Class B Common Stock then outstanding) of the Total Equity Value of the Company, after reduction for the aggregate Unreturned Paid-in Capital in respect of all shares of Class B Common Stock then outstanding, equal to the sum of (i) 88% *plus* (ii) a percentage equal to the product of (A) 12% *multiplied by* (B) one *minus* a fraction, the numerator of which shall be the number of issued and outstanding shares of Class A Common Stock that are then vested and not subject to forfeiture, and the denominator of which shall be 9,350.0098; and

B. the Fair Market Value of a share of Class A Common Stock shall be an amount equal to the product of (1) the Total Equity Value of the Company, after reduction for the aggregate Unreturned Paid-in Capital in respect of all shares of Class B Common Stock then outstanding, *multiplied by* (2) a percentage equal to 12% *multiplied by* (2) a fraction, the numerator of which shall be the number of issued and outstanding Class A Common Stock that are then vested and not subject to forfeiture, and the denominator of which shall be 9,350.0098.

Notwithstanding the foregoing with respect to this clause (2), if a Participant objects to such Board determination, such determination of fair market value will be made by a mutually acceptable expert whose determination will be binding on all persons. If such determination results in a Fair Market Value that is (i) less than, 95% of the valuation determined by the Board, the Company shall pay the fees of such expert, (ii) greater than 105% of the valuation determined by the Board, the Participant objecting to such determination of the Board shall pay the fees of such expert, and (iii) the Company and the Participant shall share, on a 50/50 basis, all such fees in all other cases.

The "***Total Equity Value***" shall be equal to the aggregate value, as determined in good faith by the Board, that would be available with respect to all Shares as a group, including, without limitation, the Class A Common Stock and the Class B Common Stock, in the event of a sale of all of the outstanding equity securities of the Company to a Third Party, assuming an assumption by the purchaser of all indebtedness of the Company and its Subsidiaries as of the date of determination, taking into account valuation methodologies commonly employed by financial buyers.

m. **"*Initial Base Value*"** shall have the meaning described in Section 7(b) herein.

n. **"*Initial Public Offering*"** shall mean the Company's first Public Offering.

o. "***Liquidation***" means any voluntary or involuntary liquidation, dissolution or winding up of the Company, other than any dissolution, liquidation or winding up in connection with any reincorporation of the Company in another jurisdiction. Liquidating shall have a correlative meaning.

p. **"*Option*"** shall mean an Option granted under, and in accordance with, the Plan and entitling the holder to purchase Shares.

q. **"*Paid-in Capital*"** means, with respect to any share of Class B Common Stock, as of any particular date, the amount originally paid for such share when it was issued.

r. **"*Participant*"** shall mean an eligible individual to whom and Award is granted to under the Plan.

s. **"*Person*"** shall mean any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

t. **"*Plan*"** shall mean this GPS CCMP Acquisition Corp. 2006 Management Equity Incentive Plan.

u. "***Public Offering***" shall mean an underwritten public offering and sale of Shares for cash pursuant to an effective registration statement under the Securities Act, other than pursuant to a registration statement on Form S-4 or Form S-8 or any similar or successor form.

v. **"*Recapitalization*"** shall mean an event or series of events affecting the capital structure of the Company including, but not limited to, stock dividends, stock splits, rights offers or recapitalizations through large, non-recurring cash dividends.

w. **"*Restricted Stock*"** shall have the meaning described in Section 8(a) herein.

x. **"*Restricted Stock Unit*"** shall have the meaning described in Section 9(a) herein.

y. **"*Securities Act*"** means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

z. **"*Service*"** shall mean service as an employee or consultant of the Company or any Subsidiary thereof.

aa. **"*Shareholders' Agreement*"** shall mean that certain Shareholders' Agreement dated as of November 10, 2006, by and among the Company and each Person executing the Shareholders' Agreement, or executing a Joinder Agreement (as the same shall be amended, supplemented or modified from time to time).

bb. **"*Shares*"** shall mean shares of the Class A Common Stock and shares of the Class B Common Stock.

cc. **"*Stock Appreciation Right*"** shall have the meaning described in Section 7(a) herein.

dd. **"*Subsidiary*"** shall mean any Person as to which the Company owns or controls, directly or indirectly, more than 50% percent of the voting securities of such Person.

ee. **"*Unreturned Paid-in-Capital*"** means in respect to a share of Class B Common Stock, on the date that it was issued, an amount equal to the Paid-in Capital with respect thereto. Thereafter, the "***Unreturned Paid-in Capital***" in respect of each share of Class B Common Stock shall (x) decrease (but not below $0) by the amount of any Distributions received in respect of such share of Class B Common Stock and (y) increase by an amount equal to 10% per annum (after giving effect to any decreases pursuant to clause (x)), such increases to be calculated quarterly, compounded on the basis of a 360-day year of twelve 30-day months, which amounts will be deemed to accrue on a daily basis, whether or not the Company has earnings or profits.

SECTION 18. MISCELLANEOUS

a. Choice of Law. All issues concerning the relative rights of the Company and any Participants with respect to each other shall be governed by the laws of the State of Delaware. All other issues concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and performed entirely within such state, without regard to the conflicts of laws rules of such state. Any legal action or proceeding with respect to the Plan shall be brought in the courts of the United States for the Southern District of New York.

b. Adoption. This Plan has been duly adopted by the Board as of November 8, 2006 and was approved by the stockholders of the Company as of November 8, 2006.

SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This SUBSCRIPTION AND STOCK PURCHASE AGREEMENT is made as of September 2, 2009 (the **"*Agreement*"**), by and between GPS CCMP Acquisition Corp., a Delaware corporation (the **"*Company*"**), and John Bowlin (the **"*Purchaser*"**).

W I T N E S S E T H :

WHEREAS, reference is made to that certain Exchange Agreement, dated as of and after November 25, 2008 (the **"*Exchange Agreement*"**), by and among CCMP Capital Investors II., L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively, the "***CCMP Capital Investors***") and the Company, pursuant to which from time to time between December 2, 2008 and July 17, 2009 the Company issued an aggregate of 7,760.8845 shares of Series A Preferred Stock ("***Series A Preferred Stock***"), par value $0.01 per share, to CCMP Capital Investors II., L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively, the "***CCMP Capital Investors***") in a series of exchanges for certain First Lien Term Loans and Second Lien Term Loans (as such terms are defined in that certain Credit Agreement, dated as of November 10, 2006, by and among Generac Power Systems, Inc., as borrower, and the other parties thereto) in an aggregate principal amount equal to $154,814,528 (collectively, the "***Exchange***");

WHEREAS, the CCMP Capital Investors also purchased 1,550 shares of the Company's Series A Preferred Stock in an equity investment of $15,500,000 (together with the Exchange, the "***CCMP Transaction***");

WHEREAS, pursuant to the Certificate of Designations Establishing the Voting Powers, Designations, Preferences, Limitations, Restrictions and Relative-Rights of Series A Preferred Stock (as amended, modified or supplemented from time to time, the "***Certificate of Designations***"), among other things, the Series A Preferred Paid-in Capital (as defined in the Certificate of Designations) of shares of the Company's Series A Preferred Stock obtained by the CCMP Transactions (the "***CCMP Shares***") was initially the amount paid for each CCMP Share when it was issued (i.e., $10,000 per share) and such amount for each CCMP Share has increased from the date of issuance of each CCMP Share at a rate of 14% per annum (calculated quarterly and compounded on the basis of a 360 day year of 12 months);

WHEREAS, the board of directors of the Company authorized the issuance of an additional 2,000 shares (the "***Newly Issued Shares***") of Series A Preferred Stock (the "***New Issuance***" and, together with the CCMP Transactions, the "***Transactions***"), resulting in the total number of securities issued or to be issued by the Company pursuant to the Transactions being equal to 11,310.8845 shares of Series A Preferred Stock (the "***Securities***");

WHEREAS, in accordance with Section 4.04 of that certain Shareholders' Agreement, dated as of November 10, 2006 (as modified by that certain Waiver Agreement, dated November 25, 2008, the "***Shareholders' Agreement***"), by and among the Company and the other parties thereto, in connection with the Transactions and pursuant to that certain Offer Notice, dated July 23, 2009 (the "***Offer Notice***"), by the Company to the Purchaser, the CCMP Capital Investors and the Company offered the Purchaser, and certain other investors in the Company, the opportunity to purchase a number of Securities equal to the Purchaser's pro rata share of the Securities;

WHEREAS, for purposes of administrative convenience, the Purchaser is purchasing all of the Purchased Shares (as defined below) directly from the Company rather than purchasing the Purchaser's applicable pro rata share of the CCMP Shares from the CCMP Capital Investors and separately purchasing the Purchaser's applicable pro rata share of the Newly Issued Shares from the Company;

WHEREAS, the parties hereto desire the Series A Preferred Unreturned Paid-in Capital (as defined in the Certificate of Designations) in respect of all of the Securities, Including the shares to be purchased hereunder, to be a weighted average that includes all of the increases to the Series A Preferred Paid-In Capital on all of the Securities since the date of issuance thereof under the terms of the Certificate of Designations, the methodology for which is set for on Schedule I attached hereto;

WHEREAS, in connection with the Offer Notice and on the terms and subject to the conditions set forth herein, the Purchaser desires to subscribe for and purchase, and the Company desires to sell to the Purchaser that number of shares of Offered Securities set forth on Schedule II attached hereto opposite the Purchaser's name (each share, a "***Purchased Share***" and, collectively, the "***Purchased Shares***"), which Purchased Shares shall have a Series A Preferred Unreturned Paid-in Capital as set forth on Schedule II opposite the Purchaser's name;

WHEREAS, the sale of the Purchased Shares shall be in full satisfaction of the obligation of the Company under Section 4.04 of the Shareholders' Agreement and any other rights that the Purchaser has or may have had with respect to the Transactions pursuant to the Shareholders' Agreement, including, without limitation, under any of the other sections of Article 4 thereof; and

NOW, THEREFORE, in order to implement the foregoing and in consideration of the mutual representations, warranties, covenants and agreements contained herein and for other good and valuable considerations, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

PURCHASE AND SALE OF SHARES

1.1 Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, the Purchaser does hereby subscribe for and agree to purchase, and the Company does hereby agree to sell to the Purchaser, the number of Purchased Shares set forth in the column "Number of Series A Preferred Shares" on Schedule II hereto opposite the Purchaser's name for the aggregate purchase price set forth in the column "Total Cost" on Schedule II opposite the Purchaser's name.

1.2 Series A Preferred Unreturned Paid-in Capital of Purchased Shares. For purposes of clarity and notwithstanding anything to the contrary herein or otherwise, the parties hereto hereby agree, acknowledge and confirm in all respects that the Series A Unreturned Preferred Paid-in Capital in respect to each Purchased Share will be as set forth on Schedule II opposite the Purchaser's name and the same shall be reflected on the books and records of the Company. The Series A Preferred Unreturned Paid-in Capital of each Purchased Share shall continue to increase or decrease pursuant to the terms of the Certificate of Designations.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser as follows:

2.1 Organization and Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted.

2.2 Authorization. The Company has full corporate power and authority to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Company is a party and to perform its obligations hereunder and thereunder. All corporate action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement by the Company, and for the authorization, issuance and delivery of the Purchased Shares being sold under this Agreement, has been taken. This Agreement, when executed and delivered by all parties hereto, shall constitute the valid and legally binding obligation of the Company, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Validity of Shares. The Purchased Shares, when issued, sold and delivered in accordance with the terms of this Agreement, shall be duly and validly issued, and fully paid and nonassessable, free and clear of all liens and encumbrances (other than those created by the Purchaser).

2.4 Securities Act. The sale of Purchased Shares in accordance with the terms of this Agreement (assuming the accuracy of the representations and warranties

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of the Purchaser contained in Article III hereof) is exempt from the registration requirements of the Securities Act of 1933, as amended (the "***1933 Act***").

ARTICLE III

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE PURCHASER

3.1 The Purchaser hereby represents and warrants to the Company that:

(a) Authorization. The Purchaser is authorized and qualified and has full right and power to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party, and to perform its obligations hereunder and thereunder. This Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party have been duly authorized, executed and delivered by or on behalf of the Purchaser. Assuming the due authorization, execution, delivery and performance of this Agreement and all other agreements and instruments contemplated hereby by the other parties hereof and thereof, this Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party are legal, valid and binding agreements, enforceable against the Purchaser in accordance with their terms.

(b) Investment Representations.

(i) The Purchased Shares to be received by the Purchaser will be acquired by it for its own account (or in the case of a custodian, for the account of its affiliated funds), not as a nominee or agent, and not with a view to the sale or distribution of any part thereof in violation of applicable federal and state securities laws, and it has no current intention of selling, granting a participation in or otherwise distributing the same, in each case, in violation of applicable federal and state securities laws. By executing this Agreement, the Purchaser further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant a participation to such person, or to any third person, with respect to any of the Purchased Shares to be received by the Purchaser, in each case, in violation of applicable federal and state securities laws.

(ii) The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment. The Purchaser further represents that it has had, during the course of the transactions contemplated hereby and prior to its purchase of the Purchased Shares, the opportunity to ask questions of, and receive answers from the Company concerning the terms and conditions of the offering and to obtain additional information necessary to verify the accuracy of any information furnished to it or to which it had

access. The Purchaser understands that no federal or state agency has passed upon this investment or upon the Company, nor has any such agency made any finding or determination as to this investment.

(iii) The Purchaser understands that the Purchased Shares to be received may not be sold, transferred or otherwise disposed of without registration under the 1933 Act or an exemption therefrom, and that in the absence of an effective registration statement covering such Purchased Shares or an available exemption from registration under the 1933 Act, such Purchased Shares must be held indefinitely. The Purchaser is prepared to bear the economic risk of this investment for an indefinite period of time. In particular, the Purchaser acknowledges that it is aware that such Purchased Shares may not be sold pursuant to Rule 144 promulgated under the 1933 Act unless all of the conditions of that Rule are met. Among the current conditions for use of Rule 144 by certain holders is the availability to the public of current information about the Company. Such information is not now available, and the Company has no current plans to make such information available. The Purchaser represents that, in the absence of an effective registration statement covering such Purchased Shares, it will sell, transfer or otherwise dispose of such Purchased Shares only in a manner consistent with its representations set forth herein and then only in accordance with the Shareholders' Agreement.

(iv) The Purchaser acknowledges that this investment is not recommended for investors who have any need for a current return on this investment or who cannot bear the risk of losing their entire investment. The Purchaser acknowledges that: (i) it has adequate means of providing for its current needs and possible personal contingencies and has no need for liquidity in this investment; (ii) its commitment to investments which are not readily marketable is not disproportionate to its net worth; and (iii) its investment in the Purchased Shares will not cause its overall financial commitments to become excessive.

3.2 Legends; Stop Transfer.

(a) The Purchaser acknowledges that all certificates evidencing the Purchased Shares shall bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH

REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

3.3 The certificates evidencing the Purchased Shares shall also bear any legend required by any applicable state securities law.

ARTICLE IV

MISCELLANEOUS

4.1 No Waiver; Modifications in Writing. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Purchaser.

4.2 Execution of Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

4.3 Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that the Purchaser shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and the Purchaser and their respective successors and permitted assigns.

4.4 Governing Law. This Agreement shall be governed by the laws of the State of Delaware as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

4.5 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

4.6 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf the Company or the Purchaser, as the case may be, in connection with the

transactions contemplated by this Agreement shall survive the execution and delivery of this Agreement and the sale and purchase of the Purchased Shares and payment therefor.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron P. Jagdfeld
Name: Aaron P. Jagdfeld
Title: President

JOHN BOWLIN

By: /s/ John Bowlin

SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This SUBSCRIPTION AND STOCK PURCHASE AGREEMENT is made as of September 2, 2009 (the "***Agreement***"), by and between GPS CCMP Acquisition Corp., a Delaware corporation (the "***Company***"), and Ed Leblanc (the "***Purchaser***").

WITNESSETH:

WHEREAS, reference is made to that certain Exchange Agreement, dated as of and after November 25, 2008 (the "***Exchange Agreement***"), by and among CCMP Capital Investors II., L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively, the "***CCMP Capital Investors***") and the Company, pursuant to which from time to time between December 2, 2008 and July 17, 2009 the Company issued an aggregate of 7,760.8845 shares of Series A Preferred Stock ("***Series A Preferred Stock***"), par value $0.01 per share, to CCMP Capital Investors II., L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively, the "***CCMP Capital Investors***") in a series of exchanges for certain First Lien Term Loans and Second Lien Term Loans (as such terms are defined in that certain Credit Agreement, dated as of November 10, 2006, by and among Generac Power Systems, Inc., as borrower, and the other parties thereto) in an aggregate principal amount equal to $154,814,528 (collectively, the "***Exchange***");

WHEREAS, the CCMP Capital Investors also purchased 1,550 shares of the Company's Series A Preferred Stock in an equity investment of $15,500,000 (together with the Exchange, the "***CCMP Transactions***");

WHEREAS, pursuant to the Certificate of Designations Establishing the Voting Powers, Designations, Preferences, Limitations, Restrictions and Relative Rights of Series A Preferred Stock (as amended, modified or supplemented from time to time, the "***Certificate of Designations***"), among other things, the Series A Preferred Paid-in Capital (as defined in the Certificate of Designations) of shares of the Company's Series A Preferred Stock obtained by the CCMP Capital Investors from time to time in connection with the CCMP Transactions (the "***CCMP Shares***") was initially the amount paid for each CCMP Share when it was issued (i.e., $10,000 per share) and such amount for each CCMP Share has increased from the date of issuance of each CCMP Share at a rate of 14% per annum (calculated quarterly and compounded on the basis of a 360 day year of 12 months);

WHEREAS, the board of directors of the Company authorized the issuance of an additional 2,000 shares (the "***Newly Issued Shares***") of Series A Preferred Stock (the "***New Issuance***" and, together with the CCMP Transactions, the "***Transactions***"), resulting in the total number of securities issued or to be issued by the Company pursuant to the Transactions being equal to 11,310.8845 shares of Series A Preferred Stock (the "***Securities***");

WHEREAS, in accordance with Section 4.04 of that certain Shareholders' Agreement, dated as of November 10, 2006 (as modified by that certain Waiver Agreement, dated November 25, 2008, the "***Shareholders' Agreement***"), by and among the Company and the other parties thereto, in connection with the Transactions and pursuant to that certain Offer Notice, dated July 23, 2009 (the "***Offer Notice***"), by the Company to the Purchaser, the CCMP Capital Investors and the Company offered the Purchaser, and certain other investors in the Company, the opportunity to purchase a number of Securities equal to the Purchaser's pro rata share of the Securities;

WHEREAS, for purposes of administrative convenience, the Purchaser is purchasing all of the Purchased Shares (as defined below) directly from the Company rather than purchasing the Purchaser's applicable pro rata share of the CCMP Shares from the CCMP Capital Investors and separately purchasing the Purchaser's applicable pro rata share of the Newly Issued Shares from the Company;

WHEREAS, the parties hereto desire the Series A Preferred Unreturned Paid-in Capital (as defined in the Certificate of Designations) in respect of all of the Securities, including the shares to be purchased hereunder, to be a weighted average that includes all of the increases to the Series A Preferred Paid-In Capital on all of the Securities since the date of issuance thereof under the terms of the Certificate of Designations, the methodology for which is set for on Schedule I attached hereto;

WHEREAS, in connection with the Offer Notice and on the terms and subject to the conditions set forth herein, the Purchaser desires to subscribe for and purchase, and the Company desires to sell to the Purchaser that number of shares of Offered Securities set forth on Schedule II attached hereto opposite the Purchaser's name (each share, a "***Purchased Share***" and, collectively, the "***Purchased Shares***"), which Purchased Shares shall have a Series A Preferred Unreturned Paid-in Capital as set forth on Schedule II opposite the Purchaser's name;

WHEREAS, the sale of the Purchased Shares shall be in full satisfaction of the obligations of the Company under Section 4.04 of the Shareholders' Agreement and any other rights that the Purchaser has or may have had with respect to the Transactions pursuant to the Shareholders' Agreement, including, without limitation, under any of the other sections of Article 4 thereof; and

NOW, THEREFORE, in order to implement the foregoing and in consideration of the mutual representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

PURCHASE AND SALE OF SHARES

1.1 Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, the Purchaser does hereby subscribe for and agree to purchase, and the Company does hereby agree to sell to the Purchaser, the number of Purchased Shares set forth in the column "Number of Series A Preferred Shares" on Schedule II hereto opposite the Purchaser's name for the aggregate purchase price set forth in the column "Total Cost" on Schedule II opposite the Purchaser's name.

1.2 Series A Preferred Unreturned Paid-In Capital of Purchased Shares. For purposes of clarity and notwithstanding anything to the contrary herein or otherwise, the parties hereto hereby agree, acknowledge and confirm in all respects that the Series A Unreturned Preferred Paid-in Capital in respect to each Purchased Share will be as set forth on Schedule II opposite the Purchaser's name and the same shall be reflected on the books and records of the Company. The Series A Preferred Unreturned Paid-in Capital of each Purchased Share shall continue to increase or decrease pursuant to the terms of the Certificate of Designations.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser as follows:

2.1 Organization and Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted.

2.2 Authorization. The Company has full corporate power and authority to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Company is a party and to perform its obligations hereunder and thereunder. All corporate action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement by the Company, and for the authorization, issuance and delivery of the Purchased Shares being sold under this Agreement, has been taken. This Agreement, when executed and delivered by all parties hereto, shall constitute the valid and legally binding obligation of the Company, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Validity of Shares. The Purchased Shares, when issued, sold and delivered in accordance with the terms of this Agreement, shall be duly and validly issued, and fully paid and nonassessable, free and clear of all liens and encumbrances (other than those created by the Purchaser).

2.4 Securities Act. The sale of Purchased Shares in accordance with the terms of this Agreement (assuming the accuracy of the representations and warranties

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of the Purchaser contained in Article III hereof) is exempt from the registration requirements of the Securities Act of 1933, as amended (the "***1933 Act***").

ARTICLE III

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE PURCHASER

3.1 The Purchaser hereby represents and warrants to the Company that:

(a) Authorization. The Purchaser is authorized and qualified and has full right and power to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party, and to perform its obligations hereunder and thereunder. This Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party have been duly authorized, executed and delivered by or on behalf of the Purchaser. Assuming the due authorization, execution, delivery and performance of this Agreement and all other agreements and instruments contemplated hereby by the other parties hereof and thereof, this Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party are legal, valid and binding agreements, enforceable against the Purchaser in accordance with their terms.

(b) Investment Representations.

(i) The Purchased Shares to be received by the Purchaser will be acquired by it for its own account (or in the case of a custodian, for the account of its affiliated funds), not as a nominee or agent, and not with a view to the sale or distribution of any part thereof in violation of applicable federal and state securities laws, and it has no current intention of selling, granting a participation in or otherwise distributing the same, in each case, in violation of applicable federal and state securities laws. By executing this Agreement, the Purchaser further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant a participation to such person, or to any third person, with respect to any of the Purchased Shares to be received by the Purchaser, in each case, in violation of applicable federal and state securities laws.

(ii) The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment. The Purchaser further represents that it has had, during the course of the transactions contemplated hereby and prior to its purchase of the Purchased Shares, the opportunity to ask questions of, and receive answers from the Company concerning the terms and conditions of the offering and to obtain additional information necessary to verify the accuracy of any information furnished to it or to which it had

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access. The Purchaser understands that no federal or state agency has passed upon this investment or upon the Company, nor has any such agency made any finding or determination as to this investment.

(iii) The Purchaser understands that the Purchased Shares to be received may not be sold, transferred or otherwise disposed of without registration under the 1933 Act or an exemption therefrom, and that in the absence of an effective registration statement covering such Purchased Shares or an available exemption from registration under the 1933 Act, such Purchased Shares must be held indefinitely. The Purchaser is prepared to bear the economic risk of this investment for an indefinite period of time. In particular, the Purchaser acknowledges that it is aware that such Purchased Shares may not be sold pursuant to Rule 144 promulgated under the 1933 Act unless all of the conditions of that Rule are met. Among the current conditions for use of Rule 144 by certain holders is the availability to the public of current information about the Company. Such information is not now available, and the Company has no current plans to make such information available. The Purchaser represents that, in the absence of an effective registration statement covering such Purchased Shares, it will sell, transfer or otherwise dispose of such Purchased Shares only in a manner consistent with its representations set forth herein and then only in accordance with the Shareholders' Agreement.

(iv) The Purchaser acknowledges that this investment is not recommended for investors who have any need for a current return on this investment or who cannot bear the risk of losing their entire investment. The Purchaser acknowledges that: (i) it has adequate means of providing for its current needs and possible personal contingencies and has no need for liquidity in this investment; (ii) its commitment to investments which are not readily marketable is not disproportionate to its net worth; and (iii) its investment in the Purchased Shares will not cause its overall financial commitments to become excessive.

3.2 Legends; Stop Transfer.

(a) The Purchaser acknowledges that all certificates evidencing the Purchased Shares shall bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH

REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

3.3 The certificates evidencing the Purchased Shares shall also bear any legend required by any applicable state securities law.

ARTICLE IV

MISCELLANEOUS

4.1 No Waiver; Modifications in Writing. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Purchaser.

4.2 Execution of Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

4.3 Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that the Purchaser shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and the Purchaser and their respective successors and permitted assigns.

4.4 Governing Law. This Agreement shall be governed by the laws of the State of Delaware as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

4.5 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

4.6 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf the Company or the Purchaser, as the case may be, in connection with the

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transactions contemplated by this Agreement shall survive the execution and delivery of this Agreement and the sale and purchase of the Purchased Shares and payment therefor.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron P. Jagdfeld
Name: Aaron P. Jagdfeld
Title: President

ED LEBLANC

By: /s/ [ILLEGIBLE]

[SUBSCRIPTION AGREEMENT SIGNATURE PAGE]

Exhibit 10.11

SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This SUBSCRIPTION AND STOCK PURCHASE AGREEMENT is made as of September 2, 2009 (the "***Agreement***"), by and between GPS CCMP Acquisition Corp., a Delaware corporation (the "***Company***"), and Roger W. Schaus, Jr. (the "***Purchaser***").

W I T N E S S E T H :

WHEREAS, reference is made to that certain Exchange Agreement, dated as of and after November 25, 2008 (the "***Exchange Agreement***"), by and among CCMP Capital Investors II., L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively, the "***CCMP Capital Investors***") and the Company, pursuant to which from time to time between December 2, 2008 and July 17, 2009 the Company issued an aggregate of 7,760.8845 shares of Series A Preferred Stock ("***Series A Preferred Stock***"), par value $0.01 per share, to CCMP Capital Investors II., L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively, the "***CCMP Capital Investors***") in a series of exchanges for certain First Lien Term Loans and Second Lien Term Loans (as such terms are defined in that certain Credit Agreement, dated as of November 10, 2006, by and among Generac Power Systems, Inc., as borrower, and the other parties thereto) in an aggregate principal amount equal to $154,814,528 (collectively, the "***Exchange***");

WHEREAS, the CCMP Capital Investors also purchased 1,550 shares of the Company's Series A Preferred Stock in an equity investment of $15,500,000 (together with the Exchange, the "***CCMP Transactions***");

WHEREAS, pursuant to the Certificate of Designations Establishing the Voting Powers, Designations, Preferences, Limitations, Restrictions and Relative Rights of Series A Preferred Stock (as amended, modified or supplemented from time to time, the "***Certificate of Designations***"), among other things, the Series A Preferred Paid-in Capital (as defined in the Certificate of Designations) of shares of the Company's Series A Preferred Stock obtained by the CCMP Capital Investors from time to time in connection with the CCMP Transactions (the "***CCMP Shares***") was initially the amount paid for each CCMP Share when it was issued (i.e., $10,000 per share) and such amount for each CCMP Share has increased from the date of issuance of each CCMP Share at a rate of 14% per annum (calculated quarterly and compounded on the basis of a 360 day year of 12 months);

WHEREAS, the board of directors of the Company authorized the issuance of an additional 2,000 shares (the "***Newly Issued Shares***") of Series A Preferred Stock (the "***New Issuance***" and, together with the CCMP Transactions, the "***Transactions***"), resulting in the total number of securities issued or to be issued by the Company pursuant to the Transactions being equal to 11,310.8845 shares of Series A Preferred Stock (the "***Securities***");

WHEREAS, in accordance with Section 4.04 of that certain Shareholders' Agreement, dated as of November 10, 2006 (as modified by that certain Waiver Agreement, dated November 25, 2008, the "***Shareholders' Agreement***"), by and among the Company and the other parties thereto, in connection with the Transactions and pursuant to that certain Offer Notice, dated July 23, 2009 (the "***Offer Notice***"), by the Company to the Purchaser, the CCMP Capital Investors and the Company offered the Purchaser, and certain other investors in the Company, the opportunity to purchase a number of Securities equal to the Purchaser's pro rata share of the Securities;

WHEREAS, for purposes of administrative convenience, the Purchaser is purchasing all of the Purchased Shares (as defined below) directly from the Company rather than purchasing the Purchaser's applicable pro rata share of the CCMP Shares from the CCMP Capital Investors and separately purchasing the Purchaser's applicable pro rata share of the Newly Issued Shares from the Company;

WHEREAS, the parties hereto desire the Series A Preferred Unreturned Paid-in Capital (as defined in the Certificate of Designations) in respect of all of the Securities, including the shares to be purchased hereunder, to be a weighted average that includes all of the increases to the Series A Preferred Paid-In Capital on all of the Securities since the date of issuance thereof under the terms of the Certificate of Designations, the methodology for which is set for on Schedule I attached hereto;

WHEREAS, in connection with the Offer Notice and on the terms and subject to the conditions set forth herein, the Purchaser desires to subscribe for and purchase, and the Company desires to sell to the Purchaser that number of shares of Offered Securities set forth on Schedule II attached hereto opposite the Purchaser's name (each share, a "***Purchased Share***" and, collectively, the "***Purchased Shares***"), which Purchased Shares shall have a Series A Preferred Unreturned Paid-in Capital as set forth on Schedule II opposite the Purchaser's name;

WHEREAS, the sale of the Purchased Shares shall be in full satisfaction of the obligations of the Company under Section 4.04 of the Shareholders' Agreement and any other rights that the Purchaser has or may have had with respect to the Transactions pursuant to the Shareholders' Agreement, including, without limitation, under any of the other sections of Article 4 thereof; and

NOW, THEREFORE, in order to implement the foregoing and in consideration of the mutual representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

PURCHASE AND SALE OF SHARES

1.1 Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, the Purchaser does hereby subscribe for and agree to purchase, and the Company does hereby agree to sell to the Purchaser, the number of Purchased Shares set forth in the column "Number of Series A Preferred Shares" on Schedule II hereto opposite the Purchaser's name for the aggregate purchase price set forth in the column "Total Cost" on Schedule II opposite the Purchaser's name.

1.2 Series A Preferred Unreturned Paid-in Capital of Purchased Shares. For purposes of clarity and notwithstanding anything to the contrary herein or otherwise, the parties hereto hereby agree, acknowledge and confirm in all respects that the Series A Unreturned Preferred Paid-in Capital in respect to each Purchased Share will be as set forth on Schedule II opposite the Purchaser's name and the same shall be reflected on the books and records of the Company. The Series A Preferred Unreturned Paid-in Capital of each Purchased Share shall continue to increase or decrease pursuant to the terms of the Certificate of Designations.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser as follows:

2.1 Organization and Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted.

2.2 Authorization. The Company has full corporate power and authority to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Company is a party and to perform its obligations hereunder and thereunder. All corporate action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement by the Company, and for the authorization, issuance and delivery of the Purchased Shares being sold under this Agreement, has been taken. This Agreement, when executed and delivered by all parties hereto, shall constitute the valid and legally binding obligation of the Company, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Validity of Shares. The Purchased Shares, when issued, sold and delivered in accordance with the terms of this Agreement, shall be duly and validly issued, and fully paid and nonassessable, free and clear of all liens and encumbrances (other than those created by the Purchaser).

2.4 Securities Act. The sale of Purchased Shares in accordance with the terms of this Agreement (assuming the accuracy of the representations and warranties

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of the Purchaser contained in Article III hereof) is exempt from the registration requirements of the Securities Act of 1933, as amended (the "***1933 Act***").

ARTICLE III

REPRESENTATIONS, WARRANTIES
AND AGREEMENTS OF THE PURCHASER

3.1 The Purchaser hereby represents and warrants to the Company that:

(a) Authorization. The Purchaser is authorized and qualified and has full right and power to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party, and to perform its obligations hereunder and thereunder. This Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party have been duly authorized, executed and delivered by or on behalf of the Purchaser. Assuming the due authorization, execution, delivery and performance of this Agreement and all other agreements and instruments contemplated hereby by the other parties hereof and thereof, this Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party are legal, valid and binding agreements, enforceable against the Purchaser in accordance with their terms.

(b) Investment Representations.

(i) The Purchased Shares to be received by the Purchaser will be acquired by it for its own account (or in the case of a custodian, for the account of its affiliated funds), not as a nominee or agent, and not with a view to the sale or distribution of any part thereof in violation of applicable federal and state securities laws, and it has no current intention of selling, granting a participation in or otherwise distributing the same, in each case, in violation of applicable federal and state securities laws. By executing this Agreement, the Purchaser further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant a participation to such person, or to any third person, with respect to any of the Purchased Shares to be received by the Purchaser, in each case, in violation of applicable federal and state securities laws.

(ii) The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment. The Purchaser further represents that it has had, during the course of the transactions contemplated hereby and prior to its purchase of the Purchased Shares, the opportunity to ask questions of, and receive answers from the Company concerning the terms and conditions of the offering and to obtain additional information necessary to verify the accuracy of any information furnished to it or to which it had

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access. The Purchaser understands that no federal or state agency has passed upon this investment or upon the Company, nor has any such agency made any finding or determination as to this investment.

(iii) The Purchaser understands that the Purchased Shares to be received may not be sold, transferred or otherwise disposed of without registration under the 1933 Act or an exemption therefrom, and that in the absence of an effective registration statement covering such Purchased Shares or an available exemption from registration under the 1933 Act, such Purchased Shares must be held indefinitely. The Purchaser is prepared to bear the economic risk of this investment for an indefinite period of time. In particular, the Purchaser acknowledges that it is aware that such Purchased Shares may not be sold pursuant to Rule 144 promulgated under the 1933 Act unless all of the conditions of that Rule are met. Among the current conditions for use of Rule 144 by certain holders is the availability to the public of current information about the Company. Such information is not now available, and the Company has no current plans to make such information available. The Purchaser represents that, in the absence of an effective registration statement covering such Purchased Shares, it will sell, transfer or otherwise dispose of such Purchased Shares only in a manner consistent with its representations set forth herein and then only in accordance with the Shareholders' Agreement.

(iv) The Purchaser acknowledges that this investment is not recommended for investors who have any need for a current return on this investment or who cannot bear the risk of losing their entire investment. The Purchaser acknowledges that: (i) it has adequate means of providing for its current needs and possible personal contingencies and has no need for liquidity in this investment; (ii) its commitment to investments which are not readily marketable is not disproportionate to its net worth; and (iii) its investment in the Purchased Shares will not cause its overall financial commitments to become excessive.

3.2 Legends; Stop Transfer.

(a) The Purchaser acknowledges that all certificates evidencing the Purchased Shares shall bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH

REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

3.3 The certificates evidencing the Purchased Shares shall also bear any legend required by any applicable state securities law.

ARTICLE IV

MISCELLANEOUS

4.1 No Waiver; Modifications in Writing. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Purchaser.

4.2 Execution of Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

4.3 Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that the Purchaser shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and the Purchaser and their respective successors and permitted assigns.

4.4 Governing Law. This Agreement shall be governed by the laws of the State of Delaware as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

4.5 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

4.6 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf the Company or the Purchaser, as the case may be, in connection with the

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transactions contemplated by this Agreement shall survive the execution and delivery of this Agreement and the sale and purchase of the Purchased Shares and payment therefor.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron P. Jagdfeld
Name: Aaron P. Jagdfeld

Title: President

ROGER W. SCHAUS, JR.

By: /s/ [ILLEGIBLE]

[SUBSCRIPTION AGREEMENT SIGNATURE PAGE]

SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This SUBSCRIPTION AND STOCK PURCHASE AGREEMENT is made as of September 2, 2009 (the *"**Agreement**"),* by and between GPS CCMP Acquisition Corp., a Delaware corporation (the *"**Company**"),* and Allen D. Gillette (the *"**Purchaser**").*

W I T N E S S E T H :

WHEREAS, reference is made to that certain Exchange Agreement, dated as of and after November 25, 2008 (the *"**Exchange Agreement**"*), by and among CCMP Capital Investors II., L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively, the *"**CCMP Capital Investors**"*) and the Company, pursuant to which from time to time between December 2, 2008 and July 17, 2009 the Company issued an aggregate of 7,760.8845 shares of Series A Preferred Stock *("**Series A Preferred Stock**"),* par value $0.01 per share, to CCMP Capital Investors II., L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively, the *"**CCMP Capital Investors**"*) in a series of exchanges for certain First Lien Term Loans and Second Lien Term Loans (as such terms are defined in that certain Credit Agreement, dated as of November 10, 2006, by and among Generac Power Systems, Inc., as borrower, and the other parties thereto) in an aggregate principal amount equal to $154,814,528 (collectively, the *"**Exchange**"*);

WHEREAS, the CCMP Capital Investors also purchased 1,550 shares of the Company's Series A Preferred Stock in an equity investment of $15,500,000 (together with the Exchange, the *"**CCMP Transactions**"*);

WHEREAS, pursuant to the Certificate of Designations Establishing the Voting Powers, Designations, Preferences, Limitations, Restrictions and Relative Rights of Series A Preferred Stock (as amended, modified or supplemented from time to time, the *"**Certificate of Designations**"*), among other things, the Series A Preferred Paid-in Capital (as defined in the Certificate of Designations) of shares of the Company's Series A Preferred Stock obtained by the CCMP Capital Investors from time to time in connection with the CCMP Transactions (the *"**CCMP Shares**"*) was initially the amount paid for each CCMP Share when it was issued (i.e., $10,000 per share) and such amount for each CCMP Share has increased from the date of issuance of each CCMP Share at a rate of 14% per annum (calculated quarterly and compounded on the basis of a 360 day year of 12 months);

WHEREAS, the board of directors of the Company authorized the issuance of an additional 2,000 shares (the *"**Newly Issued Shares**"*) of Series A Preferred Stock (the *"**New Issuance**"* and, together with the CCMP Transactions, the *"**Transactions**"*), resulting in the total number of securities issued or to be issued by the Company pursuant to the Transactions being equal to 11,310.8845 shares of Series A Preferred Stock (the *"**Securities**"*);

WHEREAS, in accordance with Section 4.04 of that certain Shareholders' Agreement, dated as of November 10, 2006 (as modified by that certain Waiver Agreement, dated November 25, 2008, the *"**Shareholders' Agreement**"*), by and among the Company and the other parties thereto, in connection with the Transactions and pursuant to that certain Offer Notice, dated July 23, 2009 (the *"**Offer Notice**"*), by the Company to the Purchaser, the CCMP Capital Investors and the Company offered the Purchaser, and certain other investors in the Company, the opportunity to purchase a number of Securities equal to the Purchaser's pro rata share of the Securities;

WHEREAS, for purposes of administrative convenience, the Purchaser is purchasing all of the Purchased Shares (as defined below) directly from the Company rather than purchasing the Purchaser's applicable pro rata share of the CCMP Shares from the CCMP Capital Investors and separately purchasing the Purchaser's applicable pro rata share of the Newly Issued Shares from the Company;

WHEREAS, the parties hereto desire the Series A Preferred Unreturned Paid-in Capital (as defined in the Certificate of Designations) in respect of all of the Securities, including the shares to be purchased hereunder, to be a weighted average that includes all of the increases to the Series A Preferred Paid-In Capital on all of the Securities since the date of issuance thereof under the terms of the Certificate of Designations, the methodology for which is set for on Schedule I attached hereto;

WHEREAS, in connection with the Offer Notice and on the terms and subject to the conditions set forth herein, the Purchaser desires to subscribe for and purchase, and the Company desires to sell to the Purchaser that number of shares of Offered Securities set forth on Schedule II attached hereto opposite the Purchaser's name (each share, a *"**Purchased Share**"* and, collectively, the *"**Purchased Shares**"*), which Purchased Shares shall have a Series A Preferred Unreturned Paid-in Capital as set forth on Schedule II opposite the Purchaser's name;

WHEREAS, the sale of the Purchased Shares shall be in full satisfaction of the obligations of the Company under Section 4.04 of the Shareholders' Agreement and any other rights that the Purchaser has or may have had with respect to the Transactions pursuant to the Shareholders' Agreement, including, without limitation, under any of the other sections of Article 4 thereof; and

NOW, THEREFORE, in order to implement the foregoing and in consideration of the mutual representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

PURCHASE AND SALE OF SHARES

1.1 Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, the Purchaser does hereby subscribe for and agree to purchase, and the Company does hereby agree to sell to the Purchaser, the number of Purchased Shares set forth in the column "Number of Series A Preferred Shares" on Schedule II hereto opposite the Purchaser's name for the aggregate purchase price set forth in the column "Total Cost" on Schedule II opposite the Purchaser's name.

1.2 Series A Preferred Unreturned Paid-In Capital of Purchased Shares. For purposes of clarity and notwithstanding anything to the contrary herein or otherwise, the parties hereto hereby agree, acknowledge and confirm in all respects that the Series A Unreturned Preferred Paid-in Capital in respect to each Purchased Share will be as set forth on Schedule II opposite the Purchaser's name and the same shall be reflected on the books and records of the Company. The Series A Preferred Unreturned Paid-in Capital of each Purchased Share shall continue to increase or decrease pursuant to the terms of the Certificate of Designations.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser as follows:

2.1 Organization and Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted.

2.2 Authorization. The Company has full corporate power and authority to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Company is a party and to perform its obligations hereunder and thereunder. All corporate action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement by the Company, and for the authorization, issuance and delivery of the Purchased Shares being sold under this Agreement, has been taken. This Agreement, when executed and delivered by all parties hereto, shall constitute the valid and legally binding obligation of the Company, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Validity of Shares. The Purchased Shares, when issued, sold and delivered in accordance with the terms of this Agreement, shall be duly and validly issued, and fully paid and nonassessable, free and clear of all liens and encumbrances (other than those created by the Purchaser).

2.4 Securities Act. The sale of Purchased Shares in accordance with the terms of this Agreement (assuming the accuracy of the representations and warranties

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of the Purchaser contained in Article III hereof) is exempt from the registration requirements of the Securities Act of 1933, as amended (the ***"1933 Act"*).**

ARTICLE III

REPRESENTATIONS, WARRANTIES

AND AGREEMENTS OF THE PURCHASER

3.1 The Purchaser hereby represents and warrants to the Company that:

(a) Authorization. The Purchaser is authorized and qualified and has full right and power to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party, and to perform its obligations hereunder and thereunder. This Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party have been duly authorized, executed and delivered by or on behalf of the Purchaser. Assuming the due authorization, execution, delivery and performance of this Agreement and all other agreements and instruments contemplated hereby by the other parties hereof and thereof, this Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party are legal, valid and binding agreements, enforceable against the Purchaser in accordance with their terms.

(b) Investment Representations.

(i) The Purchased Shares to be received by the Purchaser will be acquired by it for its own account (or in the case of a custodian, for the account of its affiliated funds), not as a nominee or agent, and not with a view to the sale or distribution of any part thereof in violation of applicable federal and state securities laws, and it has no current intention of selling, granting a participation in or otherwise distributing the same, in each case, in violation of applicable federal and state securities laws. By executing this Agreement, the Purchaser further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant a participation to such person, or to any third person, with respect to any of the Purchased Shares to be received by the Purchaser, in each case, in violation of applicable federal and state securities laws.

(ii) The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment. The Purchaser further represents that it has had, during the course of the transactions contemplated hereby and prior to its purchase of the Purchased Shares, the opportunity to ask questions of, and receive answers from the Company concerning the terms and conditions of the offering and to obtain additional information necessary to verify the accuracy of any information furnished to it or to which it had

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access. The Purchaser understands that no federal or state agency has passed upon this investment or upon the Company, nor has any such agency made any finding or determination as to this investment.

(iii) The Purchaser understands that the Purchased Shares to be received may not be sold, transferred or otherwise disposed of without registration under the 1933 Act or an exemption therefrom, and that in the absence of an effective registration statement covering such Purchased Shares or an available exemption from registration under the 1933 Act, such Purchased Shares must be held indefinitely. The Purchaser is prepared to bear the economic risk of this investment for an indefinite period of time. In particular, the Purchaser acknowledges that it is aware that such Purchased Shares may not be sold pursuant to Rule 144 promulgated under the 1933 Act unless all of the conditions of that Rule are met. Among the current conditions for use of Rule 144 by certain holders is the availability to the public of current information about the Company. Such information is not now available, and the Company has no current plans to make such information available. The Purchaser represents that, in the absence of an effective registration statement covering such Purchased Shares, it will sell, transfer or otherwise dispose of such Purchased Shares only in a manner consistent with its representations set forth herein and then only in accordance with the Shareholders' Agreement.

(iv) The Purchaser acknowledges that this investment is not recommended for investors who have any need for a current return on this investment or who cannot bear the risk of losing their entire investment. The Purchaser acknowledges that: (i) it has adequate means of providing for its current needs and possible personal contingencies and has no need for liquidity in this investment; (ii) its commitment to investments which are not readily marketable is not disproportionate to its net worth; and (iii) its investment in the Purchased Shares will not cause its overall financial commitments to become excessive.

3.2 Legends; Stop Transfer.

(a) The Purchaser acknowledges that all certificates evidencing the Purchased Shares shall bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH

REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

3.3 The certificates evidencing the Purchased Shares shall also bear any legend required by any applicable state securities law.

ARTICLE IV

MISCELLANEOUS

4.1 No Waiver; Modifications in Writing. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Purchaser.

4.2 Execution of Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

4.3 Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that the Purchaser shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and the Purchaser and their respective successors and permitted assigns.

4.4 Governing Law. This Agreement shall be governed by the laws of the State of Delaware as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

4.5 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

4.6 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf the Company or the Purchaser, as the case may be, in connection with the

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transactions contemplated by this Agreement shall survive the execution and delivery of this Agreement and the sale and purchase of the Purchased Shares and payment therefor.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron P. Jagdfeld

Name: Aaron P. Jagdfeld
Title: President

ALLEN D. GILLETTE

By: /s/ [ILLEGIBLE]

[SUBSCRIPTION AGREEMENT SIGNATURE PAGE]

Exhibit 10.13

SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This SUBSCRIPTION AND STOCK PURCHASE AGREEMENT is made as of September 2, 2009 (the *"**Agreement**"*), by and between GPS CCMP Acquisition Corp., a Delaware corporation (the *"**Company**"*), and York A. Ragen (the *"**Purchaser**"*).

W I T N E S S E T H :

WHEREAS, reference is made to that certain Exchange Agreement, dated as of and after November 25, 2008 (the *"**Exchange Agreement**"*), by and among CCMP Capital Investors II., L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively, the *"**CCMP Capital Investors**"*) and the Company, pursuant to which from time to time between December 2, 2008 and July 17, 2009 the Company issued an aggregate of 7,760.8845 shares of Series A Preferred Stock (*"**Series A Preferred Stock**"*), par value $0.01 per share, to CCMP Capital Investors II., L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively, the *"**CCMP Capital Investors**"*) in a series of exchanges for certain First Lien Term Loans and Second Lien Term Loans (as such terms are defined in that certain Credit Agreement, dated as of November 10, 2006, by and among Generac Power Systems, Inc., as borrower, and the other parties thereto) in an aggregate principal amount equal to $154,814,528 (collectively, the *"**Exchange**"*);

WHEREAS, the CCMP Capital Investors also purchased 1,550 shares of the Company's Series A Preferred Stock in an equity investment of $15,500,000 (together with the Exchange, the *"**CCMP Transactions**"*);

WHEREAS, pursuant to the Certificate of Designations Establishing the Voting Powers, Designations, Preferences, Limitations, Restrictions and Relative Rights of Series A Preferred Stock (as amended, modified or supplemented from time to time, the *"**Certificate of Designations**"*), among other things, the Series A Preferred Paid-in Capital (as defined in the Certificate of Designations) of shares of the Company's Series A Preferred Stock obtained by the CCMP Capital Investors from time to time in connection with the CCMP Transactions (the *"**CCMP Shares**"*) was initially the amount paid for each CCMP Share when it was issued (i.e., $10,000 per share) and such amount for each CCMP Share has increased from the date of issuance of each CCMP Share at a rate of 14% per annum (calculated quarterly and compounded on the basis of a 360 day year of 12 months);

WHEREAS, the board of directors of the Company authorized the issuance of an additional 2,000 shares (the *"**Newly Issued Shares**"*) of Series A Preferred Stock (the *"**New Issuance**"* and, together with the CCMP Transactions, the *"**Transactions**"*), resulting in the total number of securities issued or to be issued by the Company pursuant to the Transactions being equal to 11,310.8845 shares of Series A Preferred Stock (the *"**Securities**"*);

WHEREAS, in accordance with Section 4.04 of that certain Shareholders' Agreement, dated as of November 10, 2006 (as modified by that certain Waiver Agreement, dated November 25, 2008, the *"**Shareholders' Agreement**"*), by and among the Company and the other parties thereto, in connection with the Transactions and pursuant to that certain Offer Notice, dated July 23, 2009 (the *"**Offer Notice**"*), by the Company to the Purchaser, the CCMP Capital Investors and the Company offered the Purchaser, and certain other investors in the Company, the opportunity to purchase a number of Securities equal to the Purchaser's pro rata share of the Securities;

WHEREAS, for purposes of administrative convenience, the Purchaser is purchasing all of the Purchased Shares (as defined below) directly from the Company rather than purchasing the Purchaser's applicable pro rata share of the CCMP Shares from the CCMP Capital Investors and separately purchasing the Purchaser's applicable pro rata share of the Newly Issued Shares from the Company;

WHEREAS, the parties hereto desire the Series A Preferred Unreturned Paid-in Capital (as defined in the Certificate of Designations) in respect of all of the Securities, including the shares to be purchased hereunder, to be a weighted average that includes all of the increases to the Series A Preferred Paid-in Capital on all of the Securities since the date of issuance thereof under the terms of the Certificate of Designations, the methodology for which is set for on Schedule I attached hereto;

WHEREAS, in connection with the Offer Notice and on the terms and subject to the conditions set forth herein, the Purchaser desires to subscribe for and purchase, and the Company desires to sell to the Purchaser that number of shares of Offered Securities set forth on Schedule II attached hereto opposite the Purchaser's name (each share, a *"**Purchased Share**"* and, collectively, the *"**Purchased Shares**"*), which Purchased Shares shall have a Series A Preferred Unreturned Paid-in Capital as set forth on Schedule II opposite the Purchaser's name;

WHEREAS, the sale of the Purchased Shares shall be in full satisfaction of the obligations of the Company under Section 4.04 of the Shareholders' Agreement and any other rights that the Purchaser has or may have had with respect to the Transactions pursuant to the Shareholders' Agreement, including, without limitation, under any of the other sections of Article 4 thereof; and

NOW, THEREFORE, in order to implement the foregoing and in consideration of the mutual representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

PURCHASE AND SALE OF SHARES

1.1 Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, the Purchaser does hereby subscribe for and agree to purchase, and the Company does hereby agree to sell to the Purchaser, the number of Purchased Shares set forth in the column "Number of Series A Preferred Shares" on Schedule II hereto opposite the Purchaser's name for the aggregate purchase price set forth in the column "Total Cost" on Schedule II opposite the Purchaser's name.

1.2 Series A Preferred Unreturned Paid-in Capital of Purchased Shares. For purposes of clarity and notwithstanding anything to the contrary herein or otherwise, the parties hereto hereby agree, acknowledge and confirm in all respects that the Series A Unreturned Preferred Paid-in Capital in respect to each Purchased Share will be as set forth on Schedule II opposite the Purchaser's name and the same shall be reflected on the books and records of the Company. The Series A Preferred Unreturned Paid-in Capital of each Purchased Share shall continue to increase or decrease pursuant to the terms of the Certificate of Designations.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser as follows:

2.1 Organization and Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted.

2.2 Authorization. The Company has full corporate power and authority to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Company is a party and to perform its obligations hereunder and thereunder. All corporate action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement by the Company, and for the authorization, issuance and delivery of the Purchased Shares being sold under this Agreement, has been taken. This Agreement, when executed and delivered by all parties hereto, shall constitute the valid and legally binding obligation of the Company, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Validity of Shares. The Purchased Shares, when issued, sold and delivered in accordance with the terms of this Agreement, shall be duly and validly issued, and fully paid and nonassessable, free and clear of all liens and encumbrances (other than those created by the Purchaser).

2.4 Securities Act. The sale of Purchased Shares in accordance with the terms of this Agreement (assuming the accuracy of the representations and warranties

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of the Purchaser contained in Article III hereof) is exempt from the registration requirements of the Securities Act of 1933, as amended (the *"**1933 Act**"*).

ARTICLE III

REPRESENTATIONS, WARRANTIES

AND AGREEMENTS OF THE PURCHASER

3.1 The Purchaser hereby represents and warrants to the Company that:

(a) Authorization. The Purchaser is authorized and qualified and has full right and power to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party, and to perform its obligations hereunder and thereunder. This Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party have been duly authorized, executed and delivered by or on behalf of the Purchaser. Assuming the due authorization, execution, delivery and performance of this Agreement and all other agreements and instruments contemplated hereby by the other parties hereof and thereof, this Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party are legal, valid and binding agreements, enforceable against the Purchaser in accordance with their terms.

(b) Investment Representations.

(i) The Purchased Shares to be received by the Purchaser will be acquired by it for its own account (or in the case of a custodian, for the account of its affiliated funds), not as a nominee or agent, and not with a view to the sale or distribution of any part thereof in violation of applicable federal and state securities laws, and it has no current intention of selling, granting a participation in or otherwise distributing the same, in each case, in violation of applicable federal and state securities laws. By executing this Agreement, the Purchaser further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant a participation to such person, or to any third person, with respect to any of the Purchased Shares to be received by the Purchaser, in each case, in violation of applicable federal and state securities laws.

(ii) The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment. The Purchaser further represents that it has had, during the course of the transactions contemplated hereby and prior to its purchase of the Purchased Shares, the opportunity to ask questions of, and receive answers from the Company concerning the terms and conditions of the offering and to obtain additional information necessary to verify the accuracy of any information furnished to it or to which it had

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access. The Purchaser understands that no federal or state agency has passed upon this investment or upon the Company, nor has any such agency made any finding or determination as to this investment.

(iii) The Purchaser understands that the Purchased Shares to be received may not be sold, transferred or otherwise disposed of without registration under the 1933 Act or an exemption therefrom, and that in the absence of an effective registration statement covering such Purchased Shares or an available exemption from registration under the 1933 Act, such Purchased Shares must be held indefinitely. The Purchaser is prepared to bear the economic risk of this investment for an indefinite period of time. In particular, the Purchaser acknowledges that it is aware that such Purchased Shares may not be sold pursuant to Rule 144 promulgated under the 1933 Act unless all of the conditions of that Rule are met. Among the current conditions for use of Rule 144 by certain holders is the availability to the public of current information about the Company. Such information is not now available, and the Company has no current plans to make such information available. The Purchaser represents that, in the absence of an effective registration statement covering such Purchased Shares, it will sell, transfer or otherwise dispose of such Purchased Shares only in a manner consistent with its representations set forth herein and then only in accordance with the Shareholders' Agreement.

(iv) The Purchaser acknowledges that this investment is not recommended for investors who have any need for a current return on this investment or who cannot bear the risk of losing their entire investment. The Purchaser acknowledges that: (i) it has adequate means of providing for its current needs and possible personal contingencies and has no need for liquidity in this investment; (ii) its commitment to investments which are not readily marketable is not disproportionate to its net worth; and (iii) its investment in the Purchased Shares will not cause its overall financial commitments to become excessive.

3.2 Legends; Stop Transfer.

(a) The Purchaser acknowledges that all certificates evidencing the Purchased Shares shall bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH

REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

3.3 The certificates evidencing the Purchased Shares shall also bear any legend required by any applicable state securities law.

ARTICLE IV

MISCELLANEOUS

4.1 No Waiver; Modifications in Writing. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Purchaser.

4.2 Execution of Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

4.3 Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that the Purchaser shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and the Purchaser and their respective successors and permitted assigns.

4.4 Governing Law. This Agreement shall be governed by the laws of the State of Delaware as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

4.5 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

4.6 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf the Company or the Purchaser, as the case may be, in connection with the

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transactions contemplated by this Agreement shall survive the execution and delivery of this Agreement and the sale and purchase of the Purchased Shares and payment therefor.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron P. Jagdfeld

Name: Aaron P. Jagdfeld
Title: President

YORK A. RAGEN

By: /s/ [ILLEGIBLE]

[SUBSCRIPTION AGREEMENT SIGNATURE PAGE]

SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This SUBSCRIPTION AND STOCK PURCHASE AGREEMENT is made as of September 2, 2009 (the "***Agreement***"), by and between GPS CCMP Acquisition Corp., a Delaware corporation (the "***Company***"), and CCMP Generac Co-Invest, L.P. (the "***Purchaser***").

W I T N E S S E T H :

WHEREAS, reference is made to that certain Exchange Agreement, dated as of and after November 25, 2008 (the "***Exchange Agreement***"), by and among CCMP Capital Investors II., L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively, the "***CCMP Capital Investors***") and the Company, pursuant to which from time to time between December 2, 2008 and July 17, 2009 the Company issued an aggregate of 7,760.8845 shares of Series A Preferred Stock ("***Series A Preferred Stock***"), par value $0.01 per share, to CCMP Capital Investors II., L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively, the "***CCMP Capital Investors***") in a series of exchanges for certain First Lien Term Loans and Second Lien Term Loans (as such terms are defined in that certain Credit Agreement, dated as of November 10, 2006, by and among Generac Power Systems, Inc., as borrower, and the other parties thereto) in an aggregate principal amount equal to $154,814,528 (collectively, the "***Exchange***");

WHEREAS, the CCMP Capital Investors also purchased 1,550 shares of the Company's Series A Preferred Stock in an equity investment of $15,500,000 (together with the Exchange, the "***CCMP Transactions***");

WHEREAS, pursuant to the Certificate of Designations Establishing the Voting Powers, Designations, Preferences, Limitations, Restrictions and Relative Rights of Series A Preferred Stock (as amended, modified or supplemented from time to time, the "***Certificate of Designations***"), among other things, the Series A Preferred Paid-in Capital (as defined in the Certificate of Designations) of shares of the Company's Series A Preferred Stock obtained by the CCMP Capital Investors from time to time in connection with the CCMP Transactions (the "***CCMP Shares***") was initially the amount paid for each CCMP Share when it was issued (i.e., $10,000 per share) and such amount for each CCMP Share has increased from the date of issuance of each CCMP Share at a rate of 14% per annum (calculated quarterly and compounded on the basis of a 360 day year of 12 months);

WHEREAS, the board of directors of the Company authorized the issuance of an additional 2,000 shares (the "***Newly Issued Shares***") of Series A Preferred Stock (the "***New Issuance***" and, together with the CCMP Transactions, the "***Transactions***"), resulting in the total number of securities issued or to be issued by the Company pursuant to the Transactions being equal to 11,310.8845 shares of Series A Preferred Stock (the "***Securities***");

WHEREAS, in accordance with (i) Section 4.04 of that certain Shareholders' Agreement, dated as of November 10, 2006 (as modified by that certain Waiver Agreement, dated November 25, 2008, the "***Shareholders' Agreement***"), by and among the Company and the other parties thereto, (ii) Section 3.3(c) of that certain Amended and Restated Limited Partnership Agreement of CCMP Generac Co-Invest, L.P., dated as of November 6, 2006 (the "***Co-Invest L.P. Agreement***") among CCMP Generac Co-Invest GP, LLC and the other parties thereto, in connection with the Transactions and pursuant to that certain Offer Notice, dated July 23, 2009 (the "***Offer Notice***"), by the Company to the Purchaser, the CCMP Capital Investors and the Company offered the Purchaser, and certain other investors in the Company, the opportunity to purchase a number of Securities equal to the Purchaser's pro rata share of the Securities;

WHEREAS, for purposes of administrative convenience, the Purchaser is purchasing all of the Purchased Shares (as defined below) directly from the Company rather than purchasing the Purchaser's applicable pro rata share of the CCMP Shares from the CCMP Capital Investors and separately purchasing the Purchaser's applicable pro rata share of the Newly Issued Shares from the Company;

WHEREAS, the parties hereto desire the Series A Preferred Unreturned Paid-in Capital (as defined in the Certificate of Designations) in respect of all of the Securities, including the shares to be purchased hereunder, to be a weighted average that includes all of the increases to the Series A Preferred Paid-In Capital on all of the Securities since the date of issuance thereof under the terms of the Certificate of Designations, the methodology for which is set for on Schedule I attached hereto;

WHEREAS, in connection with the Offer Notice and on the terms and subject to the conditions set forth herein, the Purchaser desires to subscribe for and purchase, and the Company desires to sell to the Purchaser that number of shares of Offered Securities set forth on Schedule II attached hereto opposite the Purchaser's name (each share, a "***Purchased Share***" and, collectively, the "***Purchased Shares***"), which Purchased Shares shall have a Series A Preferred Unreturned Paid-in Capital as set forth on Schedule II opposite the Purchaser's name;

WHEREAS, the sale of the Purchased Shares shall be in full satisfaction of the obligations of the Company under (i) Section 4.04 of the Shareholders' Agreement and any other rights that the Purchaser has or may have had with respect to the Transactions pursuant to the Shareholders' Agreement, including, without limitation, under any of the other sections of Article 4 thereof, and (ii) Section 3.3(c) of the Co-Invest L.P. Agreement and any other rights that the Purchaser has or may have had with respect to the Transactions pursuant to the Co-Invest L.P. Agreement, including, without limitation, under any of the other sections of Article III thereof; and

NOW, THEREFORE, in order to implement the foregoing and in consideration of the mutual representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy

of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

PURCHASE AND SALE OF SHARES

1.1 Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, the Purchaser does hereby subscribe for and agree to purchase, and the Company does hereby agree to sell to the Purchaser, the number of Purchased Shares set forth in the column "Number of Series A Preferred Shares" on Schedule II hereto opposite the Purchaser's name for the aggregate purchase price set forth in the column "Total Cost" on Schedule II opposite the Purchaser's name.

1.2 Series A Preferred Unreturned Paid-In Capital of Purchased Shares. For purposes of clarity and notwithstanding anything to the contrary herein or otherwise, the parties hereto hereby agree, acknowledge and confirm in all respects that the Series A Unreturned Preferred Paid-in Capital in respect to each Purchased Share will be as set forth on Schedule II opposite the Purchaser's name and the same shall be reflected on the books and records of the Company. The Series A Preferred Unreturned Paid-in Capital of each Purchased Share shall continue to increase or decrease pursuant to the terms of the Certificate of Designations.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser as follows:

2.1 Organization and Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted.

2.2 Authorization. The Company has full corporate power and authority to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Company is a party and to perform its obligations hereunder and thereunder. All corporate action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement by the Company, and for the authorization, issuance and delivery of the Purchased Shares being sold under this Agreement, has been taken. This Agreement, when executed and delivered by all parties hereto, shall constitute the valid and legally binding obligation of the Company, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Validity of Shares. The Purchased Shares, when issued, sold and delivered in accordance with the terms of this Agreement, shall be duly and validly

issued, and fully paid and nonassessable, free and clear of all liens and encumbrances (other than those created by the Purchaser).

2.4 Securities Act. The sale of Purchased Shares in accordance with the terms of this Agreement (assuming the accuracy of the representations and warranties of the Purchaser contained in Article III hereof) is exempt from the registration requirements of the Securities Act of 1933, as amended (the "***1933 Act***").

ARTICLE III

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE PURCHASER

3.1 The Purchaser hereby represents and warrants to the Company that:

(a) Authorization. The Purchaser is authorized and qualified and has full right and power to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party, and to perform its obligations hereunder and thereunder. This Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party have been duly authorized, executed and delivered by or on behalf of the Purchaser. Assuming the due authorization, execution, delivery and performance of this Agreement and all other agreements and instruments contemplated hereby by the other parties hereof and thereof, this Agreement and all other agreements and instruments contemplated hereby to which the Purchaser is a party are legal, valid and binding agreements, enforceable against the Purchaser in accordance with their terms.

(b) Investment Representations.

(i) The Purchased Shares to be received by the Purchaser will be acquired by it for its own account (or in the case of a custodian, for the account of its affiliated funds), not as a nominee or agent, and not with a view to the sale or distribution of any part thereof in violation of applicable federal and state securities laws, and it has no current intention of selling, granting a participation in or otherwise distributing the same, in each case, in violation of applicable federal and state securities laws. By executing this Agreement, the Purchaser further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant a participation to such person, or to any third person, with respect to any of the Purchased Shares to be received by the Purchaser, in each case, in violation of applicable federal and state securities laws.

(ii) The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment. The Purchaser further represents that it has

had, during the course of the transactions contemplated hereby and prior to its purchase of the Purchased Shares, the opportunity to ask questions of, and receive answers from the Company concerning the terms and conditions of the offering and to obtain additional information necessary to verify the accuracy of any information furnished to it or to which it had access. The Purchaser understands that no federal or state agency has passed upon this investment or upon the Company, nor has any such agency made any finding or determination as to this investment.

(iii) The Purchaser understands that the Purchased Shares to be received may not be sold, transferred or otherwise disposed of without registration under the 1933 Act or an exemption therefrom, and that in the absence of an effective registration statement covering such Purchased Shares or an available exemption from registration under the 1933 Act, such Purchased Shares must be held indefinitely. The Purchaser is prepared to bear the economic risk of this investment for an indefinite period of time. In particular, the Purchaser acknowledges that it is aware that such Purchased Shares may not be sold pursuant to Rule 144 promulgated under the 1933 Act unless all of the conditions of that Rule are met. Among the current conditions for use of Rule 144 by certain holders is the availability to the public of current information about the Company. Such information is not now available, and the Company has no current plans to make such information available. The Purchaser represents that, in the absence of an effective registration statement covering such Purchased Shares, it will sell, transfer or otherwise dispose of such Purchased Shares only in a manner consistent with its representations set forth herein and then only in accordance with the Shareholders' Agreement.

(iv) The Purchaser acknowledges that this investment is not recommended for investors who have any need for a current return on this investment or who cannot bear the risk of losing their entire investment. The Purchaser acknowledges that: (i) it has adequate means of providing for its current needs and possible personal contingencies and has no need for liquidity in this investment; (ii) its commitment to investments which are not readily marketable is not disproportionate to its net worth; and (iii) its investment in the Purchased Shares will not cause its overall financial commitments to become excessive.

3.2 Legends; Stop Transfer.

(a) The Purchaser acknowledges that all certificates evidencing the Purchased Shares shall bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A

VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

3.3 The certificates evidencing the Purchased Shares shall also bear any legend required by any applicable state securities law.

ARTICLE IV

MISCELLANEOUS

4.1 No Waiver; Modifications in Writing. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Purchaser.

4.2 Execution of Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

4.3 Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that the Purchaser shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and the Purchaser and their respective successors and permitted assigns.

4.4 Governing Law. This Agreement shall be governed by the laws of the State of Delaware as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

4.5 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the

remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

4.6 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf the Company or the Purchaser, as the case may be, in connection with the transactions contemplated by this Agreement shall survive the execution and delivery of this Agreement and the sale and purchase of the Purchased Shares and payment therefor.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron P. Jagdfeld
Name: Aaron P. Jagdfeld
Title: President

By: /s/ Tim Walsh
Name: Tim Walsh
Title: Managing Director

CCMP GENERAC CO-INVEST, L.P.

By: CCMP Generac Co-Invest GP, LLC,
its General Partner

By: /s/ [ILLEGIBLE]

[SUBSCRIPTION AGREEMENT SIGNATURE PAGE]

SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This SUBSCRIPTION AND STOCK PURCHASE AGREEMENT is made as of November 25, 2008 (the "***Agreement***"), by and among GPS CCMP Acquisition Corp., a Delaware corporation (the "***Company***"), CCMP Capital Investors II, L.P. ("***CCMP***") and CCMP Capital Investors (Cayman) II, L.P. ("***Cayman***" and together with CCMP, the "***Purchasers***").

W I T N E S S E T H :

WHEREAS, on the terms and subject to the conditions set forth herein, CCMP desires to subscribe for and purchase, and the Company desires to sell to CCMP that number of shares of Series A Preferred Stock ("***Series A Preferred Stock***"), par value $0.01 per share, of the Company (the "***Shares***") set forth on Schedule I attached hereto (the purchase price to be paid by CCMP for the Shares is referred to herein as the "***Purchase Price***").

NOW, THEREFORE, in order to implement the foregoing and in consideration of the mutual representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

PURCHASE AND SALE OF SHARES

1.1 Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, each Purchaser does hereby subscribe for and agree to purchase, and the Company does hereby agree to sell to each Purchaser, the number of Shares set forth in the column "Number of Series A Preferred Shares" on Schedule I hereto opposite such Purchaser's name for the aggregate Purchase Price set forth in the column "Total Cost" on Schedule I opposite such Purchaser's name.

1.2 Obligations Several. Each Purchaser's obligations under this Agreement are subject to the execution and delivery of this Agreement by the other Purchasers. The obligations of each Purchaser shall be several and not joint, and no Purchaser shall be liable or responsible for the acts of any other Purchaser under this Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to each Purchaser as follows:

2.1 Organization and Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted.

2.2 Authorization. The Company has full corporate power and authority to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Company is a party and to perform its obligations hereunder and thereunder. All corporate action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement by the Company, and for the authorization, issuance and delivery of the Shares being sold under this Agreement, has been taken. This Agreement, when executed and delivered by all parties hereto, shall constitute the valid and legally binding obligation of the Company, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Validity of Shares. The Shares, when issued, sold and delivered in accordance with the terms of this Agreement, shall be duly and validly issued, and fully paid and nonassessable, free and clear of all liens and encumbrances (other than those created by the Purchasers).

2.4 Securities Act. The sale of Shares in accordance with the terms of this Agreement (assuming the accuracy of the representations and warranties of the Purchasers contained in Article III hereof) is exempt from the registration requirements of the Securities Act of 1933, as amended (the "***1933 Act***").

ARTICLE III

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE PURCHASERS

3.1 Each Purchaser hereby represents and warrants, severally and not jointly, to the Company that:

(a) Authorization. Such Purchaser is authorized and qualified and has full right and power to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which such Purchaser is a party, and to perform its obligations hereunder and thereunder. This Agreement and all other agreements and instruments contemplated hereby to which such Purchaser is a party have been duly authorized, executed and delivered by or on behalf of such Purchaser. Assuming the due authorization, execution, delivery and performance of this Agreement and all other agreements and instruments contemplated hereby by the other parties hereof and thereof, this Agreement and all other agreements and instruments contemplated hereby to which such Purchaser is a party are legal, valid and binding agreements, enforceable against such Purchaser in accordance with their terms.

(b) Investment Representations.

(i) The Shares to be received by such Purchaser will be acquired by it for its own account (or in the case of a custodian, for the account of its affiliated funds), not as a nominee or agent, and not with a view to the sale or distribution of any part thereof in violation of applicable federal and state securities laws, and it has no current intention of selling, granting a participation in or otherwise distributing the same, in each case, in violation of applicable federal and state securities laws. By executing this Agreement, each Purchaser further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant a participation to such person, or to any third person, with respect to any of the Shares to be received by such Purchaser, in each case, in violation of applicable federal and state securities laws.

(ii) Such Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment. Such Purchaser further represents that it has had, during the course of the transactions contemplated hereby and prior to its purchase of the Shares to be received by such Purchaser, the opportunity to ask questions of, and receive answers from the Company concerning the terms and conditions of the offering and to obtain additional information necessary to verify the accuracy of any information furnished to it or to which it had access. Such Purchaser understands that no federal or state agency has passed upon this investment or upon the Company, nor has any such agency made any finding or determination as to this investment.

(iii) Such Purchaser understands that the Shares to be received by such Purchaser may not be sold, transferred or otherwise disposed of without registration under the 1933 Act or an exemption therefrom, and that in the absence of an effective registration statement covering such Shares or an available exemption from registration under the 1933 Act, such Shares must be held indefinitely. Such Purchaser is prepared to bear the economic risk of this investment for an indefinite period of time. In particular, such Purchaser acknowledges that it is aware that such Shares may not be sold pursuant to Rule 144 promulgated under the 1933 Act unless all of the conditions of that Rule are met. Among the current conditions for use of Rule 144 by certain holders is the availability to the public of current information about the Company. Such information is not now available, and the Company has no current plans to make such information available. Such Purchaser represents that, in the absence of an effective registration statement covering such Shares, it will sell, transfer or otherwise dispose of such Shares only in a manner consistent with its representations set forth herein and then only in accordance with the Shareholders Agreement referred to in Article IV below.

(iv) Such Purchaser acknowledges that this investment is not recommended for investors who have any need for a current return on this investment or who cannot bear the risk of losing their entire investment. Such Purchaser acknowledges that: (i) it has adequate means of providing for its current needs and possible personal contingencies and has no need for liquidity in this investment; (ii) its commitment to investments which are not readily marketable is not disproportionate to its net worth; and (iii) its investment in the Shares to be received by such Purchaser will not cause its overall financial commitments to become excessive.

3.2 Legends; Stop Transfer.

(a) Each Purchaser acknowledges that all certificates evidencing the Shares shall bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

3.3 The certificates evidencing the Shares shall also bear any legend required by any applicable state securities law.

ARTICLE IV

MISCELLANEOUS

4.1 No Waiver; Modifications in Writing. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Purchaser.

4.2 Execution of Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

4.3 Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Purchaser shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Purchaser and their respective successors and permitted assigns.

4.4 Governing Law. This Agreement shall be governed by the laws of the State of Delaware as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

4.5 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

4.6 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf the Company or the Purchasers, as the case may be, in connection with the transactions contemplated by this Agreement shall survive the execution and delivery of this Agreement and the sale and purchase of the Shares and payment therefor.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron P. Jagdfeld
Name: Aaron P. Jagdfeld
Title:

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ [ILLEGIBLE]
Name:
Title:

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ [ILLEGIBLE]
Name:
Title:

[SUBSCRIPTION AGREEMENT SIGNATURE PAGE]

Exhibit 10.16

July 17, 2009

GPS CCMP Acquisition Corp.
c/o CCMP Capital Advisors LLC
245 Park Avenue
16th Floor
New York, New York 10167

Re: Series A Preferred Share Exchanges

Dear Sir/Madam:

Reference is made to that certain Exchange Agreement, dated as of November 25, 2008 (the "Exchange Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Exchange Agreement.

Through July 17, 2009, the Investors had purchased and settled a total of $154,814,528 principal amount of First and Second Lien Term Loans at an aggregate cost of $77,608,845 (collectively, the "Purchased Loans"). This letter acknowledges that pursuant to the terms of the Exchange Agreement, the Investors have transferred such Purchased Loans to the Company in exchange for that number of shares of Series A Preferred Stock of the Company (the "Preferred Shares"), as set forth opposite each such Investors name on Exhibit A hereto, which Preferred Shares shall have an aggregate Series A Preferred Paid-in Capital (as defined in that certain Certificate of Designation dated November 25, 2008) equal to the aggregate cost incurred by the Investors to purchase the Purchased Loans.

Regards,

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld
Name: Aaron Jagdfeld
Title: C.E.O.

AGREED AND ACKNOWLEDGED,
as of the date first above written

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates, GP, LLC,
its General Partner

By: /s/ [ILLEGIBLE]
Name:
Title:

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates, GP, LLC,
its General Partner

By: /s/ [ILLEGIBLE]
Name:
Title:

GPS CCMP ACQUISITION CORP.

2006 MANAGEMENT EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

RESTRICTED STOCK AGREEMENT (this **"*Agreement*"**) made as of November 10, 2006 (the **"*Effective Date*"**), by and between GPS CCMP Acquisition Corp., a Delaware corporation (the **"*Company*"**), and **Aaron P. Jagdfeld** (the **"*Executive*"**).

WHEREAS, as a material inducement to the Company to sell and issue to the Executive the Restricted Shares hereunder, the Executive has agreed to execute and deliver to the Company the Confidentiality, Non-Competition and Intellectual Property Agreement attached hereto as Exhibit C (the **"*Non-Competition Agreement*"**);

WHEREAS, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged;

WHEREAS, certain capitalized terms used herein are defined in Section 9 hereof;

NOW, THEREFORE, the parties hereto agree as follows:

1. Purchase and Sale of Restricted Shares.

(a) Upon execution of this Agreement and the Shareholders' Agreement, dated as of the date hereof, by and among the Company, the Executive and the other parties from time to time party thereto (the **"*Shareholders' Agreement*"**), and subject to the terms and conditions of the Plan (as defined below) and this Agreement, the Company will issue to the Executive **1558.334959** shares of class A nonvoting common stock of the Company, par value $0.01 per share (the **"*Class A Common Stock*"**), for a purchase price of $ **$341.36** per share (the **"*Class A Purchase Price*"**). All of such shares of Class A Common Stock purchased by the Executive pursuant to this Agreement are referred to herein as **"*Restricted Shares.*"**

(b) The foregoing sale and issuance of Restricted Shares shall be deemed, for all purposes, an Award under (and as defined in) the Company's 2006 Management Equity Incentive Plan (the **"*Plan*"**), which is incorporated herein by this reference and made a part of this Agreement.

2. Section 83(b) Election.

The parties agree that the fair market value of each share of Class A Common Stock as of the Effective Date, based on the appraisal report of Corporate Valuation Advisors, is $ **$341.36** the Class A Purchase Price. The Executive, in his sole discretion, may make an election with the Internal Revenue Service (the **"*IRS*"**) under Section 83(b) of the Code and the regulations promulgated thereunder in the form of **Exhibit A** attached hereto (the **"*83(b) Election*"**), and in connection with the making of such election, shall provide a copy of such form to the Company promptly following its filing. The Executive understands that under applicable law such election must be filed with the IRS no later than thirty (30) days after any acquisition of the Restricted Shares to be effective. If the Executive files an effective 83(b) Election, the excess of the fair market value of the Restricted Shares on the date hereof (which the IRS may assert is different from the fair market value determined by the parties) covered by such election over the amount paid by the Executive for the Restricted Shares shall be treated as ordinary income received by the Executive, and the Company or one of its Subsidiaries shall withhold from Executive's compensation all amounts required to be withheld under applicable law. If the Executive does not file an 83(b) Election, future appreciation on the Restricted Shares will generally be taxable as ordinary income when such stock vests pursuant to this Agreement. The foregoing is merely a brief summary of complex

tax laws and regulations, and therefore the Executive is advised to consult with his own tax advisors regarding the purchase and holding of the Restricted Shares.

3. Executive Representations and Warranties.

As an inducement to the Company to issue the Restricted Shares to the Executive and as a condition thereto, the Executive represents, acknowledges and agrees (as applicable) that:

(i) this Agreement constitutes the legal, valid and binding obligation of the Executive, enforceable against **him** in accordance with its terms, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles, and the execution, delivery and performance of this Agreement by the Executive does not and will not conflict with, violate or cause a breach of any agreement, contract or instrument to which the Executive is a party or any judgment, order or decree to which the Executive is subject; and

(ii) neither the issuance of the Restricted Shares to the Executive nor any provision contained herein or in the Plan, shall entitle the Executive to remain in the employment of the Company or any of its Subsidiaries, or affect the right of the Company or any Subsidiary to terminate the Executive's employment at any time for any reason.

4. Vesting of Class A Common Stock.

(a) All Restricted Shares shall initially be unvested and shall be subject to repurchase by the Company pursuant to the Shareholders' Agreement. Subject in all respects to the provisions of the Certificate of Incorporation of the Company, all stock dividends, if any, that are paid on unvested Restricted Shares and all stock dividends, if any, that are paid on any such stock dividends (any such stock dividends, **"*Restricted Share Dividends*"**) and all cash dividends paid on unvested Restricted Shares (or on Restricted Share Dividends) (**"*Unvested Shares Cash Dividends*"**) shall be treated as set forth in Section 6(d).

(b) Time-Vesting. **779.1675** Restricted Shares shall be **"*Time Vesting Shares.*"**

(i) Vesting Schedule. Subject to Sections 4(b)(ii) through (iv), the Time Vesting Shares shall vest as set forth below, provided that the Executive remains employed with the Company or one of its Subsidiaries on such Vesting Dates:

Vesting Date	Vested Percentage of Time Vesting Shares
November 10, 2007	25%
November 10, 2008	50%
November 10, 2009	75%
November 10, 2010	100%

(ii) Acceleration upon Change of Control. Upon the occurrence of a Change of Control prior to November 10, 2010, all then unvested Time Vesting Shares shall immediately vest in full, so long as the Executive is employed with the Company or one of its Subsidiaries on the applicable Change of Control Date.

(iii) Accelerated Vesting upon Death or Disability. Notwithstanding the foregoing provisions of this Section 4, in the event of the Executive's termination of employment with the

Company or any of its Subsidiaries by reason of his death or becoming Disabled on or after November 10, 2006, Time Vesting Shares that would otherwise have been become vested within twelve months immediately following the applicable Termination Date shall vest as of such Termination Date.

(iv) Cessation of Vesting. Subject to the effect of paragraph (iii) above, the vesting of all Time Vesting Shares shall cease upon the Termination Date.

(c) Performance-Based Vesting.

(i) General. In accordance with Section 4(c)(ii) through (iv), **779.1675** Restricted Shares shall be eligible to vest upon the occurrence of either a Change of Control or an IPO Liquidity Event, provided the Executive is employed with the Company or one of its Subsidiaries on the Change of Control Date or IPO Liquidity Event Date, as applicable, as set forth in the requirements of this Section 4(c) (the **"*Performance Vesting Shares*"**).

(ii) Change of Control. In the event that, upon the occurrence of a Change of Control (and provided that Executive is employed with the Company or one of its Subsidiaries on the applicable Change of Control Date), the Class B Return is equal to or greater than 2, 100% of the Performance Vesting Shares shall vest on the Change of Control Date.

(iii) IPO Liquidity Event. Upon the occurrence of an IPO Liquidity Event (and provided that Executive is employed with the Company or one of its Subsidiaries on the applicable IPO Liquidity Event Date), 100% of the Performance Vesting Shares shall vest on the IPO Liquidity Event Date.

(iv) Cessation of Vesting upon Termination of Employment Prior to Change of Control or IPO Liquidity Event. In the event of the Executive's termination of employment for any reason prior to the occurrence of either a Change of Control or an IPO Liquidity Event, vesting shall cease for the Performance Vesting Shares.

(d) Dividends, Etc. Subject in all respects to the provisions of the Certificate of Incorporation of the Company, Restricted Share Dividends, Unvested Shares Cash Dividends and Additional Property shall be delivered to Executive promptly upon the vesting of the related Restricted Shares.

5. Legend.

(a) Each certificate representing Restricted Shares shall bear each of the following legends (in addition to any legends required under the Shareholders' Agreement).

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXCHANGED UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OR EXCHANGE COMPLIES WITH THE PROVISIONS OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT, EACH AS AMENDED FROM TIME TO TIME, BETWEEN OR AMONG THE COMPANY AND THE INVESTORS PARTY THERETO. IN ADDITION TO RESTRICTIONS ON TRANSFER, THE RESTRICTED STOCK AGREEMENT PROVIDES FOR THE VESTING OF THE SHARES ACCORDING TO THE SPECIFIC PROVISIONS OF THE RESTRICTED STOCK AGREEMENT. COPIES OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT ARE ON FILE WITH THE COMPANY."

(b) The certificates shall also bear any legend required by any applicable state securities law.

6. Restrictions on Transfer and Conversion.

(a) The Company and the Executive acknowledge and agree that the Restricted Shares are subject to and restricted by the Shareholders' Agreement and with respect to such Restricted Shares, the Executive shall be an **"*Investor*"** and a **"*Management Shareholder*"** as such terms are used in the Shareholders Agreement.

(b) No unvested Restricted Shares shall be transferable to any Person for any reason. Any attempt to Transfer any unvested Restricted Shares shall be null and void and have no force or effect, and the Company shall not, and shall cause any transfer agent not to, give any effect in such entity's share records to such attempted Transfer.

(c) Prior to any Transfer of vested Restricted Stock made in accordance with the Shareholders' Agreement, the transferee shall agree, by execution of a Joinder Agreement, to be bound by this Agreement as holder of Restricted Shares and by the Shareholders' Agreement as an **"*Investor*"** and a **"*Management Shareholder*".** Any Transfer or attempted Transfer of any Restricted Shares in violation of this Section 6 or the Shareholders' Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Restricted Shares as the owner of such stock for any purpose.

(d) All Restricted Share Dividends, all Unvested Shares Cash Dividends and all new, substituted or additional securities or other property contemplated by Section 10 below (**"*Additional Property*"**), shall be subject to the same restrictions (and the same vesting) as the Restricted Share to which such Restricted Share Dividend, Unvested Shares Cash Dividends or Additional Property relates, and will be paid to the Executive in accordance with Section 4(d).

(e) The Executive acknowledges that the transfer restrictions contained in this Agreement are reasonable and in the best interests of the Company.

7. Right of Repurchase. Except as provided in any other agreement between the Company and/or one of its Subsidiaries and the Executive, and subject to applicable securities laws, the Company shall have no duty or obligation to disclose to the Executive, and the Executive shall have no right to be advised of, any material information regarding the Company and its Subsidiaries at any time prior to, upon or in connection with the Company's exercise of it right to repurchase the Restricted Shares pursuant to Article V of the Shareholders' Agreement (the **"*Repurchase Option*"**) upon the termination of the Executive's employment with the Company or one of it Subsidiaries. In connection with the exercise

of the Repurchase Option by the Company with respect to unvested Restricted Shares, if the Company holds, pursuant to Section 6(d) Unvested Shares Cash Dividends, Restricted Share Dividends and/or Additional Property with respect to such unvested Restricted Shares, upon the purchase by the Company or its designee of such Restricted Shares, notwithstanding anything to the contrary in this Agreement or the Shareholders' Agreement, all such Unvested Shares Cash Dividends, Restricted Share Dividends (subject to any repurchase provisions in the Shareholders' Agreement) and/or Additional Property shall be forfeited by the Executive (and any spouse or any Permitted Transferee of the Executive) and all of the Executive's rights, or the rights of any spouse or any Permitted Transferee of the Executive, to such Unvested Shares Cash Dividends, Restricted Share Dividends and/or Additional Property shall terminate.

8. Securities Laws Matters.

(a) The Executive understands and agrees that: (i) the Restricted Shares have not been registered under the Securities Act, (ii) the Restricted Shares are restricted securities under the Securities Act and (iii) the Restricted Shares may not be resold or transferred unless they are first registered under the Securities Act or unless an exemption from such registration is available. The Executive hereby makes to the Company the representations and warranties set forth in **Exhibit B** hereto.

(b) Except as otherwise set forth in the Shareholders' Agreement, the Company may, but shall not be obligated to register or qualify the issuance, or the resale of any of the Restricted Shares under the Securities Act or any other applicable law.

9. Definitions.

The following terms shall have the meanings ascribed below:

"*Aggregate Net Proceeds*" means:

(i) all cash proceeds actually received by the CCMP Investors with respect to the sale or assignment of shares of Class B Common Stock to third parties, net of any unreimbursed Sales Costs, plus

(ii) the Fair Market Value of any shares of Marketable Securities actually received by the CCMP Investors with respect to the sale or assignment of Class B Common Stock to third parties (for purposes of clarity, excluding any conversion of shares of Class B Common Stock into shares of Class A Common Stock), as determined on the date of the consummation of such sale or other disposition, net of any unreimbursed Sales Costs, plus

(iii) dividends in cash or the fair market value of any property dividends (other than stock dividends) as determined by the Board of Directors of the Company in good faith, actually received by the CCMP Investors (or receivable at the discretion of the CCMP Investors or persons within their control) in respect of the Class B Common Stock;

provided, *however*, that (A) Aggregate Net Proceeds shall not include any advisory, management, monitoring, transaction or other fees pursuant to arrangements disclosed to the Executive as of the Effective Date, or any expense reimbursement, received by one or more CCMP Investors or any of their affiliates and (B) any cash dividends received by the CCMP Investors shall not be counted more than once in any calculation of Aggregate Net Proceeds.

"*CCMP Investment*" means initially $ 588,500,000, and shall be adjusted for any cash or other consideration contributed from the CCMP Investors from and after the date hereof.

"*CCMP Investors*" means CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman), L.P., Asia Opportunity Fund II, L.P., AOF II Employee Co-Invest Fund, L.P. and CCMP Generac Co-Invest, L.P.

"*Change of Control*" means (a) any transaction or series of related transactions, whether or not the Company is a party thereto, in which, after giving effect to such transaction or transactions, the capital stock of the Company representing in excess of fifty percent (50%) of the voting power of the Company is owned directly, or indirectly through one or more entities, by any "*person*" or "*group*" (as such terms are used in Section 13(d) of the Exchange Act) of Persons, other than one or more CCMP Investors or a "*group*" in which a CCMP Investor is a member, or (b) a sale, lease or other disposition of all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis (including securities of the Company's directly or indirectly owned Subsidiaries (if any)).

"*Change of Control Date*" means the date of consummation of a Change of Control.

"*Class A Common Stock*" has the meaning set forth in Section 1(a) hereof.

"*Class B Return*" as of any date of determination means the quotient of (a) the Aggregate Net Proceeds received by the CCMP Investors with respect to shares of Class B Common Stock (or shares of Class A Common Stock into which shares of Class B Common Stock are converted) through such date, *divided by* (b) the CCMP Investment; *provided*, *however*, that solely with respect to an IPO (and solely on the IPO Date), the **"*Class B Return*"** shall equal the quotient of (i) sum of (A) the Aggregate Net Proceeds received by the CCMP Investors with respect to shares of Class B Common Stock prior to the IPO *plus* (B) the product of (x) price per share at which shares of the Class A Common Stock are initially sold by the underwriters in connection with the IPO and (y) the number of shares of Class A Common Stock into which shares of Class B Common Stock held by the CCMP Investors are converted, *divided by* (ii) the CCMP Investment.

"*Class B Common Stock*" means the class B voting common stock of the Company, par value $0.01 per share.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Disabled*" means: (a)(i) that Executive qualifies for benefits due to total disability on the part of the Executive under the Company's long-term disability plan, as in effect from time to time; or (ii) in the event that the Company has no such long-term disability plan in effect at the time the disability arises on the part of the Executive, that Executive is unable, as a result of a medically determinable physical or mental illness, to perform the duties and services of his position and (b) Executive shall be absent from his duties with the Company on a full time basis for 180 consecutive days.

"*Fair Market Value*" of Marketable Securities means an amount equal to (i) the Market Price of such Marketable Securities *multiplied by* (ii) the number of shares of such Marketable Securities.

"*IPO*" means the initial public offering of Shares registered on Form S-l (or any equivalent or successor form under the Securities Act).

"*IPO Date*" means the date on which the Company consummates an IPO of the Company.

"*IPO Liquidity Event*" means, from and after the date of an IPO, the achievement with respect to the Class A Shares of an average closing trading price equal to or exceeding the Liquidity Threshold Price in any sixty (60) consecutive trading day period starting prior to the later of (a) the fifth anniversary of the date hereof, and (b) one year after the IPO.

"*IPO Liquidity Event Date*" means the date of occurrence of the IPO Liquidity Event.

"*Liquidity Threshold Price*" means, at any time, the lowest amount which when multiplied by the number of shares of Class A Common Stock then held by the CCMP Investors and then added to the Aggregate Net Proceeds received by the CCMP Investors since the date hereof with respect to its shares of Class B Common Stock or shares of Class A Common Stock issued upon conversion of its shares of Class B Common Stock in connection with an IPO, would yield to the CCMP Investors a Class B Return equal to 2.

"*Market Price*" of Marketable Securities means, on any date of determination, the average of the closing prices of such Marketable Securities on any U.S. securities exchange on which such Marketable Securities are listed or, if not so listed, the average bid and asked price of such Marketable Securities reported on the NASDAQ National Market or any established over-the-counter trading system on which prices for such Marketable Securities are quoted, in each case, for a period of twenty trading days prior to such date of determination; provided, that, with respect to any Marketable Securities received by the CCMP Investors in connection with a Change of Control transaction, the Market Price of such Marketable Securities shall be the value ascribed to such Marketable Securities in such transaction.

"*Marketable Securities*" means freely tradeable equity securities of a Person that are listed on an established U.S. securities exchange or through the NASDAQ National Market, or any established over-the-counter trading system.

"*Person*" shall be construed broadly and shall include, without limitation, an individual, a partnership, an investment fund, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"*Recapitalization*" shall mean an event or series of events affecting the capital structure of the Company including, but not limited to, stock dividends, stock splits, rights offers or recapitalizations through large, non-recurring cash dividends.

"*Restricted Shares*" has the meaning set forth in Section 1(a) hereof. **"*Restricted Shares*"** shall also include shares of the Company's capital stock issued with respect to, or exchanged or substituted for, the Restricted Shares by way of a stock split, stock dividend or other recapitalization, merger, consolidation, reorganization or similar transaction.

"*Sales Costs*" means any costs or expenses (including legal or other advisor costs and expenses), fees (including investment banking fees (but excluding any such fees payable to CCMP Investors or their Affiliates)), commissions or discounts payable directly by the CCMP Investors in connection with, arising out of or relating to any sale or other disposition of the Class B Common Stock (including in connection with the negotiation, preparation and execution of any transaction documentation with respect to such sale or other disposition).

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor federal law then in force.

"*Shareholders' Agreement*" means the Shareholders' Agreement, dated as of the date hereof, among the Company and certain shareholders of the Company, as amended, modified or supplemented from time to time.

"*Shares*" means all shares of Class A Common Stock and Class B Common Stock, whenever issued, including all shares of Class A Common Stock and Class B Common Stock issued upon the exercise, conversion or exchange of any Convertible Securities.

"*Subsidiary*" or **"*Subsidiaries*"** of any Person means any corporation, partnership, joint venture or other legal entity of which such Person (either alone or through or together with any other Person), owns, directly or indirectly, 50% or more of the stock or other equity interests which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

"*Transfer*" means the sale, transfer, assignment, pledge or other disposal (whether with or without consideration and whether voluntarily or involuntarily or by operation of law) of any Restricted Shares.

10. Adjustment of Shares.

In the event of a Recapitalization, the terms of this Agreement (including, without limitation, the number and kind of shares of Class A Common Stock subject to this award) shall be adjusted as set forth in Section 13(a) of the Plan. In the event that the Company is a party to a merger or consolidation, this award shall be subject to the agreement of merger or consolidation, as provided in Section 13(b) of the Plan.

11. Related Agreements. Simultaneously with the execution and delivery of this Agreement, the Company and Executive shall execute and deliver the Non-Competition Agreement attached hereto as **Exhibit C** and incorporated herein by reference and (ii) the Shareholders' Agreement.

12. General Provisions.

(a) Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(b) Entire Agreement. This Agreement, the Plan and the Shareholders' Agreement embody the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(c) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(d) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Executive, the Company, and their respective successors, permitted assigns, heirs, representative and estate, as the case may be (including subsequent holders of Restricted Shares); provided that the rights and obligations of the Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Restricted Shares hereunder and under the Shareholders' Agreement.

(e) Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTS PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE, OR ANY OTHER JURISDICTION), THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE TO BE APPLIED.

(f) Jurisdiction and Venue. SUBJECT TO THE TERMS OF THIS AGREEMENT, THE PARTIES AGREE THAT ANY AND ALL ACTIONS ARISING UNDER OR IN RESPECT OF THIS AGREEMENT SHALL BE LITIGATED IN THE FEDERAL OR STATE COURTS IN DELAWARE. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY IRREVOCABLY SUBMITS TO THE PERSONAL JURISDICTION OF SUCH COURTS FOR ITSELF, HIMSELF, OR HERSELF AND IN RESPECT OF ITS, HIS OR HER PROPERTY WITH RESPECT TO SUCH ACTION. EACH PARTY AGREES THAT VENUE WOULD BE PROPER IN ANY OF SUCH COURTS, AND HEREBY WAIVES ANY OBJECTION THAT ANY SUCH COURT IS AN IMPROPER OR INCONVENIENT FORUM FOR THE RESOLUTION OF ANY SUCH ACTION.

(g) Remedies. Each of the parties to this Agreement and any such Person granted rights hereunder whether or not such Person is a signatory hereto shall be entitled to enforce its rights under this Agreement specifically to recover damages and costs (including reasonable attorney's fees) for any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party and any such Person granted rights hereunder whether or not such Person is a signatory hereto may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or other injunctive relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Agreement.

(h) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and the Executive and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof; *provided* that the Company may amend or modify the Agreement without the Executive's consent in accordance with the provisions of the Plan (including, without limitation, the provisions in Sections 13(b), 15(c) and 16(e) of the Plan) or as otherwise set forth in this Agreement.

(i) Notices. Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via facsimile, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via facsimile, five (5) days after deposit in the U.S. mail and one (1) day after deposit with a reputable overnight courier service.

If to the Company, to:

GPS CCMP Acquisition Corp.
c/o CCMP Capital Advisors, LLC
245 Park Avenue, 16th Floor
New York, NY 10167
Attention: Stephen Murray

If to the Executive, to him at his most recent address in the Company's records.

(j) Business Days. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period for giving notice or taking action shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(k) Survival of Representations, Warranties and Agreements. All representations, warranties and agreements contained herein shall survive the consummation of the transactions contemplated hereby and the termination of this Agreement indefinitely.

(l) Recapitalization, Exchange, Etc. Affecting the Company's Shares. The provisions of this Agreement shall apply, to the full extent set forth herein, with respect to any and all Shares of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets, conversion to a corporation or otherwise) that may be issued in respect of, in exchange for, or in substitution of, the Shares of the Company and shall be appropriately adjusted for any dividends, splits, reverse splits, combinations, recapitalizations, and the like occurring after the date hereof.

(m) Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(n) Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

(o) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(p) Nouns and Pronouns. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

(q) Plan; Shareholders' Agreement; Counsel. The Executive acknowledges and understands that material definitions and provisions concerning the Restricted Shares and the Executive's rights and obligations with respect thereto are set forth in the Plan and the Shareholders' Agreement. The Executive has had the opportunity to retain counsel, and has read carefully, and understands, the provisions of such documents. The Executive has had the opportunity to seek legal advice from such counsel on this Agreement and the transactions contemplated hereby.

(r) Non-Qualified Deferred Compensation. The parties acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without

limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder will be immediately taxable to the Executive under Section 409A of the Code and related Department of Treasury guidance, the Company may (a) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement and/or (b) take such other actions as the Company determines necessary or appropriate to comply with the requirements of Section 409A of the Code and related Department of Treasury guidance, including such Department of Treasury guidance and other interpretive materials as may be issued after the Effective Date.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Restricted Stock Agreement as of the date first written above.

COMPANY

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title: Assistant Secretary

EXECUTIVE

/s/ Aaron P. Jagdfeld
Name: Aaron Jagdfeld

[SIGNATURE PAGE TO RESTRICTED STOCK AGREEMENT]

GPS CCMP ACQUISITION CORP.

2006 MANAGEMENT EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

RESTRICTED STOCK AGREEMENT (this **"*Agreement*"**) made as of November 10, 2006 (the **"*Effective Date*"**), by and between GPS CCMP Acquisition Corp., a Delaware corporation (the **"*Company*"**), and **Allen D. Gillette** (the **"*Executive*"**).

WHEREAS, as a material inducement to the Company to sell and issue to the Executive the Restricted Shares hereunder, the Executive has agreed to execute and deliver to the Company the Confidentiality, Non-Competition and Intellectual Property Agreement attached hereto as Exhibit C (the **"*Non-Competition Agreement*"**);

WHEREAS, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged;

WHEREAS, certain capitalized terms used herein are defined in Section 9 hereof;

NOW, THEREFORE, the parties hereto agree as follows:

1. Purchase and Sale of Restricted Shares.

(a) Upon execution of this Agreement and the Shareholders' Agreement, dated as of the date hereof, by and among the Company, the Executive and the other parties from time to time party thereto (the **"*Shareholders' Agreement*"**), and subject to the terms and conditions of the Plan (as defined below) and this Agreement, the Company will issue to the Executive **116.8751219** shares of class A nonvoting common stock of the Company, par value $0.01 per share (the **"*Class A Common Stock*"**), for a purchase price of $ **$341.36** per share (the **"*Class A Purchase Price*"**). All of such shares of Class A Common Stock purchased by the Executive pursuant to this Agreement are referred to herein as **"*Restricted Shares.*"**

(b) The foregoing sale and issuance of Restricted Shares shall be deemed, for all purposes, an Award under (and as defined in) the Company's 2006 Management Equity Incentive Plan (the **"*Plan*"**), which is incorporated herein by this reference and made a part of this Agreement.

2. Section 83(b) Election.

The parties agree that the fair market value of each share of Class A Common Stock as of the Effective Date, based on the appraisal report of Corporate Valuation Advisors, is $ **$341.36** the Class A Purchase Price. The Executive, in his sole discretion, may make an election with the Internal Revenue Service (the **"*IRS*"**) under Section 83(b) of the Code and the regulations promulgated thereunder in the form of **Exhibit A** attached hereto (the **"*83(b) Election*"**), and in connection with the making of such election, shall provide a copy of such form to the Company promptly following its filing. The Executive understands that under applicable law such election must be filed with the IRS no later than thirty (30) days after any acquisition of the Restricted Shares to be effective. If the Executive files an effective 83(b) Election, the excess of the fair market value of the Restricted Shares on the date hereof (which the IRS may assert is different from the fair market value determined by the parties) covered by such election over the amount paid by the Executive for the Restricted Shares shall be treated as ordinary income received by the Executive, and the Company or one of its Subsidiaries shall withhold from Executive's compensation all amounts required to be withheld under applicable law. If the Executive does not file an 83(b) Election, future appreciation on the Restricted Shares will generally be taxable as ordinary income when such stock vests pursuant to this Agreement. The foregoing is merely a brief summary of complex

tax laws and regulations, and therefore the Executive is advised to consult with his own tax advisors regarding the purchase and holding of the Restricted Shares.

3. Executive Representations and Warranties.

As an inducement to the Company to issue the Restricted Shares to the Executive and as a condition thereto, the Executive represents, acknowledges and agrees (as applicable) that:

(i) this Agreement constitutes the legal, valid and binding obligation of the Executive, enforceable against **him** in accordance with its terms, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles, and the execution, delivery and performance of this Agreement by the Executive does not and will not conflict with, violate or cause a breach of any agreement, contract or instrument to which the Executive is a party or any judgment, order or decree to which the Executive is subject; and

(ii) neither the issuance of the Restricted Shares to the Executive nor any provision contained herein or in the Plan, shall entitle the Executive to remain in the employment of the Company or any of its Subsidiaries, or affect the right of the Company or any Subsidiary to terminate the Executive's employment at any time for any reason.

4. Vesting of Class A Common Stock.

(a) All Restricted Shares shall initially be unvested and shall be subject to repurchase by the Company pursuant to the Shareholders' Agreement. Subject in all respects to the provisions of the Certificate of Incorporation of the Company, all stock dividends, if any, that are paid on unvested Restricted Shares and all stock dividends, if any, that are paid on any such stock dividends (any such stock dividends, **"*Restricted Share Dividends*"**) and all cash dividends paid on unvested Restricted Shares (or on Restricted Share Dividends) **(*"Unvested Shares Cash Dividends*"**) shall be treated as set forth in Section 6(d).

(b) Time-Vesting. **58.4376** Restricted Shares shall be **"*Time Vesting Shares.*"**

(i) Vesting Schedule. Subject to Sections 4(b)(ii) through (iv), the Time Vesting Shares shall vest as set forth below, provided that the Executive remains employed with the Company or one of its Subsidiaries on such Vesting Dates:

Vesting Date	Vested Percentage of Time Vesting Shares
November 10, 2007	25%
November 10, 2008	50%
November 10, 2009	75%
November 10, 2010	100%

(ii) Acceleration upon Change of Control. Upon the occurrence of a Change of Control prior to November 10, 2010, all then unvested Time Vesting Shares shall immediately vest in full, so long as the Executive is employed with the Company or one of its Subsidiaries on the applicable Change of Control Date.

(iii) Accelerated Vesting upon Death or Disability. Notwithstanding the foregoing provisions of this Section 4, in the event of the Executive's termination of employment with the

Company or any of its Subsidiaries by reason of his death or becoming Disabled on or after November 10, 2006, Time Vesting Shares that would otherwise have been become vested within twelve months immediately following the applicable Termination Date shall vest as of such Termination Date.

(iv) Cessation of Vesting. Subject to the effect of paragraph (iii) above, the vesting of all Time Vesting Shares shall cease upon the Termination Date.

(c) Performance-Based Vesting.

(i) General. In accordance with Section 4(c)(ii) through (iv), **58.4376** Restricted Shares shall be eligible to vest upon the occurrence of either a Change of Control or an IPO Liquidity Event, provided the Executive is employed with the Company or one of its Subsidiaries on the Change of Control Date or IPO Liquidity Event Date, as applicable, as set forth in the requirements of this Section 4(c) (the **"*Performance Vesting Shares*"**).

(ii) Change of Control. In the event that, upon the occurrence of a Change of Control (and provided that Executive is employed with the Company or one of its Subsidiaries on the applicable Change of Control Date), the Class B Return is equal to or greater than 2, 100% of the Performance Vesting Shares shall vest on the Change of Control Date.

(iii) IPO Liquidity Event. Upon the occurrence of an IPO Liquidity Event (and provided that Executive is employed with the Company or one of its Subsidiaries on the applicable IPO Liquidity Event Date), 100% of the Performance Vesting Shares shall vest on the IPO Liquidity Event Date.

(iv) Cessation of Vesting upon Termination of Employment Prior to Change of Control or IPO Liquidity Event. In the event of the Executive's termination of employment for any reason prior to the occurrence of either a Change of Control or an IPO Liquidity Event, vesting shall cease for the Performance Vesting Shares.

(d) Dividends, Etc. Subject in all respects to the provisions of the Certificate of Incorporation of the Company, Restricted Share Dividends, Unvested Shares Cash Dividends and Additional Property shall be delivered to Executive promptly upon the vesting of the related Restricted Shares.

5. Legend.

(a) Each certificate representing Restricted Shares shall bear each of the following legends (in addition to any legends required under the Shareholders' Agreement).

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXCHANGED UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OR EXCHANGE COMPLIES WITH THE PROVISIONS OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT, EACH AS AMENDED FROM TIME TO TIME, BETWEEN OR AMONG THE COMPANY AND THE INVESTORS PARTY THERETO. IN ADDITION TO RESTRICTIONS ON TRANSFER, THE RESTRICTED STOCK AGREEMENT PROVIDES FOR THE VESTING OF THE SHARES ACCORDING TO THE SPECIFIC PROVISIONS OF THE RESTRICTED STOCK AGREEMENT. COPIES OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT ARE ON FILE WITH THE COMPANY."

(b) The certificates shall also bear any legend required by any applicable state securities law.

6. Restrictions on Transfer and Conversion.

(a) The Company and the Executive acknowledge and agree that the Restricted Shares are subject to and restricted by the Shareholders' Agreement and with respect to such Restricted Shares, the Executive shall be an **"*Investor*"** and a **"*Management Shareholder*"** as such terms are used in the Shareholders Agreement.

(b) No unvested Restricted Shares shall be transferable to any Person for any reason. Any attempt to Transfer any unvested Restricted Shares shall be null and void and have no force or effect, and the Company shall not, and shall cause any transfer agent not to, give any effect in such entity's share records to such attempted Transfer.

(c) Prior to any Transfer of vested Restricted Stock made in accordance with the Shareholders' Agreement, the transferee shall agree, by execution of a Joinder Agreement, to be bound by this Agreement as holder of Restricted Shares and by the Shareholders' Agreement as an **"*Investor*"** and a **"*Management Shareholder*".** Any Transfer or attempted Transfer of any Restricted Shares in violation of this Section 6 or the Shareholders' Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Restricted Shares as the owner of such stock for any purpose.

(d) All Restricted Share Dividends, all Unvested Shares Cash Dividends and all new, substituted or additional securities or other property contemplated by Section 10 below ***("Additional Property"***), shall be subject to the same restrictions (and the same vesting) as the Restricted Share to which such Restricted Share Dividend, Unvested Shares Cash Dividends or Additional Property relates, and will be paid to the Executive in accordance with Section 4(d).

(e) The Executive acknowledges that the transfer restrictions contained in this Agreement are reasonable and in the best interests of the Company.

7. Right of Repurchase. Except as provided in any other agreement between the Company and/or one of its Subsidiaries and the Executive, and subject to applicable securities laws, the Company shall have no duty or obligation to disclose to the Executive, and the Executive shall have no right to be advised of, any material information regarding the Company and its Subsidiaries at any time prior to, upon or in connection with the Company's exercise of it right to repurchase the Restricted Shares pursuant to Article V of the Shareholders' Agreement (the **"*Repurchase Option*"**) upon the termination of the Executive's employment with the Company or one of it Subsidiaries. In connection with the exercise

of the Repurchase Option by the Company with respect to unvested Restricted Shares, if the Company holds, pursuant to Section 6(d) Unvested Shares Cash Dividends, Restricted Share Dividends and/or Additional Property with respect to such unvested Restricted Shares, upon the purchase by the Company or its designee of such Restricted Shares, notwithstanding anything to the contrary in this Agreement or the Shareholders' Agreement, all such Unvested Shares Cash Dividends, Restricted Share Dividends (subject to any repurchase provisions in the Shareholders' Agreement) and/or Additional Property shall be forfeited by the Executive (and any spouse or any Permitted Transferee of the Executive) and all of the Executive's rights, or the rights of any spouse or any Permitted Transferee of the Executive, to such Unvested Shares Cash Dividends, Restricted Share Dividends and/or Additional Property shall terminate.

8. Securities Laws Matters.

(a) The Executive understands and agrees that: (i) the Restricted Shares have not been registered under the Securities Act, (ii) the Restricted Shares are restricted securities under the Securities Act and (iii) the Restricted Shares may not be resold or transferred unless they are first registered under the Securities Act or unless an exemption from such registration is available. The Executive hereby makes to the Company the representations and warranties set forth in **Exhibit B** hereto.

(b) Except as otherwise set forth in the Shareholders' Agreement, the Company may, but shall not be obligated to register or qualify the issuance, or the resale of any of the Restricted Shares under the Securities Act or any other applicable law.

9. Definitions.

The following terms shall have the meanings ascribed below:

"*Aggregate Net Proceeds*" means:

(i) all cash proceeds actually received by the CCMP Investors with respect to the sale or assignment of shares of Class B Common Stock to third parties, net of any unreimbursed Sales Costs, plus

(ii) the Fair Market Value of any shares of Marketable Securities actually received by the CCMP Investors with respect to the sale or assignment of Class B Common Stock to third parties (for purposes of clarity, excluding any conversion of shares of Class B Common Stock into shares of Class A Common Stock), as determined on the date of the consummation of such sale or other disposition, net of any unreimbursed Sales Costs, plus

(iii) dividends in cash or the fair market value of any property dividends (other than stock dividends) as determined by the Board of Directors of the Company in good faith, actually received by the CCMP Investors (or receivable at the discretion of the CCMP Investors or persons within their control) in respect of the Class B Common Stock;

provided, however, that (A) Aggregate Net Proceeds shall not include any advisory, management, monitoring, transaction or other fees pursuant to arrangements disclosed to the Executive as of the Effective Date, or any expense reimbursement, received by one or more CCMP Investors or any of their affiliates and (B) any cash dividends received by the CCMP Investors shall not be counted more than once in any calculation of Aggregate Net Proceeds.

"*CCMP Investment*" means initially $ 588,500,000, and shall be adjusted for any cash or other consideration contributed from the CCMP Investors from and after the date hereof.

"*CCMP Investors*" means CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman), L.P., Asia Opportunity Fund II, L.P., AOF II Employee Co-Invest Fund, L.P. and CCMP Generac Co-Invest, L.P.

"*Change of Control*" means (a) any transaction or series of related transactions, whether or not the Company is a party thereto, in which, after giving effect to such transaction or transactions, the capital stock of the Company representing in excess of fifty percent (50%) of the voting power of the Company is owned directly, or indirectly through one or more entities, by any "*person*" or "*group*" (as such terms are used in Section 13(d) of the Exchange Act) of Persons, other than one or more CCMP Investors or a "*group*" in which a CCMP Investor is a member, or (b) a sale, lease or other disposition of all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis (including securities of the Company's directly or indirectly owned Subsidiaries (if any)).

"*Change of Control Date*" means the date of consummation of a Change of Control.

"*Class A Common Stock*" has the meaning set forth in Section 1(a) hereof.

"*Class B Return*" as of any date of determination means the quotient of (a) the Aggregate Net Proceeds received by the CCMP Investors with respect to shares of Class B Common Stock (or shares of Class A Common Stock into which shares of Class B Common Stock are converted) through such date, *divided by* (b) the CCMP Investment; *provided, however,* that solely with respect to an IPO (and solely on the IPO Date), the **"*Class B Return*"** shall equal the quotient of (i) sum of (A) the Aggregate Net Proceeds received by the CCMP Investors with respect to shares of Class B Common Stock prior to the IPO *plus* (B) the product of (x) price per share at which shares of the Class A Common Stock are initially sold by the underwriters in connection with the IPO and (y) the number of shares of Class A Common Stock into which shares of Class B Common Stock held by the CCMP Investors are converted, *divided by* (ii) the CCMP Investment.

"*Class B Common Stock*" means the class B voting common stock of the Company, par value $0.01 per share.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Disabled*" means: (a)(i) that Executive qualifies for benefits due to total disability on the part of the Executive under the Company's long-term disability plan, as in effect from time to time; or (ii) in the event that the Company has no such long-term disability plan in effect at the time the disability arises on the part of the Executive, that Executive is unable, as a result of a medically determinable physical or mental illness, to perform the duties and services of his position and (b) Executive shall be absent from his duties with the Company on a full time basis for 180 consecutive days.

"*Fair Market Value*" of Marketable Securities means an amount equal to (i) the Market Price of such Marketable Securities *multiplied by* (ii) the number of shares of such Marketable Securities.

"*IPO*" means the initial public offering of Shares registered on Form S-l (or any equivalent or successor form under the Securities Act).

"*IPO Date*" means the date on which the Company consummates an IPO of the Company.

"*IPO Liquidity Event*" means, from and after the date of an IPO, the achievement with respect to the Class A Shares of an average closing trading price equal to or exceeding the Liquidity Threshold Price in any sixty (60) consecutive trading day period starting prior to the later of (a) the fifth anniversary of the date hereof, and (b) one year after the IPO.

"*IPO Liquidity Event Date*" means the date of occurrence of the IPO Liquidity Event.

"*Liquidity Threshold Price*" means, at any time, the lowest amount which when multiplied by the number of shares of Class A Common Stock then held by the CCMP Investors and then added to the Aggregate Net Proceeds received by the CCMP Investors since the date hereof with respect to its shares of Class B Common Stock or shares of Class A Common Stock issued upon conversion of its shares of Class B Common Stock in connection with an IPO, would yield to the CCMP Investors a Class B Return equal to 2.

"*Market Price*" of Marketable Securities means, on any date of determination, the average of the closing prices of such Marketable Securities on any U.S. securities exchange on which such Marketable Securities are listed or, if not so listed, the average bid and asked price of such Marketable Securities reported on the NASDAQ National Market or any established over-the-counter trading system on which prices for such Marketable Securities are quoted, in each case, for a period of twenty trading days prior to such date of determination; provided, that, with respect to any Marketable Securities received by the CCMP Investors in connection with a Change of Control transaction, the Market Price of such Marketable Securities shall be the value ascribed to such Marketable Securities in such transaction.

"*Marketable Securities*" means freely tradeable equity securities of a Person that are listed on an established U.S. securities exchange or through the NASDAQ National Market, or any established over-the-counter trading system.

"*Person*" shall be construed broadly and shall include, without limitation, an individual, a partnership, an investment fund, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"*Recapitalization*" shall mean an event or series of events affecting the capital structure of the Company including, but not limited to, stock dividends, stock splits, rights offers or recapitalizations through large, non-recurring cash dividends.

"*Restricted Shares*" has the meaning set forth in Section 1(a) hereof. **"*Restricted Shares*"** shall also include shares of the Company's capital stock issued with respect to, or exchanged or substituted for, the Restricted Shares by way of a stock split, stock dividend or other recapitalization, merger, consolidation, reorganization or similar transaction.

"*Sales Costs*" means any costs or expenses (including legal or other advisor costs and expenses), fees (including investment banking fees (but excluding any such fees payable to CCMP Investors or their Affiliates)), commissions or discounts payable directly by the CCMP Investors in connection with, arising out of or relating to any sale or other disposition of the Class B Common Stock (including in connection with the negotiation, preparation and execution of any transaction documentation with respect to such sale or other disposition).

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor federal law then in force.

"*Shareholders' Agreement*" means the Shareholders' Agreement, dated as of the date hereof, among the Company and certain shareholders of the Company, as amended, modified or supplemented from time to time.

"*Shares*" means all shares of Class A Common Stock and Class B Common Stock, whenever issued, including all shares of Class A Common Stock and Class B Common Stock issued upon the exercise, conversion or exchange of any Convertible Securities.

"*Subsidiary*" or **"*Subsidiaries*"** of any Person means any corporation, partnership, joint venture or other legal entity of which such Person (either alone or through or together with any other Person), owns, directly or indirectly, 50% or more of the stock or other equity interests which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

"*Transfer*" means the sale, transfer, assignment, pledge or other disposal (whether with or without consideration and whether voluntarily or involuntarily or by operation of law) of any Restricted Shares.

10. Adjustment of Shares.

In the event of a Recapitalization, the terms of this Agreement (including, without limitation, the number and kind of shares of Class A Common Stock subject to this award) shall be adjusted as set forth in Section 13(a) of the Plan. In the event that the Company is a party to a merger or consolidation, this award shall be subject to the agreement of merger or consolidation, as provided in Section 13(b) of the Plan.

11. Related Agreements. Simultaneously with the execution and delivery of this Agreement, the Company and Executive shall execute and deliver the Non-Competition Agreement attached hereto as **Exhibit C** and incorporated herein by reference and (ii) the Shareholders' Agreement.

12. General Provisions.

(a) Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(b) Entire Agreement. This Agreement, the Plan and the Shareholders' Agreement embody the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(c) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(d) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Executive, the Company, and their respective successors, permitted assigns, heirs, representative and estate, as the case may be (including subsequent holders of Restricted Shares); provided that the rights and obligations of the Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Restricted Shares hereunder and under the Shareholders' Agreement.

(e) Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTS PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE, OR ANY OTHER JURISDICTION), THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE TO BE APPLIED.

(f) Jurisdiction and Venue. SUBJECT TO THE TERMS OF THIS AGREEMENT, THE PARTIES AGREE THAT ANY AND ALL ACTIONS ARISING UNDER OR IN RESPECT OF THIS AGREEMENT SHALL BE LITIGATED IN THE FEDERAL OR STATE COURTS IN DELAWARE. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY IRREVOCABLY SUBMITS TO THE PERSONAL JURISDICTION OF SUCH COURTS FOR ITSELF, HIMSELF, OR HERSELF AND IN RESPECT OF ITS, HIS OR HER PROPERTY WITH RESPECT TO SUCH ACTION. EACH PARTY AGREES THAT VENUE WOULD BE PROPER IN ANY OF SUCH COURTS, AND HEREBY WAIVES ANY OBJECTION THAT ANY SUCH COURT IS AN IMPROPER OR INCONVENIENT FORUM FOR THE RESOLUTION OF ANY SUCH ACTION.

(g) Remedies. Each of the parties to this Agreement and any such Person granted rights hereunder whether or not such Person is a signatory hereto shall be entitled to enforce its rights under this Agreement specifically to recover damages and costs (including reasonable attorney's fees) for any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party and any such Person granted rights hereunder whether or not such Person is a signatory hereto may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or other injunctive relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Agreement.

(h) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and the Executive and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof; *provided* that the Company may amend or modify the Agreement without the Executive's consent in accordance with the provisions of the Plan (including, without limitation, the provisions in Sections 13(b), 15(c) and 16(e) of the Plan) or as otherwise set forth in this Agreement.

(i) Notices. Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via facsimile, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via facsimile, five (5) days after deposit in the U.S. mail and one (1) day after deposit with a reputable overnight courier service.

If to the Company, to:

GPS CCMP Acquisition Corp.
c/o CCMP Capital Advisors, LLC
245 Park Avenue, 16th Floor
New York, NY 10167
Attention: Stephen Murray

If to the Executive, to him at his most recent address in the Company's records.

(j) Business Days. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period for giving notice or taking action shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(k) Survival of Representations. Warranties and Agreements. All representations, warranties and agreements contained herein shall survive the consummation of the transactions contemplated hereby and the termination of this Agreement indefinitely.

(l) Recapitalization, Exchange, Etc. Affecting the Company's Shares. The provisions of this Agreement shall apply, to the full extent set forth herein, with respect to any and all Shares of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets, conversion to a corporation or otherwise) that may be issued in respect of, in exchange for, or in substitution of, the Shares of the Company and shall be appropriately adjusted for any dividends, splits, reverse splits, combinations, recapitalizations, and the like occurring after the date hereof.

(m) Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(n) Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

(o) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(p) Nouns and Pronouns. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

(q) Plan; Shareholders' Agreement; Counsel. The Executive acknowledges and understands that material definitions and provisions concerning the Restricted Shares and the Executive's rights and obligations with respect thereto are set forth in the Plan and the Shareholders' Agreement. The Executive has had the opportunity to retain counsel, and has read carefully, and understands, the provisions of such documents. The Executive has had the opportunity to seek legal advice from such counsel on this Agreement and the transactions contemplated hereby.

(r) Non-Qualified Deferred Compensation. The parties acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without

limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder will be immediately taxable to the Executive under Section 409A of the Code and related Department of Treasury guidance, the Company may (a) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company determines necessary or appropriate to preserve the intended tax

treatment of the benefits provided by this Agreement and/or (b) take such other actions as the Company determines necessary or appropriate to comply with the requirements of Section 409A of the Code and related Department of Treasury guidance, including such Department of Treasury guidance and other interpretive materials as may be issued after the Effective Date.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Restricted Stock Agreement as of the date first written above.

COMPANY

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title Vice President and Assistant Secretary

EXECUTIVE

/s/ Allen D. Gillette 09-Nov-06
Allen D. Gillette

GPS CCMP ACQUISITION CORP.

2006 MANAGEMENT EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

RESTRICTED STOCK AGREEMENT (this **"*Agreement*"**) made as of November 10, 2006 (the **"*Effective Date*"**), by and between GPS CCMP Acquisition Corp., a Delaware corporation (the **"*Company*"**), and **Dawn A. Tabat** (the **"*Executive*"**).

WHEREAS, as a material inducement to the Company to sell and issue to the Executive the Restricted Shares hereunder, the Executive has agreed to execute and deliver to the Company the Confidentiality, Non-Competition and Intellectual Property Agreement attached hereto as Exhibit C (the **"*Non-Competition Agreement*"**);

WHEREAS, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged;

WHEREAS, certain capitalized terms used herein are defined in Section 9 hereof;

NOW, THEREFORE, the parties hereto agree as follows:

1. Purchase and Sale of Restricted Shares.

(a) Upon execution of this Agreement and the Shareholders' Agreement, dated as of the date hereof, by and among the Company, the Executive and the other parties from time to time party thereto (the **"*Shareholders' Agreement*"**), and subject to the terms and conditions of the Plan (as defined below) and this Agreement, the Company will issue to the Executive **1558.334959** shares of class A nonvoting common stock of the Company, par value $0.01 per share (the **"*Class A Common Stock*"**), for a purchase price of $ **$341.36** per share (the **"*Class A Purchase Price*"**). All of such shares of Class A Common Stock purchased by the Executive pursuant to this Agreement are referred to herein as **"*Restricted Shares.*"**

(b) The foregoing sale and issuance of Restricted Shares shall be deemed, for all purposes, an Award under (and as defined in) the Company's 2006 Management Equity Incentive Plan (the **"*Plan*"**), which is incorporated herein by this reference and made a part of this Agreement.

2. Section 83(b) Election.

The parties agree that the fair market value of each share of Class A Common Stock as of the Effective Date, based on the appraisal report of Corporate Valuation Advisors, is $ **$341.36** the Class A Purchase Price. The Executive, in her sole discretion, may make an election with the Internal Revenue Service (the **"*IRS*"**) under Section 83(b) of the Code and the regulations promulgated thereunder in the form of **Exhibit A** attached hereto (the **"*83(b) Election*"**), and in connection with the making of such election, shall provide a copy of such form to the Company promptly following its filing. The Executive understands that under applicable law such election must be filed with the IRS no later than thirty (30) days after any acquisition of the Restricted Shares to be effective. If the Executive files an effective 83(b) Election, the excess of the fair market value of the Restricted Shares on the date hereof (which the IRS may assert is different from the fair market value determined by the parties) covered by such election over the amount paid by the Executive for the Restricted Shares shall be treated as ordinary income received by the Executive, and the Company or one of its Subsidiaries shall withhold from Executive's compensation all amounts required to be withheld under applicable law. If the Executive does not file an 83(b) Election, future appreciation on the Restricted Shares will generally be taxable as ordinary income when such stock vests pursuant to this Agreement. The foregoing is merely a brief summary of complex

tax laws and regulations, and therefore the Executive is advised to consult with her own tax advisors regarding the purchase and holding of the Restricted Shares.

3. Executive Representations and Warranties.

As an inducement to the Company to issue the Restricted Shares to the Executive and as a condition thereto, the Executive represents, acknowledges and agrees (as applicable) that:

(i) this Agreement constitutes the legal, valid and binding obligation of the Executive, enforceable against **her** in accordance with its terms, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles, and the execution, delivery and performance of this Agreement by the Executive does not and will not conflict with, violate or cause a breach of any agreement, contract or instrument to which the Executive is a party or any judgment, order or decree to which the Executive is subject; and

(ii) neither the issuance of the Restricted Shares to the Executive nor any provision contained herein or in the Plan, shall entitle the Executive to remain in the employment of the Company or any of its Subsidiaries, or affect the right of the Company or any Subsidiary to terminate the Executive's employment at any time for any reason.

4. Vesting of Class A Common Stock.

(a) All Restricted Shares shall initially be unvested and shall be subject to repurchase by the Company pursuant to the Shareholders' Agreement. Subject in all respects to the provisions of the Certificate of Incorporation of the Company, all stock dividends, if any, that are paid on unvested Restricted Shares and all stock dividends, if any, that are paid on any such stock dividends (any such stock dividends, **"*Restricted Share Dividends*"**) and all cash dividends paid on unvested Restricted Shares (or on Restricted Share Dividends) (**"*Unvested Shares Cash Dividends*"**) shall be treated as set forth in Section 6(d).

(b) Time-Vesting. **779.1675** Restricted Shares shall be **"*Time Vesting Shares.*"**

(i) Vesting Schedule. Subject to Sections 4(b)(ii) through (iv), the Time Vesting Shares shall vest as set forth below, provided that the Executive remains employed with the Company or one of its Subsidiaries on such Vesting Dates:

Vesting Date	Vested Percentage of Time Vesting Shares
November 10, 2007	25%
November 10, 2008	50%
November 10, 2009	75%
November 10, 2010	100%

(ii) Acceleration upon Change of Control. Upon the occurrence of a Change of Control prior to November 10, 2010, all then unvested Time Vesting Shares shall immediately vest in full, so long as the Executive is employed with the Company or one of its Subsidiaries on the applicable Change of Control Date.

(iii) Accelerated Vesting upon Death or Disability. Notwithstanding the foregoing provisions of this Section 4, in the event of the Executive's termination of employment with the

Company or any of its Subsidiaries by reason of her death or becoming Disabled on or after November 10, 2006, Time Vesting Shares that would otherwise have been become vested within twelve months immediately following the applicable Termination Date shall vest as of such Termination Date.

(iv) Cessation of Vesting. Subject to the effect of paragraph (iii) above, the vesting of all Time Vesting Shares shall cease upon the Termination Date.

(c) Performance-Based Vesting.

(i) General. In accordance with Section 4(c)(ii) through (iv), **779.1675** Restricted Shares shall be eligible to vest upon the occurrence of either a Change of Control or an IPO Liquidity Event, provided the Executive is employed with the Company or one of its Subsidiaries on the Change of Control Date or IPO Liquidity Event Date, as applicable, as set forth in the requirements of this Section 4(c) (the **"*Performance Vesting Shares*"**).

(ii) Change of Control. In the event that, upon the occurrence of a Change of Control (and provided that Executive is employed with the Company or one of its Subsidiaries on the applicable Change of Control Date), the Class B Return is equal to or greater than 2, 100% of the Performance Vesting Shares shall vest on the Change of Control Date.

(iii) IPO Liquidity Event. Upon the occurrence of an IPO Liquidity Event (and provided that Executive is employed with the Company or one of its Subsidiaries on the applicable IPO Liquidity Event Date), 100% of the Performance Vesting Shares shall vest on the IPO Liquidity Event Date.

(iv) Cessation of Vesting upon Termination of Employment Prior to Change of Control or IPO Liquidity Event. In the event of the Executive's termination of employment for any reason prior to the occurrence of either a Change of Control or an IPO Liquidity Event, vesting shall cease for the Performance Vesting Shares.

(d) Dividends, Etc. Subject in all respects to the provisions of the Certificate of Incorporation of the Company, Restricted Share Dividends, Unvested Shares Cash Dividends and Additional Property shall be delivered to Executive promptly upon the vesting of the related Restricted Shares.

5. Legend.

(a) Each certificate representing Restricted Shares shall bear each of the following legends (in addition to any legends required under the Shareholders' Agreement).

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXCHANGED UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OR EXCHANGE COMPLIES WITH THE PROVISIONS OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT, EACH AS AMENDED FROM TIME TO TIME, BETWEEN OR AMONG THE COMPANY AND THE INVESTORS PARTY THERETO. IN ADDITION TO RESTRICTIONS ON TRANSFER, THE RESTRICTED STOCK AGREEMENT PROVIDES FOR THE VESTING OF THE SHARES ACCORDING TO THE SPECIFIC PROVISIONS OF THE RESTRICTED STOCK AGREEMENT. COPIES OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT ARE ON FILE WITH THE COMPANY."

(b) The certificates shall also bear any legend required by any applicable state securities law.

6. Restrictions on Transfer and Conversion.

(a) The Company and the Executive acknowledge and agree that the Restricted Shares are subject to and restricted by the Shareholders' Agreement and with respect to such Restricted Shares, the Executive shall be an **"*Investor*"** and a **"*Management Shareholder*"** as such terms are used in the Shareholders Agreement.

(b) No unvested Restricted Shares shall be transferable to any Person for any reason. Any attempt to Transfer any unvested Restricted Shares shall be null and void and have no force or effect, and the Company shall not, and shall cause any transfer agent not to, give any effect in such entity's share records to such attempted Transfer.

(c) Prior to any Transfer of vested Restricted Stock made in accordance with the Shareholders' Agreement, the transferee shall agree, by execution of a Joinder Agreement, to be bound by this Agreement as holder of Restricted Shares and by the Shareholders' Agreement as an **"*Investor*"** and a **"*Management Shareholder*".** Any Transfer or attempted Transfer of any Restricted Shares in violation of this Section 6 or the Shareholders' Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Restricted Shares as the owner of such stock for any purpose.

(d) All Restricted Share Dividends, all Unvested Shares Cash Dividends and all new, substituted or additional securities or other property contemplated by Section 10 below (**"*Additional Property*"**), shall be subject to the same restrictions (and the same vesting) as the Restricted Share to which such Restricted Share Dividend, Unvested Shares Cash Dividends or Additional Property relates, and will be paid to the Executive in accordance with Section 4(d).

(e) The Executive acknowledges that the transfer restrictions contained in this Agreement are reasonable and in the best interests of the Company.

7. Right of Repurchase. Except as provided in any other agreement between the Company and/or one of its Subsidiaries and the Executive, and subject to applicable securities laws, the Company shall have no duty or obligation to disclose to the Executive, and the Executive shall have no right to be advised of, any material information regarding the Company and its Subsidiaries at any time prior to, upon or in connection with the Company's exercise of it right to repurchase the Restricted Shares pursuant to Article V of the Shareholders' Agreement (the **"*Repurchase Option*"**) upon the termination of the Executive's employment with the Company or one of it Subsidiaries. In connection with the exercise

of the Repurchase Option by the Company with respect to unvested Restricted Shares, if the Company holds, pursuant to Section 6(d) Unvested Shares Cash Dividends, Restricted Share Dividends and/or Additional Property with respect to such unvested Restricted Shares, upon the purchase by the Company or its designee of such Restricted Shares, notwithstanding anything to the contrary in this Agreement or the Shareholders' Agreement, all such Unvested Shares Cash Dividends, Restricted Share Dividends (subject to any repurchase provisions in the Shareholders' Agreement) and/or Additional Property shall be forfeited by the Executive (and any spouse or any Permitted Transferee of the Executive) and all of the Executive's rights, or the rights of any spouse or any Permitted Transferee of the Executive, to such Unvested Shares Cash Dividends, Restricted Share Dividends and/or Additional Property shall terminate.

8. Securities Laws Matters.

(a) The Executive understands and agrees that: (i) the Restricted Shares have not been registered under the Securities Act, (ii) the Restricted Shares are restricted securities under the Securities Act and (iii) the Restricted Shares may not be resold or transferred unless they are first registered under the Securities Act or unless an exemption from such registration is available. The Executive hereby makes to the Company the representations and warranties set forth in **Exhibit B** hereto.

(b) Except as otherwise set forth in the Shareholders' Agreement, the Company may, but shall not be obligated to register or qualify the issuance, or the resale of any of the Restricted Shares under the Securities Act or any other applicable law.

9. Definitions.

The following terms shall have the meanings ascribed below:

"*Aggregate Net Proceeds*" means:

(i) all cash proceeds actually received by the CCMP Investors with respect to the sale or assignment of shares of Class B Common Stock to third parties, net of any unreimbursed Sales Costs, plus

(ii) the Fair Market Value of any shares of Marketable Securities actually received by the CCMP Investors with respect to the sale or assignment of Class B Common Stock to third parties (for purposes of clarity, excluding any conversion of shares of Class B Common Stock into shares of Class A Common Stock), as determined on the date of the consummation of such sale or other disposition, net of any unreimbursed Sales Costs, plus

(iii) dividends in cash or the fair market value of any property dividends (other than stock dividends) as determined by the Board of Directors of the Company in good faith, actually received by the CCMP Investors (or receivable at the discretion of the CCMP Investors or persons within their control) in respect of the Class B Common Stock;

provided, however, that (A) Aggregate Net Proceeds shall not include any advisory, management, monitoring, transaction or other fees pursuant to arrangements disclosed to the Executive as of the Effective Date, or any expense reimbursement, received by one or more CCMP Investors or any of their affiliates and (B) any cash dividends received by the CCMP Investors shall not be counted more than once in any calculation of Aggregate Net Proceeds.

"*CCMP Investment*" means initially $ 588,500,000, and shall be adjusted for any cash or other consideration contributed from the CCMP Investors from and after the date hereof.

"*CCMP Investors*" means CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman), L.P., Asia Opportunity Fund II, L.P., AOF II Employee Co-Invest Fund, L.P. and CCMP Generac Co-Invest, L.P.

"*Change of Control*" means (a) any transaction or series of related transactions, whether or not the Company is a party thereto, in which, after giving effect to such transaction or transactions, the capital stock of the Company representing in excess of fifty percent (50%) of the voting power of the Company is owned directly, or indirectly through one or more entities, by any "*person*" or "*group*" (as such terms are used in Section 13(d) of the Exchange Act) of Persons, other than one or more CCMP Investors or a "*group*" in which a CCMP Investor is a member, or (b) a sale, lease or other disposition of all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis (including securities of the Company's directly or indirectly owned Subsidiaries (if any)).

"*Change of Control Date*" means the date of consummation of a Change of Control.

"*Class A Common Stock*" has the meaning set forth in Section 1(a) hereof.

"*Class B Return*" as of any date of determination means the quotient of (a) the Aggregate Net Proceeds received by the CCMP Investors with respect to shares of Class B Common Stock (or shares of Class A Common Stock into which shares of Class B Common Stock are converted) through such date, *divided by* (b) the CCMP Investment; *provided, however,* that solely with respect to an IPO (and solely on the IPO Date), the **"*Class B Return*"** shall equal the quotient of (i) sum of (A) the Aggregate Net Proceeds received by the CCMP Investors with respect to shares of Class B Common Stock prior to the IPO *plus* (B) the product of (x) price per share at which shares of the Class A Common Stock are initially sold by the underwriters in connection with the IPO and (y) the number of shares of Class A Common Stock into which shares of Class B Common Stock held by the CCMP Investors are converted, *divided by* (ii) the CCMP Investment.

"*Class B Common Stock*" means the class B voting common stock of the Company, par value $0.01 per share.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Disabled*" means: (a)(i) that Executive qualifies for benefits due to total disability on the part of the Executive under the Company's long-term disability plan, as in effect from time to time; or (ii) in the event that the Company has no such long-term disability plan in effect at the time the disability arises on the part of the Executive, that Executive is unable, as a result of a medically determinable physical or mental illness, to perform the duties and services of her position and (b) Executive shall be absent from her duties with the Company on a full time basis for 180 consecutive days.

"*Fair Market Value*" of Marketable Securities means an amount equal to (i) the Market Price of such Marketable Securities *multiplied by* (ii) the number of shares of such Marketable Securities.

"*IPO*" means the initial public offering of Shares registered on Form S-l (or any equivalent or successor form under the Securities Act).

"*IPO Date*" means the date on which the Company consummates an IPO of the Company.

"*IPO Liquidity Event*" means, from and after the date of an IPO, the achievement with respect to the Class A Shares of an average closing trading price equal to or exceeding the Liquidity Threshold Price in any sixty (60) consecutive trading day period starting prior to the later of (a) the fifth anniversary of the date hereof, and (b) one year after the IPO.

"*IPO Liquidity Event Date*" means the date of occurrence of the IPO Liquidity Event.

"*Liquidity Threshold Price*" means, at any time, the lowest amount which when multiplied by the number of shares of Class A Common Stock then held by the CCMP Investors and then added to the Aggregate Net Proceeds received by the CCMP Investors since the date hereof with respect to its shares of Class B Common Stock or shares of Class A Common Stock issued upon conversion of its shares of Class B Common Stock in connection with an IPO, would yield to the CCMP Investors a Class B Return equal to 2.

"*Market Price*" of Marketable Securities means, on any date of determination, the average of the closing prices of such Marketable Securities on any U.S. securities exchange on which such Marketable Securities are listed or, if not so listed, the average bid and asked price of such Marketable Securities reported on the NASDAQ National Market or any established over-the-counter trading system on which prices for such Marketable Securities are quoted, in each case, for a period of twenty trading days prior to such date of determination; provided, that, with respect to any Marketable Securities received by the CCMP Investors in connection with a Change of Control transaction, the Market Price of such Marketable Securities shall be the value ascribed to such Marketable Securities in such transaction.

"*Marketable Securities*" means freely tradeable equity securities of a Person that are listed on an established U.S. securities exchange or through the NASDAQ National Market, or any established over-the-counter trading system.

"*Person*" shall be construed broadly and shall include, without limitation, an individual, a partnership, an investment fund, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"*Recapitalization*" shall mean an event or series of events affecting the capital structure of the Company including, but not limited to, stock dividends, stock splits, rights offers or recapitalizations through large, non-recurring cash dividends.

"*Restricted Shares*" has the meaning set forth in Section 1(a) hereof. **"*Restricted Shares*"** shall also include shares of the Company's capital stock issued with respect to, or exchanged or substituted for, the Restricted Shares by way of a stock split, stock dividend or other recapitalization, merger, consolidation, reorganization or similar transaction.

"*Sales Costs*" means any costs or expenses (including legal or other advisor costs and expenses), fees (including investment banking fees (but excluding any such fees payable to CCMP Investors or their Affiliates)), commissions or discounts payable directly by the CCMP Investors in connection with, arising out of or relating to any sale or other disposition of the Class B Common Stock (including in connection with the negotiation, preparation and execution of any transaction documentation with respect to such sale or other disposition).

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor federal law then in force.

"*Shareholders' Agreement*" means the Shareholders' Agreement, dated as of the date hereof, among the Company and certain shareholders of the Company, as amended, modified or supplemented from time to time.

"*Shares*" means all shares of Class A Common Stock and Class B Common Stock, whenever issued, including all shares of Class A Common Stock and Class B Common Stock issued upon the exercise, conversion or exchange of any Convertible Securities.

"*Subsidiary*" or **"*Subsidiaries*"** of any Person means any corporation, partnership, joint venture or other legal entity of which such Person (either alone or through or together with any other Person), owns, directly or indirectly, 50% or more of the stock or other equity interests which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

"*Transfer*" means the sale, transfer, assignment, pledge or other disposal (whether with or without consideration and whether voluntarily or involuntarily or by operation of law) of any Restricted Shares.

10. Adjustment of Shares.

In the event of a Recapitalization, the terms of this Agreement (including, without limitation, the number and kind of shares of Class A Common Stock subject to this award) shall be adjusted as set forth in Section 13(a) of the Plan. In the event that the Company is a party to a merger or consolidation, this award shall be subject to the agreement of merger or consolidation, as provided in Section 13(b) of the Plan.

11. Related Agreements. Simultaneously with the execution and delivery of this Agreement, the Company and Executive shall execute and deliver the Non-Competition Agreement attached hereto as **Exhibit C** and incorporated herein by reference and (ii) the Shareholders' Agreement.

12. General Provisions.

(a) Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(b) Entire Agreement. This Agreement, the Plan and the Shareholders' Agreement embody the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(c) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(d) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Executive, the Company, and their respective successors, permitted assigns, heirs, representative and estate, as the case may be (including subsequent holders of Restricted Shares); provided that the rights and obligations of the Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Restricted Shares hereunder and under the Shareholders' Agreement.

(e) Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTS PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE, OR ANY OTHER JURISDICTION), THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE TO BE APPLIED.

(f) Jurisdiction and Venue. SUBJECT TO THE TERMS OF THIS AGREEMENT, THE PARTIES AGREE THAT ANY AND ALL ACTIONS ARISING UNDER OR IN RESPECT OF THIS AGREEMENT SHALL BE LITIGATED IN THE FEDERAL OR STATE COURTS IN DELAWARE. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY IRREVOCABLY SUBMITS TO THE PERSONAL JURISDICTION OF SUCH COURTS FOR ITSELF, HIMSELF, OR HERSELF AND IN RESPECT OF ITS, HIS OR HER PROPERTY WITH RESPECT TO SUCH ACTION. EACH PARTY AGREES THAT VENUE WOULD BE PROPER IN ANY OF SUCH COURTS, AND HEREBY WAIVES ANY OBJECTION THAT ANY SUCH COURT IS AN IMPROPER OR INCONVENIENT FORUM FOR THE RESOLUTION OF ANY SUCH ACTION.

(g) Remedies. Each of the parties to this Agreement and any such Person granted rights hereunder whether or not such Person is a signatory hereto shall be entitled to enforce its rights under this Agreement specifically to recover damages and costs (including reasonable attorney's fees) for any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party and any such Person granted rights hereunder whether or not such Person is a signatory hereto may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or other injunctive relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Agreement.

(h) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and the Executive and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof; *provided* that the Company may amend or modify the Agreement without the Executive's consent in accordance with the provisions of the Plan (including, without limitation, the provisions in Sections 13(b), 15(c) and 16(e) of the Plan) or as otherwise set forth in this Agreement.

(i) Notices. Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via facsimile, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via facsimile, five (5) days after deposit in the U.S. mail and one (1) day after deposit with a reputable overnight courier service.

If to the Company, to:

GPS CCMP Acquisition Corp.
c/o CCMP Capital Advisors, LLC
245 Park Avenue, 16th Floor
New York, NY 10167
Attention: Stephen Murray

If to the Executive, to her at her most recent address in the Company's records.

(j) Business Days. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period for giving notice or taking action shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(k) Survival of Representations, Warranties and Agreements. All representations, warranties and agreements contained herein shall survive the consummation of the transactions contemplated hereby and the termination of this Agreement indefinitely.

(l) Recapitalization, Exchange, Etc. Affecting the Company's Shares. The provisions of this Agreement shall apply, to the full extent set forth herein, with respect to any and all Shares of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets, conversion to a corporation or otherwise) that may be issued in respect of, in exchange for, or in substitution of, the Shares of the Company and shall be appropriately adjusted for any dividends, splits, reverse splits, combinations, recapitalizations, and the like occurring after the date hereof.

(m) Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(n) Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

(o) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(p) Nouns and Pronouns. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

(q) Plan; Shareholders' Agreement; Counsel. The Executive acknowledges and understands that material definitions and provisions concerning the Restricted Shares and the Executive's rights and obligations with respect thereto are set forth in the Plan and the Shareholders' Agreement. The Executive has had the opportunity to retain counsel, and has read carefully, and understands, the provisions of such documents. The Executive has had the opportunity to seek legal advice from such counsel on this Agreement and the transactions contemplated hereby.

(r) Non-Qualified Deferred Compensation. The parties acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without

limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder will be immediately taxable to the Executive under Section 409A of the Code and related Department of Treasury guidance, the Company may (a) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement and/or (b) take such other actions as the Company determines necessary or appropriate to comply with the requirements of Section 409A of the Code and related Department of Treasury guidance, including such Department of Treasury guidance and other interpretive materials as may be issued after the Effective Date.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Restricted Stock Agreement as of the date first written above.

COMPANY

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title Vice President and Assistant Secretary

EXECUTIVE

/s/ Dawn A. Tabat
Dawn A. Tabat

GPS CCMP ACQUISITION CORP.

2006 MANAGEMENT EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

RESTRICTED STOCK AGREEMENT (this **"*Agreement*"**) made as of November 10, 2006 (the **"*Effective Date*"),** by and between GPS CCMP Acquisition Corp., a Delaware corporation (the **"*Company*"),** and **Roger F. Pascavis** (the **"*Executive*"**).

WHEREAS, as a material inducement to the Company to sell and issue to the Executive the Restricted Shares hereunder, the Executive has agreed to execute and deliver to the Company the Confidentiality, Non-Competition and Intellectual Property Agreement attached hereto as Exhibit C (the **"*Non-Competition Agreement*"**);

WHEREAS, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged;

WHEREAS, certain capitalized terms used herein are defined in Section 9 hereof;

NOW, THEREFORE, the parties hereto agree as follows:

1. Purchase and Sale of Restricted Shares.

(a) Upon execution of this Agreement and the Shareholders' Agreement, dated as of the date hereof, by and among the Company, the Executive and the other parties from time to time party thereto (the **"*Shareholders' Agreement*"),** and subject to the terms and conditions of the Plan (as defined below) and this Agreement, the Company will issue to the Executive **233.7502439** shares of class A nonvoting common stock of the Company, par value $0.01 per share (the **"*Class A Common Stock*"),** for a purchase price of $ **$341.36** per share (the **"*Class A Purchase Price*").** All of such shares of Class A Common Stock purchased by the Executive pursuant to this Agreement are referred to herein as **"*Restricted Shares.*"**

(b) The foregoing sale and issuance of Restricted Shares shall be deemed, for all purposes, an Award under (and as defined in) the Company's 2006 Management Equity Incentive Plan (the **"*Plan*"),** which is incorporated herein by this reference and made a part of this Agreement.

2. Section 83(b) Election.

The parties agree that the fair market value of each share of Class A Common Stock as of the Effective Date, based on the appraisal report of Corporate Valuation Advisors, is $ **$341.36** the Class A Purchase Price. The Executive, in his sole discretion, may make an election with the Internal Revenue Service (the **"*IRS*"**) under Section 83(b) of the Code and the regulations promulgated thereunder in the form of **Exhibit A** attached hereto (the **"*83(b) Election*"**), and in connection with the making of such election, shall provide a copy of such form to the Company promptly following its filing. The Executive understands that under applicable law such election must be filed with the IRS no later than thirty (30) days after any acquisition of the Restricted Shares to be effective. If the Executive files an effective 83(b) Election, the excess of the fair market value of the Restricted Shares on the date hereof (which the IRS may assert is different from the fair market value determined by the parties) covered by such election over the amount paid by the Executive for the Restricted Shares shall be treated as ordinary income received by the Executive, and the Company or one of its Subsidiaries shall withhold from Executive's compensation all amounts required to be withheld under applicable law. If the Executive does not file an 83(b) Election, future appreciation on the Restricted Shares will generally be taxable as ordinary income when such stock vests pursuant to this Agreement. The foregoing is merely a brief summary of complex

tax laws and regulations, and therefore the Executive is advised to consult with his own tax advisors regarding the purchase and holding of the Restricted Shares.

3. Executive Representations and Warranties.

As an inducement to the Company to issue the Restricted Shares to the Executive and as a condition thereto, the Executive represents, acknowledges and agrees (as applicable) that:

(i) this Agreement constitutes the legal, valid and binding obligation of the Executive, enforceable against **him** in accordance with its terms, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles, and the execution, delivery and performance of this Agreement by the Executive does not and will not conflict with, violate or cause a breach of any agreement, contract or instrument to which the Executive is a party or any judgment, order or decree to which the Executive is subject; and

(ii) neither the issuance of the Restricted Shares to the Executive nor any provision contained herein or in the Plan, shall entitle the Executive to remain in the employment of the Company or any of its Subsidiaries, or affect the right of the Company or any Subsidiary to terminate the Executive's employment at any time for any reason.

4. Vesting of Class A Common Stock.

(a) All Restricted Shares shall initially be unvested and shall be subject to repurchase by the Company pursuant to the Shareholders' Agreement. Subject in all respects to the provisions of the Certificate of Incorporation of the Company, all stock dividends, if any, that are paid on unvested Restricted Shares and all stock dividends, if any, that are paid on any such stock dividends (any such stock dividends, **"*Restricted Share Dividends*"**) and all cash dividends paid on unvested Restricted Shares (or on Restricted Share Dividends) (**"*Unvested Shares Cash Dividends*"**) shall be treated as set forth in Section 6(d).

(b) Time-Vesting. **116.8751** Restricted Shares shall be **"*Time Vesting Shares.*"**

(i) Vesting Schedule. Subject to Sections 4(b)(ii) through (iv), the Time Vesting Shares shall vest as set forth below, provided that the Executive remains employed with the Company or one of its Subsidiaries on such Vesting Dates:

Vesting Date	Vested Percentage of Time Vesting Shares
November 10, 2007	25%
November 10, 2008	50%
November 10, 2009	75%
November 10, 2010	100%

(ii) Acceleration upon Change of Control. Upon the occurrence of a Change of Control prior to November 10, 2010, all then unvested Time Vesting Shares shall immediately vest in full, so long as the Executive is employed with the Company or one of its Subsidiaries on the applicable Change of Control Date.

(iii) Accelerated Vesting upon Death or Disability. Notwithstanding the foregoing provisions of this Section 4, in the event of the Executive's termination of employment with the

Company or any of its Subsidiaries by reason of his death or becoming Disabled on or after November 10, 2006, Time Vesting Shares that would otherwise have been become vested within twelve months immediately following the applicable Termination Date shall vest as of such Termination Date.

(iv) Cessation of Vesting. Subject to the effect of paragraph (iii) above, the vesting of all Time Vesting Shares shall cease upon the Termination Date.

(c) Performance-Based Vesting.

(i) General. In accordance with Section 4(c)(ii) through (iv), **116.8751** Restricted Shares shall be eligible to vest upon the occurrence of either a Change of Control or an IPO Liquidity Event, provided the Executive is employed with the Company or one of its Subsidiaries on the Change of Control Date or IPO Liquidity Event Date, as applicable, as set forth in the requirements of this Section 4(c) (the **"*Performance Vesting Shares*"**).

(ii) Change of Control. In the event that, upon the occurrence of a Change of Control (and provided that Executive is employed with the Company or one of its Subsidiaries on the applicable Change of Control Date), the Class B Return is equal to or greater than 2, 100% of the Performance Vesting Shares shall vest on the Change of Control Date.

(iii) IPO Liquidity Event. Upon the occurrence of an IPO Liquidity Event (and provided that Executive is employed with the Company or one of its Subsidiaries on the applicable IPO Liquidity Event Date), 100% of the Performance Vesting Shares shall vest on the IPO Liquidity Event Date.

(iv) Cessation of Vesting upon Termination of Employment Prior to Change of Control or IPO Liquidity Event. In the event of the Executive's termination of employment for any reason prior to the occurrence of either a Change of Control or an IPO Liquidity Event, vesting shall cease for the Performance Vesting Shares.

(d) Dividends, Etc. Subject in all respects to the provisions of the Certificate of Incorporation of the Company, Restricted Share Dividends, Unvested Shares Cash Dividends and Additional Property shall be delivered to Executive promptly upon the vesting of the related Restricted Shares.

5. Legend.

(a) Each certificate representing Restricted Shares shall bear each of the following legends (in addition to any legends required under the Shareholders' Agreement).

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXCHANGED UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OR EXCHANGE COMPLIES WITH THE PROVISIONS OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT, EACH AS AMENDED FROM TIME TO TIME, BETWEEN OR AMONG THE COMPANY AND THE INVESTORS PARTY THERETO. IN ADDITION TO RESTRICTIONS ON TRANSFER, THE RESTRICTED STOCK AGREEMENT PROVIDES FOR THE VESTING OF THE SHARES ACCORDING TO THE SPECIFIC PROVISIONS OF THE RESTRICTED STOCK AGREEMENT. COPIES OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT ARE ON FILE WITH THE COMPANY."

(b) The certificates shall also bear any legend required by any applicable state securities law.

6. Restrictions on Transfer and Conversion.

(a) The Company and the Executive acknowledge and agree that the Restricted Shares are subject to and restricted by the Shareholders' Agreement and with respect to such Restricted Shares, the Executive shall be an **"*Investor*"** and a **"*Management Shareholder*"** as such terms are used in the Shareholders Agreement.

(b) No unvested Restricted Shares shall be transferable to any Person for any reason. Any attempt to Transfer any unvested Restricted Shares shall be null and void and have no force or effect, and the Company shall not, and shall cause any transfer agent not to, give any effect in such entity's share records to such attempted Transfer.

(c) Prior to any Transfer of vested Restricted Stock made in accordance with the Shareholders' Agreement, the transferee shall agree, by execution of a Joinder Agreement, to be bound by this Agreement as holder of Restricted Shares and by the Shareholders' Agreement as an **"*Investor*"** and a **"*Management Shareholder*".** Any Transfer or attempted Transfer of any Restricted Shares in violation of this Section 6 or the Shareholders' Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Restricted Shares as the owner of such stock for any purpose.

(d) All Restricted Share Dividends, all Unvested Shares Cash Dividends and all new, substituted or additional securities or other property contemplated by Section 10 below (**"*Additional Property*"**), shall be subject to the same restrictions (and the same vesting) as the Restricted Share to which such Restricted Share Dividend, Unvested Shares Cash Dividends or Additional Property relates, and will be paid to the Executive in accordance with Section 4(d).

(e) The Executive acknowledges that the transfer restrictions contained in this Agreement are reasonable and in the best interests of the Company.

7. Right of Repurchase. Except as provided in any other agreement between the Company and/or one of its Subsidiaries and the Executive, and subject to applicable securities laws, the Company shall have no duty or obligation to disclose to the Executive, and the Executive shall have no right to be advised of, any material information regarding the Company and its Subsidiaries at any time prior to, upon or in connection with the Company's exercise of it right to repurchase the Restricted Shares pursuant to Article V of the Shareholders' Agreement (the **"*Repurchase Option*"**) upon the termination of the Executive's employment with the Company or one of it Subsidiaries. In connection with the exercise

of the Repurchase Option by the Company with respect to unvested Restricted Shares, if the Company holds, pursuant to Section 6(d) Unvested Shares Cash Dividends, Restricted Share Dividends and/or Additional Property with respect to such unvested Restricted Shares, upon the purchase by the Company or its designee of such Restricted Shares, notwithstanding anything to the contrary in this Agreement or the Shareholders' Agreement, all such Unvested Shares Cash Dividends, Restricted Share Dividends (subject to any repurchase provisions in the Shareholders' Agreement) and/or Additional Property shall be forfeited by the Executive (and any spouse or any Permitted Transferee of the Executive) and all of the Executive's rights, or the rights of any spouse or any Permitted Transferee of the Executive, to such Unvested Shares Cash Dividends, Restricted Share Dividends and/or Additional Property shall terminate.

8. Securities Laws Matters.

(a) The Executive understands and agrees that: (i) the Restricted Shares have not been registered under the Securities Act, (ii) the Restricted Shares are restricted securities under the Securities Act and (iii) the Restricted Shares may not be resold or transferred unless they are first registered under the Securities Act or unless an exemption from such registration is available. The Executive hereby makes to the Company the representations and warranties set forth in **Exhibit B** hereto.

(b) Except as otherwise set forth in the Shareholders' Agreement, the Company may, but shall not be obligated to register or qualify the issuance, or the resale of any of the Restricted Shares under the Securities Act or any other applicable law.

9. Definitions.

The following terms shall have the meanings ascribed below:

"*Aggregate Net Proceeds*" means:

(i) all cash proceeds actually received by the CCMP Investors with respect to the sale or assignment of shares of Class B Common Stock to third parties, net of any unreimbursed Sales Costs, plus

(ii) the Fair Market Value of any shares of Marketable Securities actually received by the CCMP Investors with respect to the sale or assignment of Class B Common Stock to third parties (for purposes of clarity, excluding any conversion of shares of Class B Common Stock into shares of Class A Common Stock), as determined on the date of the consummation of such sale or other disposition, net of any unreimbursed Sales Costs, plus

(iii) dividends in cash or the fair market value of any property dividends (other than stock dividends) as determined by the Board of Directors of the Company in good faith, actually received by the CCMP Investors (or receivable at the discretion of the CCMP Investors or persons within their control) in respect of the Class B Common Stock;

provided, however, that (A) Aggregate Net Proceeds shall not include any advisory, management, monitoring, transaction or other fees pursuant to arrangements disclosed to the Executive as of the Effective Date, or any expense reimbursement, received by one or more CCMP Investors or any of their affiliates and (B) any cash dividends received by the CCMP Investors shall not be counted more than once in any calculation of Aggregate Net Proceeds.

"*CCMP Investment*" means initially $ 588,500,000, and shall be adjusted for any cash or other consideration contributed from the CCMP Investors from and after the date hereof.

"*CCMP Investors*" means CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman), L.P., Asia Opportunity Fund II, L.P., AOF II Employee Co-Invest Fund, L.P. and CCMP Generac Co-Invest, L.P.

"*Change of Control*" means (a) any transaction or series of related transactions, whether or not the Company is a party thereto, in which, after giving effect to such transaction or transactions, the capital stock of the Company representing in excess of fifty percent (50%) of the voting power of the Company is owned directly, or indirectly through one or more entities, by any "*person*" or "*group*" (as such terms are used in Section 13(d) of the Exchange Act) of Persons, other than one or more CCMP Investors or a "*group*" in which a CCMP Investor is a member, or (b) a sale, lease or other disposition of all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis (including securities of the Company's directly or indirectly owned Subsidiaries (if any)).

"*Change of Control Date*" means the date of consummation of a Change of Control.

"*Class A Common Stock*" has the meaning set forth in Section 1(a) hereof.

"*Class B Return*" as of any date of determination means the quotient of (a) the Aggregate Net Proceeds received by the CCMP Investors with respect to shares of Class B Common Stock (or shares of Class A Common Stock into which shares of Class B Common Stock are converted) through such date, *divided by* (b) the CCMP Investment; *provided, however,* that solely with respect to an IPO (and solely on the IPO Date), the **"*Class B Return*"** shall equal the quotient of (i) sum of (A) the Aggregate Net Proceeds received by the CCMP Investors with respect to shares of Class B Common Stock prior to the IPO *plus* (B) the product of (x) price per share at which shares of the Class A Common Stock are initially sold by the underwriters in connection with the IPO and (y) the number of shares of Class A Common Stock into which shares of Class B Common Stock held by the CCMP Investors are converted, *divided by* (ii) the CCMP Investment.

"*Class B Common Stock*" means the class B voting common stock of the Company, par value $0.01 per share.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Disabled*" means: (a)(i) that Executive qualifies for benefits due to total disability on the part of the Executive under the Company's long-term disability plan, as in effect from time to time; or (ii) in the event that the Company has no such long-term disability plan in effect at the time the disability arises on the part of the Executive, that Executive is unable, as a result of a medically determinable physical or mental illness, to perform the duties and services of his position and (b) Executive shall be absent from his duties with the Company on a full time basis for 180 consecutive days.

"*Fair Market Value*" of Marketable Securities means an amount equal to (i) the Market Price of such Marketable Securities *multiplied by* (ii) the number of shares of such Marketable Securities.

"*IPO*" means the initial public offering of Shares registered on Form S-l (or any equivalent or successor form under the Securities Act).

"*IPO Date*" means the date on which the Company consummates an IPO of the Company.

"*IPO Liquidity Event*" means, from and after the date of an IPO, the achievement with respect to the Class A Shares of an average closing trading price equal to or exceeding the Liquidity Threshold Price in any sixty (60) consecutive trading day period starting prior to the later of (a) the fifth anniversary of the date hereof, and (b) one year after the IPO.

"*IPO Liquidity Event Date*" means the date of occurrence of the IPO Liquidity Event.

"*Liquidity Threshold Price*" means, at any time, the lowest amount which when multiplied by the number of shares of Class A Common Stock then held by the CCMP Investors and then added to the Aggregate Net Proceeds received by the CCMP Investors since the date hereof with respect to its shares of Class B Common Stock or shares of Class A Common Stock issued upon conversion of its shares of Class B Common Stock in connection with an IPO, would yield to the CCMP Investors a Class B Return equal to 2.

"*Market Price*" of Marketable Securities means, on any date of determination, the average of the closing prices of such Marketable Securities on any U.S. securities exchange on which such Marketable Securities are listed or, if not so listed, the average bid and asked price of such Marketable Securities reported on the NASDAQ National Market or any established over-the-counter trading system on which prices for such Marketable Securities are quoted, in each case, for a period of twenty trading days prior to such date of determination; provided, that, with respect to any Marketable Securities received by the CCMP Investors in connection with a Change of Control transaction, the Market Price of such Marketable Securities shall be the value ascribed to such Marketable Securities in such transaction.

"*Marketable Securities*" means freely tradeable equity securities of a Person that are listed on an established U.S. securities exchange or through the NASDAQ National Market, or any established over-the-counter trading system.

"*Person*" shall be construed broadly and shall include, without limitation, an individual, a partnership, an investment fund, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"*Recapitalization*" shall mean an event or series of events affecting the capital structure of the Company including, but not limited to, stock dividends, stock splits, rights offers or recapitalizations through large, non-recurring cash dividends.

"*Restricted Shares*" has the meaning set forth in Section 1(a) hereof. **"*Restricted Shares*"** shall also include shares of the Company's capital stock issued with respect to, or exchanged or substituted for, the Restricted Shares by way of a stock split, stock dividend or other recapitalization, merger, consolidation, reorganization or similar transaction.

"*Sales Costs*" means any costs or expenses (including legal or other advisor costs and expenses), fees (including investment banking fees (but excluding any such fees payable to CCMP Investors or their Affiliates)), commissions or discounts payable directly by the CCMP Investors in connection with, arising out of or relating to any sale or other disposition of the Class B Common Stock (including in connection with the negotiation, preparation and execution of any transaction documentation with respect to such sale or other disposition).

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor federal law then in force.

"*Shareholders' Agreement*" means the Shareholders' Agreement, dated as of the date hereof, among the Company and certain shareholders of the Company, as amended, modified or supplemented from time to time.

"*Shares*" means all shares of Class A Common Stock and Class B Common Stock, whenever issued, including all shares of Class A Common Stock and Class B Common Stock issued upon the exercise, conversion or exchange of any Convertible Securities.

"*Subsidiary*" or **"*Subsidiaries*"** of any Person means any corporation, partnership, joint venture or other legal entity of which such Person (either alone or through or together with any other Person), owns, directly or indirectly, 50% or more of the stock or other equity interests which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

"*Transfer*" means the sale, transfer, assignment, pledge or other disposal (whether with or without consideration and whether voluntarily or involuntarily or by operation of law) of any Restricted Shares.

10. Adjustment of Shares.

In the event of a Recapitalization, the terms of this Agreement (including, without limitation, the number and kind of shares of Class A Common Stock subject to this award) shall be adjusted as set forth in Section 13(a) of the Plan. In the event that the Company is a party to a merger or consolidation, this award shall be subject to the agreement of merger or consolidation, as provided in Section 13(b) of the Plan.

11. Related Agreements. Simultaneously with the execution and delivery of this Agreement, the Company and Executive shall execute and deliver the Non-Competition Agreement attached hereto as **Exhibit C** and incorporated herein by reference and (ii) the Shareholders' Agreement.

12. General Provisions.

(a) Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(b) Entire Agreement. This Agreement, the Plan and the Shareholders' Agreement embody the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(c) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(d) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Executive, the Company, and their respective successors, permitted assigns, heirs, representative and estate, as the case may be (including subsequent holders of Restricted Shares); provided that the rights and obligations of the Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Restricted Shares hereunder and under the Shareholders' Agreement.

(e) Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTS PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE, OR ANY OTHER JURISDICTION), THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE TO BE APPLIED.

(f) Jurisdiction and Venue. SUBJECT TO THE TERMS OF THIS AGREEMENT, THE PARTIES AGREE THAT ANY AND ALL ACTIONS ARISING UNDER OR IN RESPECT OF THIS AGREEMENT SHALL BE LITIGATED IN THE FEDERAL OR STATE COURTS IN DELAWARE. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY IRREVOCABLY SUBMITS TO THE PERSONAL JURISDICTION OF SUCH COURTS FOR ITSELF, HIMSELF, OR HERSELF AND IN RESPECT OF ITS, HIS OR HER PROPERTY WITH RESPECT TO SUCH ACTION. EACH PARTY AGREES THAT VENUE WOULD BE PROPER IN ANY OF SUCH COURTS, AND HEREBY WAIVES ANY OBJECTION THAT ANY SUCH COURT IS AN IMPROPER OR INCONVENIENT FORUM FOR THE RESOLUTION OF ANY SUCH ACTION.

(g) Remedies. Each of the parties to this Agreement and any such Person granted rights hereunder whether or not such Person is a signatory hereto shall be entitled to enforce its rights under this Agreement specifically to recover damages and costs (including reasonable attorney's fees) for any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party and any such Person granted rights hereunder whether or not such Person is a signatory hereto may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or other injunctive relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Agreement.

(h) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and the Executive and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof; *provided* that the Company may amend or modify the Agreement without the Executive's consent in accordance with the provisions of the Plan (including, without limitation, the provisions in Sections 13(b), 15(c) and 16(e) of the Plan) or as otherwise set forth in this Agreement.

(i) Notices. Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via facsimile, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via facsimile, five (5) days after deposit in the U.S. mail and one (1) day after deposit with a reputable overnight courier service.

If to the Company, to:

GPS CCMP Acquisition Corp.
c/o CCMP Capital Advisors, LLC
245 Park Avenue, 16th Floor
New York, NY 10167
Attention: Stephen Murray

If to the Executive, to him at his most recent address in the Company's records.

(j) Business Days. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period for giving notice or taking action shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(k) Survival of Representations, Warranties and Agreements. All representations, warranties and agreements contained herein shall survive the consummation of the transactions contemplated hereby and the termination of this Agreement indefinitely.

(l) Recapitalization, Exchange, Etc. Affecting the Company's Shares. The provisions of this Agreement shall apply, to the full extent set forth herein, with respect to any and all Shares of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets, conversion to a corporation or otherwise) that may be issued in respect of, in exchange for, or in substitution of, the Shares of the Company and shall be appropriately adjusted for any dividends, splits, reverse splits, combinations, recapitalizations, and the like occurring after the date hereof.

(m) Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(n) Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

(o) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(p) Nouns and Pronouns. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

(q) Plan; Shareholders' Agreement; Counsel. The Executive acknowledges and understands that material definitions and provisions concerning the Restricted Shares and the Executive's rights and obligations with respect thereto are set forth in the Plan and the Shareholders' Agreement. The Executive has had the opportunity to retain counsel, and has read carefully, and understands, the provisions of such documents. The Executive has had the opportunity to seek legal advice from such counsel on this Agreement and the transactions contemplated hereby.

(r) Non-Qualified Deferred Compensation. The parties acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without

limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder will be immediately taxable to the Executive under Section 409A of the Code and related Department of Treasury guidance, the Company may (a) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement and/or (b) take such other actions as the Company determines necessary or appropriate to comply with the requirements of Section 409A of the Code and related Department of Treasury guidance, including such Department of Treasury guidance and other interpretive materials as may be issued after the Effective Date.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Restricted Stock Agreement as of the date first written above.

COMPANY

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title Vice President and Assistant Secretary

EXECUTIVE

/s/ Roger F. Pascavis
Roger F. Pascavis

GPS CCMP ACQUISITION CORP.

2006 MANAGEMENT EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

RESTRICTED STOCK AGREEMENT (this **"*Agreement*"**) made as of November 10, 2006 (the **"*Effective Date*"**), by and between GPS CCMP Acquisition Corp., a Delaware corporation (the **"*Company*"**), and **Roger W. Schaus, Jr.** (the **"*Executive*"**).

WHEREAS, as a material inducement to the Company to sell and issue to the Executive the Restricted Shares hereunder, the Executive has agreed to execute and deliver to the Company the Confidentiality, Non-Competition and Intellectual Property Agreement attached hereto as Exhibit C (the **"*Non-Competition Agreement*"**);

WHEREAS, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged;

WHEREAS, certain capitalized terms used herein are defined in Section 9 hereof;

NOW, THEREFORE, the parties hereto agree as follows:

1. Purchase and Sale of Restricted Shares.

(a) Upon execution of this Agreement and the Shareholders' Agreement, dated as of the date hereof, by and among the Company, the Executive and the other parties from time to time party thereto (the **"*Shareholders' Agreement*"**), and subject to the terms and conditions of the Plan (as defined below) and this Agreement, the Company will issue to the Executive **155.8334959** shares of class A nonvoting common stock of the Company, par value $0.01 per share (the **"*Class A Common Stock*"**), for a purchase price of $ **$341.36** per share (the **"*Class A Purchase Price*"**). All of such shares of Class A Common Stock purchased by the Executive pursuant to this Agreement are referred to herein as **"*Restricted Shares.*"**

(b) The foregoing sale and issuance of Restricted Shares shall be deemed, for all purposes, an Award under (and as defined in) the Company's 2006 Management Equity Incentive Plan (the **"*Plan*"**), which is incorporated herein by this reference and made a part of this Agreement.

2. Section 83(b) Election.

The parties agree that the fair market value of each share of Class A Common Stock as of the Effective Date, based on the appraisal report of Corporate Valuation Advisors, is $ **$341.36** the Class A Purchase Price. The Executive, in his sole discretion, may make an election with the Internal Revenue Service (the **"*IRS*"**) under Section 83(b) of the Code and the regulations promulgated thereunder in the form of **Exhibit A** attached hereto (the **"*83(b) Election*"**), and in connection with the making of such election, shall provide a copy of such form to the Company promptly following its filing. The Executive understands that under applicable law such election must be filed with the IRS no later than thirty (30) days after any acquisition of the Restricted Shares to be effective. If the Executive files an effective 83(b) Election, the excess of the fair market value of the Restricted Shares on the date hereof (which the IRS may assert is different from the fair market value determined by the parties) covered by such election over the amount paid by the Executive for the Restricted Shares shall be treated as ordinary income received by the Executive, and the Company or one of its Subsidiaries shall withhold from Executive's compensation all amounts required to be withheld under applicable law. If the Executive does not file an 83(b) Election, future appreciation on the Restricted Shares will generally be taxable as ordinary income when such stock vests pursuant to this Agreement. The foregoing is merely a brief summary of complex

tax laws and regulations, and therefore the Executive is advised to consult with his own tax advisors regarding the purchase and holding of the Restricted Shares.

3. Executive Representations and Warranties.

As an inducement to the Company to issue the Restricted Shares to the Executive and as a condition thereto, the Executive represents, acknowledges and agrees (as applicable) that:

(i) this Agreement constitutes the legal, valid and binding obligation of the Executive, enforceable against **him** in accordance with its terms, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles, and the execution, delivery and performance of this Agreement by the Executive does not and will not conflict with, violate or cause a breach of any agreement, contract or instrument to which the Executive is a party or any judgment, order or decree to which the Executive is subject; and

(ii) neither the issuance of the Restricted Shares to the Executive nor any provision contained herein or in the Plan, shall entitle the Executive to remain in the employment of the Company or any of its Subsidiaries, or affect the right of the Company or any Subsidiary to terminate the Executive's employment at any time for any reason.

4. Vesting of Class A Common Stock.

(a) All Restricted Shares shall initially be unvested and shall be subject to repurchase by the Company pursuant to the Shareholders' Agreement. Subject in all respects to the provisions of the Certificate of Incorporation of the Company, all stock dividends, if any, that are paid on unvested Restricted Shares and all stock dividends, if any, that are paid on any such stock dividends (any such stock dividends, **"*Restricted Share Dividends*"**) and all cash dividends paid on unvested Restricted Shares (or on Restricted Share Dividends) (**"*Unvested Shares Cash Dividends*"**) shall be treated as set forth in Section 6(d).

(b) Time-Vesting. **77.9167** Restricted Shares shall be **"*Time Vesting Shares.*"**

(i) Vesting Schedule. Subject to Sections 4(b)(ii) through (iv), the Time Vesting Shares shall vest as set forth below, provided that the Executive remains employed with the Company or one of its Subsidiaries on such Vesting Dates:

Vesting Date	Vested Percentage of Time Vesting Shares
November 10, 2007	25%
November 10, 2008	50%
November 10, 2009	75%
November 10, 2010	100%

(ii) Acceleration upon Change of Control. Upon the occurrence of a Change of Control prior to November 10, 2010, all then unvested Time Vesting Shares shall immediately vest in full, so long as the Executive is employed with the Company or one of its Subsidiaries on the applicable Change of Control Date.

(iii) Accelerated Vesting upon Death or Disability. Notwithstanding the foregoing provisions of this Section 4, in the event of the Executive's termination of employment with the

Company or any of its Subsidiaries by reason of his death or becoming Disabled on or after November 10, 2006, Time Vesting Shares that would otherwise have been become vested within twelve months immediately following the applicable Termination Date shall vest as of such Termination Date.

(iv) Cessation of Vesting. Subject to the effect of paragraph (iii) above, the vesting of all Time Vesting Shares shall cease upon the Termination Date.

(c) Performance-Based Vesting.

(i) General. In accordance with Section 4(c)(ii) through (iv), **77.9167** Restricted Shares shall be eligible to vest upon the occurrence of either a Change of Control or an IPO Liquidity Event, provided the Executive is employed with the Company or one of its Subsidiaries on the Change of Control Date or IPO Liquidity Event Date, as applicable, as set forth in the requirements of this Section 4(c) (the **"*Performance Vesting Shares*"**).

(ii) Change of Control. In the event that, upon the occurrence of a Change of Control (and provided that Executive is employed with the Company or one of its Subsidiaries on the applicable Change of Control Date), the Class B Return is equal to or greater than 2, 100% of the Performance Vesting Shares shall vest on the Change of Control Date.

(iii) IPO Liquidity Event. Upon the occurrence of an IPO Liquidity Event (and provided that Executive is employed with the Company or one of its Subsidiaries on the applicable IPO Liquidity Event Date), 100% of the Performance Vesting Shares shall vest on the IPO Liquidity Event Date.

(iv) Cessation of Vesting upon Termination of Employment Prior to Change of Control or IPO Liquidity Event. In the event of the Executive's termination of employment for any reason prior to the occurrence of either a Change of Control or an IPO Liquidity Event, vesting shall cease for the Performance Vesting Shares.

(d) Dividends, Etc. Subject in all respects to the provisions of the Certificate of Incorporation of the Company, Restricted Share Dividends, Unvested Shares Cash Dividends and Additional Property shall be delivered to Executive promptly upon the vesting of the related Restricted Shares.

5. Legend.

(a) Each certificate representing Restricted Shares shall bear each of the following legends (in addition to any legends required under the Shareholders' Agreement).

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXCHANGED UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OR EXCHANGE COMPLIES WITH THE PROVISIONS OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT, EACH AS AMENDED FROM TIME TO TIME, BETWEEN OR AMONG THE COMPANY AND THE INVESTORS PARTY THERETO. IN ADDITION TO RESTRICTIONS ON TRANSFER, THE RESTRICTED STOCK AGREEMENT PROVIDES FOR THE VESTING OF THE SHARES ACCORDING TO THE SPECIFIC PROVISIONS OF THE RESTRICTED STOCK AGREEMENT. COPIES OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT ARE ON FILE WITH THE COMPANY."

(b) The certificates shall also bear any legend required by any applicable state securities law.

6. Restrictions on Transfer and Conversion.

(a) The Company and the Executive acknowledge and agree that the Restricted Shares are subject to and restricted by the Shareholders' Agreement and with respect to such Restricted Shares, the Executive shall be an **"*Investor*"** and a **"*Management Shareholder*"** as such terms are used in the Shareholders Agreement.

(b) No unvested Restricted Shares shall be transferable to any Person for any reason. Any attempt to Transfer any unvested Restricted Shares shall be null and void and have no force or effect, and the Company shall not, and shall cause any transfer agent not to, give any effect in such entity's share records to such attempted Transfer.

(c) Prior to any Transfer of vested Restricted Stock made in accordance with the Shareholders' Agreement, the transferee shall agree, by execution of a Joinder Agreement, to be bound by this Agreement as holder of Restricted Shares and by the Shareholders' Agreement as an **"*Investor*"** and a **"*Management Shareholder*"**. Any Transfer or attempted Transfer of any Restricted Shares in violation of this Section 6 or the Shareholders' Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Restricted Shares as the owner of such stock for any purpose.

(d) All Restricted Share Dividends, all Unvested Shares Cash Dividends and all new, substituted or additional securities or other property contemplated by Section 10 below (**"*Additional Property*"**), shall be subject to the same restrictions (and the same vesting) as the Restricted Share to which such Restricted Share Dividend, Unvested Shares Cash Dividends or Additional Property relates, and will be paid to the Executive in accordance with Section 4(d).

(e) The Executive acknowledges that the transfer restrictions contained in this Agreement are reasonable and in the best interests of the Company.

7. Right of Repurchase. Except as provided in any other agreement between the Company and/or one of its Subsidiaries and the Executive, and subject to applicable securities laws, the Company shall have no duty or obligation to disclose to the Executive, and the Executive shall have no right to be advised of, any material information regarding the Company and its Subsidiaries at any time prior to, upon or in connection with the Company's exercise of it right to repurchase the Restricted Shares pursuant to Article V of the Shareholders' Agreement (the **"*Repurchase Option*"**) upon the termination of the Executive's employment with the Company or one of it Subsidiaries. In connection with the exercise

of the Repurchase Option by the Company with respect to unvested Restricted Shares, if the Company holds, pursuant to Section 6(d) Unvested Shares Cash Dividends, Restricted Share Dividends and/or Additional Property with respect to such unvested Restricted Shares, upon the purchase by the Company or its designee of such Restricted Shares, notwithstanding anything to the contrary in this Agreement or the Shareholders' Agreement, all such Unvested Shares Cash Dividends, Restricted Share Dividends (subject to any repurchase provisions in the Shareholders' Agreement) and/or Additional Property shall be forfeited by the Executive (and any spouse or any Permitted Transferee of the Executive) and all of the Executive's rights, or the rights of any spouse or any Permitted Transferee of the Executive, to such Unvested Shares Cash Dividends, Restricted Share Dividends and/or Additional Property shall terminate.

8. Securities Laws Matters.

(a) The Executive understands and agrees that: (i) the Restricted Shares have not been registered under the Securities Act, (ii) the Restricted Shares are restricted securities under the Securities Act and (iii) the Restricted Shares may not be resold or transferred unless they are first registered under the Securities Act or unless an exemption from such registration is available. The Executive hereby makes to the Company the representations and warranties set forth in **Exhibit B** hereto.

(b) Except as otherwise set forth in the Shareholders' Agreement, the Company may, but shall not be obligated to register or qualify the issuance, or the resale of any of the Restricted Shares under the Securities Act or any other applicable law.

9. Definitions.

The following terms shall have the meanings ascribed below:

"*Aggregate Net Proceeds*" means:

(i) all cash proceeds actually received by the CCMP Investors with respect to the sale or assignment of shares of Class B Common Stock to third parties, net of any unreimbursed Sales Costs, plus

(ii) the Fair Market Value of any shares of Marketable Securities actually received by the CCMP Investors with respect to the sale or assignment of Class B Common Stock to third parties (for purposes of clarity, excluding any conversion of shares of Class B Common Stock into shares of Class A Common Stock), as determined on the date of the consummation of such sale or other disposition, net of any unreimbursed Sales Costs, plus

(iii) dividends in cash or the fair market value of any property dividends (other than stock dividends) as determined by the Board of Directors of the Company in good faith, actually received by the CCMP Investors (or receivable at the discretion of the CCMP Investors or persons within their control) in respect of the Class B Common Stock;

provided, however, that (A) Aggregate Net Proceeds shall not include any advisory, management, monitoring, transaction or other fees pursuant to arrangements disclosed to the Executive as of the Effective Date, or any expense reimbursement, received by one or more CCMP Investors or any of their affiliates and (B) any cash dividends received by the CCMP Investors shall not be counted more than once in any calculation of Aggregate Net Proceeds.

"*CCMP Investment*" means initially $ 588,500,000, and shall be adjusted for any cash or other consideration contributed from the CCMP Investors from and after the date hereof.

"*CCMP Investors*" means CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman), L.P., Asia Opportunity Fund II, L.P., AOF II Employee Co-Invest Fund, L.P. and CCMP Generac Co-Invest, L.P.

"*Change of Control*" means (a) any transaction or series of related transactions, whether or not the Company is a party thereto, in which, after giving effect to such transaction or transactions, the capital stock of the Company representing in excess of fifty percent (50%) of the voting power of the Company is owned directly, or indirectly through one or more entities, by any "*person*" or "*group*" (as such terms are used in Section 13(d) of the Exchange Act) of Persons, other than one or more CCMP Investors or a "*group*" in which a CCMP Investor is a member, or (b) a sale, lease or other disposition of all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis (including securities of the Company's directly or indirectly owned Subsidiaries (if any)).

"*Change of Control Date*" means the date of consummation of a Change of Control.

"*Class A Common Stock*" has the meaning set forth in Section 1(a) hereof.

"*Class B Return*" as of any date of determination means the quotient of (a) the Aggregate Net Proceeds received by the CCMP Investors with respect to shares of Class B Common Stock (or shares of Class A Common Stock into which shares of Class B Common Stock are converted) through such date, *divided by* (b) the CCMP Investment; *provided, however,* that solely with respect to an IPO (and solely on the IPO Date), the **"*Class B Return*"** shall equal the quotient of (i) sum of (A) the Aggregate Net Proceeds received by the CCMP Investors with respect to shares of Class B Common Stock prior to the IPO *plus* (B) the product of (x) price per share at which shares of the Class A Common Stock are initially sold by the underwriters in connection with the IPO and (y) the number of shares of Class A Common Stock into which shares of Class B Common Stock held by the CCMP Investors are converted, *divided by* (ii) the CCMP Investment.

"*Class B Common Stock*" means the class B voting common stock of the Company, par value $0.01 per share.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Disabled*" means: (a)(i) that Executive qualifies for benefits due to total disability on the part of the Executive under the Company's long-term disability plan, as in effect from time to time; or (ii) in the event that the Company has no such long-term disability plan in effect at the time the disability arises on the part of the Executive, that Executive is unable, as a result of a medically determinable physical or mental illness, to perform the duties and services of his position and (b) Executive shall be absent from his duties with the Company on a full time basis for 180 consecutive days.

"*Fair Market Value*" of Marketable Securities means an amount equal to (i) the Market Price of such Marketable Securities *multiplied by* (ii) the number of shares of such Marketable Securities.

"*IPO*" means the initial public offering of Shares registered on Form S-1 (or any equivalent or successor form under the Securities Act).

"*IPO Date*" means the date on which the Company consummates an IPO of the Company.

"*IPO Liquidity Event*" means, from and after the date of an IPO, the achievement with respect to the Class A Shares of an average closing trading price equal to or exceeding the Liquidity Threshold Price in any sixty (60) consecutive trading day period starting prior to the later of (a) the fifth anniversary of the date hereof, and (b) one year after the IPO.

"*IPO Liquidity Event Date*" means the date of occurrence of the IPO Liquidity Event.

"*Liquidity Threshold Price*" means, at any time, the lowest amount which when multiplied by the number of shares of Class A Common Stock then held by the CCMP Investors and then added to the Aggregate Net Proceeds received by the CCMP Investors since the date hereof with respect to its shares of Class B Common Stock or shares of Class A Common Stock issued upon conversion of its shares of Class B Common Stock in connection with an IPO, would yield to the CCMP Investors a Class B Return equal to 2.

"*Market Price*" of Marketable Securities means, on any date of determination, the average of the closing prices of such Marketable Securities on any U.S. securities exchange on which such Marketable Securities are listed or, if not so listed, the average bid and asked price of such Marketable Securities reported on the NASDAQ National Market or any established over-the-counter trading system on which prices for such Marketable Securities are quoted, in each case, for a period of twenty trading days prior to such date of determination; provided, that, with respect to any Marketable Securities received by the CCMP Investors in connection with a Change of Control transaction, the Market Price of such Marketable Securities shall be the value ascribed to such Marketable Securities in such transaction.

"*Marketable Securities*" means freely tradeable equity securities of a Person that are listed on an established U.S. securities exchange or through the NASDAQ National Market, or any established over-the-counter trading system.

"*Person*" shall be construed broadly and shall include, without limitation, an individual, a partnership, an investment fund, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"*Recapitalization*" shall mean an event or series of events affecting the capital structure of the Company including, but not limited to, stock dividends, stock splits, rights offers or recapitalizations through large, non-recurring cash dividends.

"*Restricted Shares*" has the meaning set forth in Section 1(a) hereof. **"*Restricted Shares*"** shall also include shares of the Company's capital stock issued with respect to, or exchanged or substituted for, the Restricted Shares by way of a stock split, stock dividend or other recapitalization, merger, consolidation, reorganization or similar transaction.

"*Sales Costs*" means any costs or expenses (including legal or other advisor costs and expenses), fees (including investment banking fees (but excluding any such fees payable to CCMP Investors or their Affiliates)), commissions or discounts payable directly by the CCMP Investors in connection with, arising out of or relating to any sale or other disposition of the Class B Common Stock (including in connection with the negotiation, preparation and execution of any transaction documentation with respect to such sale or other disposition).

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor federal law then in force.

"*Shareholders' Agreement*" means the Shareholders' Agreement, dated as of the date hereof, among the Company and certain shareholders of the Company, as amended, modified or supplemented from time to time.

"*Shares*" means all shares of Class A Common Stock and Class B Common Stock, whenever issued, including all shares of Class A Common Stock and Class B Common Stock issued upon the exercise, conversion or exchange of any Convertible Securities.

"*Subsidiary*" or **"*Subsidiaries*"** of any Person means any corporation, partnership, joint venture or other legal entity of which such Person (either alone or through or together with any other Person), owns, directly or indirectly, 50% or more of the stock or other equity interests which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

"*Transfer*" means the sale, transfer, assignment, pledge or other disposal (whether with or without consideration and whether voluntarily or involuntarily or by operation of law) of any Restricted Shares.

10. Adjustment of Shares.

In the event of a Recapitalization, the terms of this Agreement (including, without limitation, the number and kind of shares of Class A Common Stock subject to this award) shall be adjusted as set forth in Section 13(a) of the Plan. In the event that the Company is a party to a merger or consolidation, this award shall be subject to the agreement of merger or consolidation, as provided in Section 13(b) of the Plan.

11. Related Agreements. Simultaneously with the execution and delivery of this Agreement, the Company and Executive shall execute and deliver the Non-Competition Agreement attached hereto as **Exhibit C** and incorporated herein by reference and (ii) the Shareholders' Agreement.

12. General Provisions.

(a) Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(b) Entire Agreement. This Agreement, the Plan and the Shareholders' Agreement embody the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(c) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(d) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Executive, the Company, and their respective successors, permitted assigns, heirs, representative and estate, as the case may be (including subsequent holders of Restricted Shares); provided that the rights and obligations of the Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Restricted Shares hereunder and under the Shareholders' Agreement.

(e) Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTS PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE, OR ANY OTHER JURISDICTION), THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE TO BE APPLIED.

(f) Jurisdiction and Venue. SUBJECT TO THE TERMS OF THIS AGREEMENT, THE PARTIES AGREE THAT ANY AND ALL ACTIONS ARISING UNDER OR IN RESPECT OF THIS AGREEMENT SHALL BE LITIGATED IN THE FEDERAL OR STATE COURTS IN DELAWARE. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY IRREVOCABLY SUBMITS TO THE PERSONAL JURISDICTION OF SUCH COURTS FOR ITSELF, HIMSELF, OR HERSELF AND IN RESPECT OF ITS, HIS OR HER PROPERTY WITH RESPECT TO SUCH ACTION. EACH PARTY AGREES THAT VENUE WOULD BE PROPER IN ANY OF SUCH COURTS, AND HEREBY WAIVES ANY OBJECTION THAT ANY SUCH COURT IS AN IMPROPER OR INCONVENIENT FORUM FOR THE RESOLUTION OF ANY SUCH ACTION.

(g) Remedies. Each of the parties to this Agreement and any such Person granted rights hereunder whether or not such Person is a signatory hereto shall be entitled to enforce its rights under this Agreement specifically to recover damages and costs (including reasonable attorney's fees) for any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party and any such Person granted rights hereunder whether or not such Person is a signatory hereto may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or other injunctive relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Agreement.

(h) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and the Executive and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof; *provided* that the Company may amend or modify the Agreement without the Executive's consent in accordance with the provisions of the Plan (including, without limitation, the provisions in Sections 13(b), 15(c) and 16(e) of the Plan) or as otherwise set forth in this Agreement.

(i) Notices. Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via facsimile, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via facsimile, five (5) days after deposit in the U.S. mail and one (1) day after deposit with a reputable overnight courier service.

If to the Company, to:

GPS CCMP Acquisition Corp.
c/o CCMP Capital Advisors, LLC
245 Park Avenue, 16th Floor
New York, NY 10167
Attention: Stephen Murray

If to the Executive, to him at his most recent address in the Company's records.

(j) Business Days. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period for giving notice or taking action shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(k) Survival of Representations, Warranties and Agreements. All representations, warranties and agreements contained herein shall survive the consummation of the transactions contemplated hereby and the termination of this Agreement indefinitely.

(l) Recapitalization, Exchange, Etc. Affecting the Company's Shares. The provisions of this Agreement shall apply, to the full extent set forth herein, with respect to any and all Shares of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets, conversion to a corporation or otherwise) that may be issued in respect of, in exchange for, or in substitution of, the Shares of the Company and shall be appropriately adjusted for any dividends, splits, reverse splits, combinations, recapitalizations, and the like occurring after the date hereof.

(m) Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(n) Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

(o) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(p) Nouns and Pronouns. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

(q) Plan; Shareholders' Agreement; Counsel. The Executive acknowledges and understands that material definitions and provisions concerning the Restricted Shares and the Executive's rights and obligations with respect thereto are set forth in the Plan and the Shareholders' Agreement. The Executive has had the opportunity to retain counsel, and has read carefully, and understands, the provisions of such documents. The Executive has had the opportunity to seek legal advice from such counsel on this Agreement and the transactions contemplated hereby.

(r) Non-Qualified Deferred Compensation. The parties acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without

limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder will be immediately taxable to the Executive under Section 409A of the Code and related Department of Treasury guidance, the Company may (a) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement and/or (b) take such other actions as the Company determines necessary or appropriate to comply with the requirements of Section 409A of the Code and related Department of Treasury guidance, including such Department of Treasury guidance and other interpretive materials as may be issued after the Effective Date.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Restricted Stock Agreement as of the date first written above.

COMPANY

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title Vice President and Assistant Secretary

EXECUTIVE

/s/ Roger W. Schaus, Jr.
Roger W. Schaus, Jr.

GPS CCMP ACQUISITION CORP.

2006 MANAGEMENT EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

RESTRICTED STOCK AGREEMENT (this **"*Agreement*"**) made as of November 10, 2006 (the **"*Effective Date*"**), by and between GPS CCMP Acquisition Corp., a Delaware corporation (the **"*Company*"**), and **York A. Ragen** (the **"*Executive*"**).

WHEREAS, as a material inducement to the Company to sell and issue to the Executive the Restricted Shares hereunder, the Executive has agreed to execute and deliver to the Company the Confidentiality, Non-Competition and Intellectual Property Agreement attached hereto as Exhibit C (the **"*Non-Competition Agreement*"**);

WHEREAS, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged;

WHEREAS, certain capitalized terms used herein are defined in Section 9 hereof;

NOW, THEREFORE, the parties hereto agree as follows:

1. Purchase and Sale of Restricted Shares.

(a) Upon execution of this Agreement and the Shareholders' Agreement, dated as of the date hereof, by and among the Company, the Executive and the other parties from time to time party thereto (the **"*Shareholders' Agreement*"**), and subject to the terms and conditions of the Plan (as defined below) and this Agreement, the Company will issue to the Executive **77.91674795** shares of class A nonvoting common stock of the Company, par value $0.01 per share (the **"*Class A Common Stock*"**), for a purchase price of $ **$341.35** per share (the **"*Class A Purchase Price*"**). All of such shares of Class A Common Stock purchased by the Executive pursuant to this Agreement are referred to herein as **"*Restricted Shares.*"**

(b) The foregoing sale and issuance of Restricted Shares shall be deemed, for all purposes, an Award under (and as defined in) the Company's 2006 Management Equity Incentive Plan (the **"*Plan*"**), which is incorporated herein by this reference and made a part of this Agreement.

2. Section 83(b) Election.

The parties agree that the fair market value of each share of Class A Common Stock as of the Effective Date, based on the appraisal report of Corporate Valuation Advisors, is $ **$341.35** the Class A Purchase Price. The Executive, in his sole discretion, may make an election with the Internal Revenue Service (the **"*IRS*"**) under Section 83(b) of the Code and the regulations promulgated thereunder in the form of **Exhibit A** attached hereto (the **"*83(b) Election*"**), and in connection with the making of such election, shall provide a copy of such form to the Company promptly following its filing. The Executive understands that under applicable law such election must be filed with the IRS no later than thirty (30) days after any acquisition of the Restricted Shares to be effective. If the Executive files an effective 83(b) Election, the excess of the fair market value of the Restricted Shares on the date hereof (which the IRS may assert is different from the fair market value determined by the parties) covered by such election over the amount paid by the Executive for the Restricted Shares shall be treated as ordinary income received by the Executive, and the Company or one of its Subsidiaries shall withhold from Executive's compensation all amounts required to be withheld under applicable law. If the Executive does not file an 83(b) Election, future appreciation on the Restricted Shares will generally be taxable as ordinary income when such stock vests pursuant to this Agreement. The foregoing is merely a brief summary of complex

tax laws and regulations, and therefore the Executive is advised to consult with his own tax advisors regarding the purchase and holding of the Restricted Shares.

3. Executive Representations and Warranties.

As an inducement to the Company to issue the Restricted Shares to the Executive and as a condition thereto, the Executive represents, acknowledges and agrees (as applicable) that:

(i) this Agreement constitutes the legal, valid and binding obligation of the Executive, enforceable against **him** in accordance with its terms, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles, and the execution, delivery and performance of this Agreement by the Executive does not and will not conflict with, violate or cause a breach of any agreement, contract or instrument to which the Executive is a party or any judgment, order or decree to which the Executive is subject; and

(ii) neither the issuance of the Restricted Shares to the Executive nor any provision contained herein or in the Plan, shall entitle the Executive to remain in the employment of the Company or any of its Subsidiaries, or affect the right of the Company or any Subsidiary to terminate the Executive's employment at any time for any reason.

4. Vesting of Class A Common Stock.

(a) All Restricted Shares shall initially be unvested and shall be subject to repurchase by the Company pursuant to the Shareholders' Agreement. Subject in all respects to the provisions of the Certificate of Incorporation of the Company, all stock dividends, if any, that are paid on unvested Restricted Shares and all stock dividends, if any, that are paid on any such stock dividends (any such stock dividends, **"*Restricted Share Dividends*"**) and all cash dividends paid on unvested Restricted Shares (or on Restricted Share Dividends) (**"*Unvested Shares Cash Dividends*"**) shall be treated as set forth in Section 6(d).

(b) Time-Vesting. **38.9584** Restricted Shares shall be **"*Time Vesting Shares.*"**

(i) Vesting Schedule. Subject to Sections 4(b)(ii) through (iv), the Time Vesting Shares shall vest as set forth below, provided that the Executive remains employed with the Company or one of its Subsidiaries on such Vesting Dates:

Vesting Date	Vested Percentage of Time Vesting Shares
November 10, 2007	25%
November 10, 2008	50%
November 10, 2009	75%
November 10, 2010	100%

(ii) Acceleration upon Change of Control. Upon the occurrence of a Change of Control prior to November 10, 2010, all then unvested Time Vesting Shares shall immediately vest in full, so long as the Executive is employed with the Company or one of its Subsidiaries on the applicable Change of Control Date.

(iii) Accelerated Vesting upon Death or Disability. Notwithstanding the foregoing provisions of this Section 4, in the event of the Executive's termination of employment with the

Company or any of its Subsidiaries by reason of his death or becoming Disabled on or after November 10, 2006, Time Vesting Shares that would otherwise have been become vested within twelve months immediately following the applicable Termination Date shall vest as of such Termination Date.

(iv) Cessation of Vesting. Subject to the effect of paragraph (iii) above, the vesting of all Time Vesting Shares shall cease upon the Termination Date.

(c) Performance-Based Vesting.

(i) General. In accordance with Section 4(c)(ii) through (iv), **38.9584** Restricted Shares shall be eligible to vest upon the occurrence of either a Change of Control or an IPO Liquidity Event, provided the Executive is employed with the Company or one of its Subsidiaries on the Change of Control Date or IPO Liquidity Event Date, as applicable, as set forth in the requirements of this Section 4(c) (the **"*Performance Vesting Shares*"**).

(ii) Change of Control. In the event that, upon the occurrence of a Change of Control (and provided that Executive is employed with the Company or one of its Subsidiaries on the applicable Change of Control Date), the Class B Return is equal to or greater than 2, 100% of the Performance Vesting Shares shall vest on the Change of Control Date.

(iii) IPO Liquidity Event. Upon the occurrence of an IPO Liquidity Event (and provided that Executive is employed with the Company or one of its Subsidiaries on the applicable IPO Liquidity Event Date), 100% of the Performance Vesting Shares shall vest on the IPO Liquidity Event Date.

(iv) Cessation of Vesting upon Termination of Employment Prior to Change of Control or IPO Liquidity Event. In the event of the Executive's termination of employment for any reason prior to the occurrence of either a Change of Control or an IPO Liquidity Event, vesting shall cease for the Performance Vesting Shares.

(d) Dividends, Etc. Subject in all respects to the provisions of the Certificate of Incorporation of the Company, Restricted Share Dividends, Unvested Shares Cash Dividends and Additional Property shall be delivered to Executive promptly upon the vesting of the related Restricted Shares.

5. Legend.

(a) Each certificate representing Restricted Shares shall bear each of the following legends (in addition to any legends required under the Shareholders' Agreement).

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXCHANGED UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OR EXCHANGE COMPLIES WITH THE PROVISIONS OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT, EACH AS AMENDED FROM TIME TO TIME, BETWEEN OR AMONG THE COMPANY AND THE INVESTORS PARTY THERETO. IN ADDITION TO RESTRICTIONS ON TRANSFER, THE RESTRICTED STOCK AGREEMENT PROVIDES FOR THE VESTING OF THE SHARES ACCORDING TO THE SPECIFIC PROVISIONS OF THE RESTRICTED STOCK AGREEMENT. COPIES OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT ARE ON FILE WITH THE COMPANY."

(b) The certificates shall also bear any legend required by any applicable state securities law.

6. Restrictions on Transfer and Conversion.

(a) The Company and the Executive acknowledge and agree that the Restricted Shares are subject to and restricted by the Shareholders' Agreement and with respect to such Restricted Shares, the Executive shall be an **"*Investor*"** and a **"*Management Shareholder*"** as such terms are used in the Shareholders Agreement.

(b) No unvested Restricted Shares shall be transferable to any Person for any reason. Any attempt to Transfer any unvested Restricted Shares shall be null and void and have no force or effect, and the Company shall not, and shall cause any transfer agent not to, give any effect in such entity's share records to such attempted Transfer.

(c) Prior to any Transfer of vested Restricted Stock made in accordance with the Shareholders' Agreement, the transferee shall agree, by execution of a Joinder Agreement, to be bound by this Agreement as holder of Restricted Shares and by the Shareholders' Agreement as an **"*Investor*"** and a **"*Management Shareholder*"**. Any Transfer or attempted Transfer of any Restricted Shares in violation of this Section 6 or the Shareholders' Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Restricted Shares as the owner of such stock for any purpose.

(d) All Restricted Share Dividends, all Unvested Shares Cash Dividends and all new, substituted or additional securities or other property contemplated by Section 10 below (**"*Additional Property*"**), shall be subject to the same restrictions (and the same vesting) as the Restricted Share to which such Restricted Share Dividend, Unvested Shares Cash Dividends or Additional Property relates, and will be paid to the Executive in accordance with Section 4(d).

(e) The Executive acknowledges that the transfer restrictions contained in this Agreement are reasonable and in the best interests of the Company.

7. Right of Repurchase. Except as provided in any other agreement between the Company and/or one of its Subsidiaries and the Executive, and subject to applicable securities laws, the Company shall have no duty or obligation to disclose to the Executive, and the Executive shall have no right to be advised of, any material information regarding the Company and its Subsidiaries at any time prior to, upon or in connection with the Company's exercise of it right to repurchase the Restricted Shares pursuant to Article V of the Shareholders' Agreement (the **"*Repurchase Option*"**) upon the termination of the Executive's employment with the Company or one of it Subsidiaries. In connection with the exercise

of the Repurchase Option by the Company with respect to unvested Restricted Shares, if the Company holds, pursuant to Section 6(d) Unvested Shares Cash Dividends, Restricted Share Dividends and/or Additional Property with respect to such unvested Restricted Shares, upon the purchase by the Company or its designee of such Restricted Shares, notwithstanding anything to the contrary in this Agreement or the Shareholders' Agreement, all such Unvested Shares Cash Dividends, Restricted Share Dividends (subject to any repurchase provisions in the Shareholders' Agreement) and/or Additional Property shall be forfeited by the Executive (and any spouse or any Permitted Transferee of the Executive) and all of the Executive's rights, or the rights of any spouse or any Permitted Transferee of the Executive, to such Unvested Shares Cash Dividends, Restricted Share Dividends and/or Additional Property shall terminate.

8. Securities Laws Matters.

(a) The Executive understands and agrees that: (i) the Restricted Shares have not been registered under the Securities Act, (ii) the Restricted Shares are restricted securities under the Securities Act and (iii) the Restricted Shares may not be resold or transferred unless they are first registered under the Securities Act or unless an exemption from such registration is available. The Executive hereby makes to the Company the representations and warranties set forth in **Exhibit B** hereto.

(b) Except as otherwise set forth in the Shareholders' Agreement, the Company may, but shall not be obligated to register or qualify the issuance, or the resale of any of the Restricted Shares under the Securities Act or any other applicable law.

9. Definitions.

The following terms shall have the meanings ascribed below:

"*Aggregate Net Proceeds*" means:

(i) all cash proceeds actually received by the CCMP Investors with respect to the sale or assignment of shares of Class B Common Stock to third parties, net of any unreimbursed Sales Costs, plus

(ii) the Fair Market Value of any shares of Marketable Securities actually received by the CCMP Investors with respect to the sale or assignment of Class B Common Stock to third parties (for purposes of clarity, excluding any conversion of shares of Class B Common Stock into shares of Class A Common Stock), as determined on the date of the consummation of such sale or other disposition, net of any unreimbursed Sales Costs, plus

(iii) dividends in cash or the fair market value of any property dividends (other than stock dividends) as determined by the Board of Directors of the Company in good faith, actually received by the CCMP Investors (or receivable at the discretion of the CCMP Investors or persons within their control) in respect of the Class B Common Stock;

provided, *however*, that (A) Aggregate Net Proceeds shall not include any advisory, management, monitoring, transaction or other fees pursuant to arrangements disclosed to the Executive as of the Effective Date, or any expense reimbursement, received by one or more CCMP Investors or any of their affiliates and (B) any cash dividends received by the CCMP Investors shall not be counted more than once in any calculation of Aggregate Net Proceeds.

"*CCMP Investment*" means initially $ 588,500,000, and shall be adjusted for any cash or other consideration contributed from the CCMP Investors from and after the date hereof.

"*CCMP Investors*" means CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman), L.P., Asia Opportunity Fund II, L.P., AOF II Employee Co-Invest Fund, L.P. and CCMP Generac Co-Invest, L.P.

"*Change of Control*" means (a) any transaction or series of related transactions, whether or not the Company is a party thereto, in which, after giving effect to such transaction or transactions, the capital stock of the Company representing in excess of fifty percent (50%) of the voting power of the Company is owned directly, or indirectly through one or more entities, by any "*person*" or "*group*" (as such terms are used in Section 13(d) of the Exchange Act) of Persons, other than one or more CCMP Investors or a "*group*" in which a CCMP Investor is a member, or (b) a sale, lease or other disposition of all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis (including securities of the Company's directly or indirectly owned Subsidiaries (if any)).

"*Change of Control Date*" means the date of consummation of a Change of Control.

"*Class A Common Stock*" has the meaning set forth in Section 1(a) hereof.

"*Class B Return*" as of any date of determination means the quotient of (a) the Aggregate Net Proceeds received by the CCMP Investors with respect to shares of Class B Common Stock (or shares of Class A Common Stock into which shares of Class B Common Stock are converted) through such date, *divided by* (b) the CCMP Investment; *provided*, *however*, that solely with respect to an IPO (and solely on the IPO Date), the **"*Class B Return*"** shall equal the quotient of (i) sum of (A) the Aggregate Net Proceeds received by the CCMP Investors with respect to shares of Class B Common Stock prior to the IPO *plus* (B) the product of (x) price per share at which shares of the Class A Common Stock are initially sold by the underwriters in connection with the IPO and (y) the number of shares of Class A Common Stock into which shares of Class B Common Stock held by the CCMP Investors are converted, *divided by* (ii) the CCMP Investment.

"*Class B Common Stock*" means the class B voting common stock of the Company, par value $0.01 per share.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Disabled*" means: (a)(i) that Executive qualifies for benefits due to total disability on the part of the Executive under the Company's long-term disability plan, as in effect from time to time; or (ii) in the event that the Company has no such long-term disability plan in effect at the time the disability arises on the part of the Executive, that Executive is unable, as a result of a medically determinable physical or mental illness, to perform the duties and services of his position and (b) Executive shall be absent from his duties with the Company on a full time basis for 180 consecutive days.

"*Fair Market Value*" of Marketable Securities means an amount equal to (i) the Market Price of such Marketable Securities *multiplied by* (ii) the number of shares of such Marketable Securities.

"*IPO*" means the initial public offering of Shares registered on Form S-l (or any equivalent or successor form under the Securities Act).

"*IPO Date*" means the date on which the Company consummates an IPO of the Company.

"*IPO Liquidity Event*" means, from and after the date of an IPO, the achievement with respect to the Class A Shares of an average closing trading price equal to or exceeding the Liquidity Threshold Price in any sixty (60) consecutive trading day period starting prior to the later of (a) the fifth anniversary of the date hereof, and (b) one year after the IPO.

"*IPO Liquidity Event Date*" means the date of occurrence of the IPO Liquidity Event.

"*Liquidity Threshold Price*" means, at any time, the lowest amount which when multiplied by the number of shares of Class A Common Stock then held by the CCMP Investors and then added to the Aggregate Net Proceeds received by the CCMP Investors since the date hereof with respect to its shares of Class B Common Stock or shares of Class A Common Stock issued upon conversion of its shares of Class B Common Stock in connection with an IPO, would yield to the CCMP Investors a Class B Return equal to 2.

"*Market Price*" of Marketable Securities means, on any date of determination, the average of the closing prices of such Marketable Securities on any U.S. securities exchange on which such Marketable Securities are listed or, if not so listed, the average bid and asked price of such Marketable Securities reported on the NASDAQ National Market or any established over-the-counter trading system on which prices for such Marketable Securities are quoted, in each case, for a period of twenty trading days prior to such date of determination; provided, that, with respect to any Marketable Securities received by the CCMP Investors in connection with a Change of Control transaction, the Market Price of such Marketable Securities shall be the value ascribed to such Marketable Securities in such transaction.

"*Marketable Securities*" means freely tradeable equity securities of a Person that are listed on an established U.S. securities exchange or through the NASDAQ National Market, or any established over-the-counter trading system.

"*Person*" shall be construed broadly and shall include, without limitation, an individual, a partnership, an investment fund, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"*Recapitalization*" shall mean an event or series of events affecting the capital structure of the Company including, but not limited to, stock dividends, stock splits, rights offers or recapitalizations through large, non-recurring cash dividends.

"*Restricted Shares*" has the meaning set forth in Section 1(a) hereof. **"*Restricted Shares*"** shall also include shares of the Company's capital stock issued with respect to, or exchanged or substituted for, the Restricted Shares by way of a stock split, stock dividend or other recapitalization, merger, consolidation, reorganization or similar transaction.

"*Sales Costs*" means any costs or expenses (including legal or other advisor costs and expenses), fees (including investment banking fees (but excluding any such fees payable to CCMP Investors or their Affiliates)), commissions or discounts payable directly by the CCMP Investors in connection with, arising out of or relating to any sale or other disposition of the Class B Common Stock (including in connection with the negotiation, preparation and execution of any transaction documentation with respect to such sale or other disposition).

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor federal law then in force.

"*Shareholders' Agreement*" means the Shareholders' Agreement, dated as of the date hereof, among the Company and certain shareholders of the Company, as amended, modified or supplemented from time to time.

"*Shares*" means all shares of Class A Common Stock and Class B Common Stock, whenever issued, including all shares of Class A Common Stock and Class B Common Stock issued upon the exercise, conversion or exchange of any Convertible Securities.

"*Subsidiary*" or **"*Subsidiaries*"** of any Person means any corporation, partnership, joint venture or other legal entity of which such Person (either alone or through or together with any other Person), owns, directly or indirectly, 50% or more of the stock or other equity interests which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

"*Transfer*" means the sale, transfer, assignment, pledge or other disposal (whether with or without consideration and whether voluntarily or involuntarily or by operation of law) of any Restricted Shares.

10. Adjustment of Shares.

In the event of a Recapitalization, the terms of this Agreement (including, without limitation, the number and kind of shares of Class A Common Stock subject to this award) shall be adjusted as set forth in Section 13(a) of the Plan. In the event that the Company is a party to a merger or consolidation, this award shall be subject to the agreement of merger or consolidation, as provided in Section 13(b) of the Plan.

11. Related Agreements. Simultaneously with the execution and delivery of this Agreement, the Company and Executive shall execute and deliver the Non-Competition Agreement attached hereto as **Exhibit C** and incorporated herein by reference and (ii) the Shareholders' Agreement.

12. General Provisions.

(a) Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(b) Entire Agreement. This Agreement, the Plan and the Shareholders' Agreement embody the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(c) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(d) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Executive, the Company, and their respective successors, permitted assigns, heirs, representative and estate, as the case may be (including subsequent holders of Restricted Shares); provided that the rights and obligations of the Executive under this Agreement shall not be assignable except in connection with a permitted transfer of Restricted Shares hereunder and under the Shareholders' Agreement.

(e) Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTS PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE, OR ANY OTHER JURISDICTION), THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE TO BE APPLIED.

(f) Jurisdiction and Venue. SUBJECT TO THE TERMS OF THIS AGREEMENT, THE PARTIES AGREE THAT ANY AND ALL ACTIONS ARISING UNDER OR IN RESPECT OF THIS AGREEMENT SHALL BE LITIGATED IN THE FEDERAL OR STATE COURTS IN DELAWARE. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY IRREVOCABLY SUBMITS TO THE PERSONAL JURISDICTION OF SUCH COURTS FOR ITSELF, HIMSELF, OR HERSELF AND IN RESPECT OF ITS, HIS OR HER PROPERTY WITH RESPECT TO SUCH ACTION. EACH PARTY AGREES THAT VENUE WOULD BE PROPER IN ANY OF SUCH COURTS, AND HEREBY WAIVES ANY OBJECTION THAT ANY SUCH COURT IS AN IMPROPER OR INCONVENIENT FORUM FOR THE RESOLUTION OF ANY SUCH ACTION.

(g) Remedies. Each of the parties to this Agreement and any such Person granted rights hereunder whether or not such Person is a signatory hereto shall be entitled to enforce its rights under this Agreement specifically to recover damages and costs (including reasonable attorney's fees) for any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party and any such Person granted rights hereunder whether or not such Person is a signatory hereto may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or other injunctive relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Agreement.

(h) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and the Executive and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof; *provided* that the Company may amend or modify the Agreement without the Executive's consent in accordance with the provisions of the Plan (including, without limitation, the provisions in Sections 13(b), 15(c) and 16(e) of the Plan) or as otherwise set forth in this Agreement.

(i) Notices. Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via facsimile, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via facsimile, five (5) days after deposit in the U.S. mail and one (1) day after deposit with a reputable overnight courier service.

If to the Company, to:

GPS CCMP Acquisition Corp.
c/o CCMP Capital Advisors, LLC
245 Park Avenue, 16th Floor
New York, NY 10167
Attention: Stephen Murray

If to the Executive, to him at his most recent address in the Company's records.

(j) Business Days. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period for giving notice or taking action shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(k) Survival of Representations, Warranties and Agreements. All representations, warranties and agreements contained herein shall survive the consummation of the transactions contemplated hereby and the termination of this Agreement indefinitely.

(l) Recapitalization, Exchange, Etc. Affecting the Company's Shares. The provisions of this Agreement shall apply, to the full extent set forth herein, with respect to any and all Shares of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets, conversion to a corporation or otherwise) that may be issued in respect of, in exchange for, or in substitution of, the Shares of the Company and shall be appropriately adjusted for any dividends, splits, reverse splits, combinations, recapitalizations, and the like occurring after the date hereof.

(m) Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(n) Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

(o) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(p) Nouns and Pronouns. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

(q) Plan; Shareholders' Agreement; Counsel. The Executive acknowledges and understands that material definitions and provisions concerning the Restricted Shares and the Executive's rights and obligations with respect thereto are set forth in the Plan and the Shareholders' Agreement. The Executive has had the opportunity to retain counsel, and has read carefully, and understands, the provisions of such documents. The Executive has had the opportunity to seek legal advice from such counsel on this Agreement and the transactions contemplated hereby.

(r) Non-Qualified Deferred Compensation. The parties acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without

limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder will be immediately taxable to the Executive under Section 409A of the Code and related Department of Treasury guidance, the Company may (a) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement and/or (b) take such other actions as the Company determines necessary or appropriate to comply with the requirements of Section 409A of the Code and related Department of Treasury guidance, including such Department of Treasury guidance and other interpretive materials as may be issued after the Effective Date.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Restricted Stock Agreement as of the date first written above.

COMPANY

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title Vice President and Assistant Secretary

EXECUTIVE

/s/ York A. Ragen
York A. Ragen

MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT (the *"**Agreement**"*) is entered into as of February 23, 2007, by and between GPS CCMP Acquisition Corp., a Delaware corporation (the *"**Company**"*), and the person or entity identified on the signature page hereto as the subscriber (the "***Subscriber***").

W I T N E S S E T H :

WHEREAS, on the terms and subject to the conditions set forth herein, the Subscriber desires to subscribe for and purchase, and the Company is willing to sell to the Subscriber, in exchange for cash, shares of the Company's class B voting common stock, par value $0.01 per share ("***Class B Common Stock***"); and

WHEREAS, in connection with the execution and delivery of this Agreement, the Subscriber is entering into a Joinder Agreement to that certain Shareholders' Agreement, dated as of November 10, 2006, by and among the Company, the Subscriber and the other parties signatory thereto (the "***Shareholders' Agreement***");

NOW, THEREFORE, in order to implement the foregoing and in consideration of the mutual representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which arc hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

PURCHASE AND SALE OF SHARES

1.1 Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, the Subscriber does hereby subscribe for and agree to purchase at the Closing (as defined below), and the Company does hereby agree to sell to the Subscriber at the Closing, the number of shares of Class B Common Stock set forth in the column "Aggregate Class B Common Shares" and opposite the name of the Subscriber on the signature page hereto (collectively, the "***Shares***") for the total purchase price set forth below the column "Total Purchase Price" and opposite the name of the Subscriber on the signature page hereto (the "***Purchase Price***").

1.2 Closing. Subject to Articles TV and V below, the closing of the purchase and sale of the Shares (the "***Closing***") shall occur on February 23, 2007. Payment of the Purchase Price shall be made at the Closing by delivery of a wire transfer of same day funds denominated in U.S. dollars or delivery of a check payable to the Company, unless otherwise approved in writing by the Company.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Subscriber that:

2.1 Organization and Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. As of the Closing: (i) there will be 31,200 shares of Class A Non-Voting Common Stock of the Company with a par value of $0.01 per share authorized, of which 8,531.883901 shares will be issued and outstanding, (ii) there will be 110,000 shares of Class B Voting Common Stock of the Company with a par value of $0.01 per share authorized, of which 68,711.7382 shares will be issued and outstanding, and (iii) all of the issued and outstanding capital stock of the Company will be duly authorized, validly issued, fully paid and nonassessable, free and clear of all liens, and, subject to reliance upon all accredited investor representations made by the purchasers, will be issued pursuant to a valid exception from the registration requirements of applicable state and federal laws and regulations concerning the issuance of securities. The consideration per share paid (or to be paid) for the Shares is and shall be as set forth on the signature page hereto. Other than under the Shareholders' Agreement, there are no preemptive or other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition of the Company's capital stock.

2.2 Authorization. The Company has full corporate power and authority to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Company is a party and to perform its obligations hereunder and thereunder. All corporate action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement by the Company, and for the authorization, issuance and delivery of the Shares being sold under this Agreement, has been taken. This Agreement, when executed and delivered by all parties hereto, shall constitute the valid and legally binding obligation of the Company, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Validity of Shares. The Shares, when issued, sold and delivered in accordance with the terms of this Agreement, shall be duly and validly issued, and fully paid and nonassessable, free and clear of all liens and encumbrances (other than those created by the Subscriber).

2.4 Securities Act. The sale of Shares in accordance with the terms of this Agreement (assuming the accuracy of the representations and warranties of the Subscriber contained in Article III hereof) is exempt from the registration requirements of the Securities Act of 1933, as amended (the "***1933 Act***").

ARTICLE III

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE SUBSCRIBER

3.1 Authorization. The Subscriber represents and warrants that this Agreement, when executed and delivered to the Company, will constitute the Subscriber's valid and legally binding obligation, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

3.2 Investment Representations.

(a) This Agreement is made with the Subscriber in reliance upon Subscriber's representations to the Company, which by the Subscriber's acceptance hereof, the Subscriber hereby confirms, that (i) the Shares to be received by the Subscriber will be acquired by the Subscriber for investment for his or her own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, (ii) he or she has no current intention of selling, granting a participation in or otherwise distributing the same in violation of applicable federal and state securities laws, and (iii) the information contained in the form or Confidential Investment Qualification Questionnaire attached hereto as Exhibit A (the "***Purchaser Questionnaire***") and completed by the Subscriber and delivered to the Company is true, correct, accurate and complete both as of the date of such Purchaser Questionnaire and as of the date hereof. By executing this Agreement, the Subscriber further represents that he or she does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant a participation to such person, or to any third person, with respect to any of the Shares.

(b) The Subscriber understands that the Shares have not been registered under the 1933 Act on the basis that the sale provided for in this Agreement and the issuance of Shares hereunder is exempt from registration under the 1933 Act pursuant to Section 4(2) thereof and regulations issued thereunder and other available exemptions, and that the Company's reliance on such exemption is predicated on representations of the Subscriber set forth herein.

(c) The Subscriber represents that he or she has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of his investment. The Subscriber is a sophisticated investor, has relied upon independent investigations made by the Subscriber and, to the extent believed by the Subscriber to be appropriate, the Subscriber's representatives, including the Subscriber's own professional, tax and other advisors, and is making an independent decision to invest in the Shares. The Subscriber further represents that the Subscriber has had access, during the course of the transactions contemplated hereby and prior to the Subscriber's purchase of Shares, to the same kind of information that is specified in Part I of a registration statement under the 1933 Act and that the Subscriber has had, during the course of the transactions contemplated hereby and prior to the Subscriber's purchase of the Shares, the opportunity to ask questions of, and receive answers from, the Company concerning the terms and conditions of the offering and to obtain additional information necessary to verify the accuracy of any information furnished to the Subscriber or to which the Subscriber had access, and the Subscriber has read carefully such

documents, materials and information and understands and has evaluated the types of risks involved with a purchase of the Shares. The Subscriber has not relied upon any representations or other information (whether oral or written) from the Company or its respective stockholders, directors, officers or affiliates, or from any other person or entity, in connection with its investment in the Shares. The Subscriber acknowledges that the Company has not given any assurances with respect to the tax consequences of the acquisition, ownership and disposition of the Shares. Furthermore, the Subscriber understands that no federal or state agency has passed upon this investment or upon the Company, nor has any such agency made any finding or determination as to the fairness of this investment.

(d) The Subscriber understands that the Shares may not be sold, transferred or otherwise disposed of without registration under the 1933 Act or an exemption therefrom, and that in the absence of an effective registration statement covering the Shares or an available exemption from registration under the 1933 Act, the Shares must be held indefinitely. The Subscriber must be prepared to bear the economic risk of this investment for an indefinite period of time. In particular, the Subscriber acknowledges that he or she is aware that the Shares may not be sold pursuant to Rule 144 promulgated under the 1933 Act unless all of the conditions of that Rule are met. Among the current conditions for use of Rule 144 by certain holders is the availability to the public of current information about the Company. Such information is not now available, and the Company has no current plans to make such information available. The Subscriber represents that, in the absence of an effective registration statement covering the Shares, he or she will sell, transfer or otherwise dispose of the Shares only in a manner consistent with his representations set forth herein and then only in accordance with the Shareholders' Agreement.

(e) Independent of the additional restrictions on the transfer of Shares contained in the Shareholders' Agreement, the Subscriber agrees that he or she will not make a transfer, disposition or pledge of any of the Shares other than pursuant to an effective registration statement under the 1933 Act, unless and until (i) he or she shall have notified the Company of the proposed disposition and shall have furnished the Company with a statement of the circumstances surrounding the disposition, and (ii) if requested by the Company, at the expense of the Subscriber or his or her transferee, he or she shall have furnished to the Company an opinion of counsel, reasonably satisfactory to the Company and its counsel, to the effect that such transfer may be made without registration of the Shares under the 1933 Act.

(f) The Subscriber acknowledges that this investment is not recommended for investors who have any need for a current return on this investment or who cannot bear the risk of losing their entire investment. The Subscriber acknowledges that: (i) he or she has adequate means of providing for his current needs and possible personal contingencies and has no need for liquidity in this investment; (ii) the Subscriber's commitment to investments which arc not readily marketable is not disproportionate to the Subscriber's net worth; and (iii) the Subscriber's investment in the Shares will not cause the Subscriber's overall financial commitments to become excessive.

3.3 Legends; Stop Transfer.

(a) The Subscriber acknowledges that all certificates evidencing the Shares shall bear the following legends:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXCHANGED UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OR EXCHANGE COMPLIES WITH THE PROVISIONS OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT (AS APPLICABLE), AS AMENDED FROM TIME TO TIME, EACH AMONG THE COMPANY AND THE INVESTORS PARTY THERETO, COPIES OF WHICH ARE ON FILE WITH THE COMPANY."

(b) The certificates evidencing the Shares shall also bear any legend required by any applicable state securities law.

(c) The Company shall make a notation regarding the restrictions on transfer of the Shares in its stock books, and the Shares shall be transferred on the books of the Company only if transferred or sold pursuant to an effective registration statement under the 1933 Act covering such Shares or pursuant to and in compliance with the provisions of Section 3.2(e) hereof. A copy of this Agreement, together with any amendments thereto, shall remain on file with the Secretary of the Company and shall be available for inspection to any properly interested person without charge within five (5) days after the receipt of a written request therefor by the Company.

ARTICLE IV

CONDITIONS TO OBLIGATIONS OF THE SUBSCRIBER AT CLOSING

The obligations of the Subscriber under Article I of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions:

4.1 Representations and Warranties. The representations and warranties of the Company contained in Article II hereof shall be true on and as of the Closing with the same force and effect as if they had been made at the Closing.

4.2 Performance. The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it on or before the Closing.

ARTICLE V

CONDITIONS TO THE OBLIGATIONS OF THE COMPANY AT CLOSING

The obligations of the Company under Article I of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions:

5.1 Representations and Warranties. The representations, warranties and agreements of the Subscriber contained in Article III hereof shall be true and correct in all material respects at and as of the date of the Closing.

5.2 Purchaser Questionnaire. The Company shall have received a completed Purchaser Questionnaire in the form attached hereto as Exhibit A from the Subscriber, which questionnaire shall have responses thereto acceptable to the Company, in its reasonable discretion.

5.3 Performance. The Subscriber shall have performed in all material respects all of the Subscriber's obligations and materially complied with each and all of the Subscriber's covenants required to be performed or complied with on or prior to the Closing, including without limitation the execution and delivery of the agreements and undertakings provided for in this Agreement.

ARTICLE VI

OTHER MATTERS

6.1 Shareholders' Agreement. Simultaneously with the execution of this Agreement, the Subscriber shall execute and deliver to the Company a Joinder Agreement to the Shareholders' Agreement, substantially in the form attached hereto as Exhibit B, which shall be in full force and effect as of the Closing.

ARTICLE VII

MISCELLANEOUS

7.1 No Waiver; Modifications in Writing. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of

any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Subscriber. Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by the Company from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

7.2 Notices. All notices and other communications necessary or contemplated under this Agreement shall be in writing and shall be delivered in the manner specified herein or, in the absence of such specification, shall be deemed to have been duly given when delivered by hand, one day after sending by overnight delivery service, or three days after sending by certified mail, postage prepaid, return receipt requested to the respective addresses of the parties set forth below:

If to the Subscriber: To the address set forth below his or her name on the signature page hereto.

If to the Company:
GPS CCMP Acquisition Corp.
c/o CCMP Capital Advisors, LLC
245 Park Avenue
16th Floor
New York, New York 10167
Attention: Stephen Murray
Facsimile: (917) 464-9200

By notice complying with the foregoing provisions of this Section 7.2, each party shall have the right to change the mailing address for future notices and communications to such party.

7.3 Costs, Expenses and Taxes. Unless otherwise agreed to by the Company, the Company and the Subscriber shall pay their own costs and expenses incurred in connection with the execution and delivery of this Agreement and any and all other documents furnished pursuant hereto or in connection herewith. The Company shall pay any and all stamp, transfer and other similar taxes payable or determined to be payable in connection with the execution and delivery of this Agreement or the original issuance of the Shares but excluding all federal, state and local income or similar taxes.

7.4 Execution of Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

7.5 Binding Effect; Assignment. The rights and obligations of the Subscriber under this Agreement may not be assigned to any other person and any such assignment shall be void ab initio. This Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and the Subscriber, and their respective successors and permitted assigns.

7.6 Governing Law. This Agreement shall be governed by the laws of the State of Delaware as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

7.7 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

7.8 Schedules, Exhibits and Headings. All Schedules and Exhibits to this Agreement shall be deemed to be a part of this Agreement. The Article and Section headings used or contained in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

7.9 Injunctive Relief. Each of the parties to this Agreement hereby acknowledges that in the event of a breach by any of them of any material provision of this Agreement, the aggrieved party may be without an adequate remedy at law. Each of the parties therefore agrees that, in the event of a breach of any material provision of this Agreement, the aggrieved party may elect to institute and prosecute proceedings to enforce specific performance or to enjoin the continuing breach of such provision, as well as to obtain damages for breach of this Agreement. By seeking or obtaining any such relief, the aggrieved party will not be precluded from seeking or obtaining any other relief to which it may be entitled.

7.10 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or in the Confidential Investment Qualification Questionnaire attached hereto, as the case may be, in connection with the transactions contemplated by this Agreement shall survive the execution and delivery of this Agreement and the sale and purchase of the Shares and payment therefor.

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MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

COUNTERPART SIGNATURE PAGE

IN WITNESS WHEREOF, the Company and the Subscriber have executed this Agreement as of the day and year first written above.

Name of Subscriber: **ED LEBLANC**

Subscriber Signature: /s/ Ed Leblanc

	AGGREGATE CLASS B COMMON SHARES	TOTAL PURCHASE PRICE
ED LEBLANC	5	$ 50,000.00

MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT (the ***"Agreement"***) is entered into as of February 23, 2007, by and between GPS CCMP Acquisition Corp., a Delaware corporation (the ***"Company"***), and the person or entity identified on the signature page hereto as the subscriber (the ***"Subscriber"***).

W I T N E S S E T H :

WHEREAS, on the terms and subject to the conditions set forth herein, the Subscriber desires to subscribe for and purchase, and the Company is willing to sell to the Subscriber, in exchange for cash, shares of the Company's class B voting common stock, par value $0.01 per share (***"Class B Common Stock"***); and

WHEREAS, in connection with the execution and delivery of this Agreement, the Subscriber is entering into a Joinder Agreement to that certain Shareholders' Agreement, dated as of November 10, 2006, by and among the Company, the Subscriber and the other parties signatory thereto (the ***"Shareholders' Agreement"***);

NOW, THEREFORE, in order to implement the foregoing and in consideration of the mutual representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

PURCHASE AND SALE OF SHARES

1.1 Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, the Subscriber does hereby subscribe for and agree to purchase at the Closing (as defined below), and the Company does hereby agree to sell to the Subscriber at the Closing, the number of shares of Class B Common Stock set forth in the column "Aggregate Class B Common Shares" and opposite the name of the Subscriber on the signature page hereto (collectively, the *"**Shares**"*) for the total purchase price set forth below the column "Total Purchase Price" and opposite the name of the Subscriber on the signature page hereto (the *"**Purchase Price**"*).

1.2 Closing. Subject to Articles TV and V below, the closing of the purchase and sale of the Shares (the *"**Closing**"*) shall occur on February 23, 2007. Payment of the Purchase Price shall be made at the Closing by delivery of a wire transfer of same day funds denominated in U.S. dollars or delivery of a check payable to the Company, unless otherwise approved in writing by the Company.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Subscriber that:

2.1 Organization and Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. As of the Closing: (i) there will be 31,200 shares of Class A Non-Voting Common Stock of the Company with a par value of $0.01 per share authorized, of which 8,531.883901 shares will be issued and outstanding, (ii) there will be 110,000 shares of Class B Voting Common Stock of the Company with a par value of $0.01 per share authorized, of which 68,711.7382 shares will be issued and outstanding, and (iii) all of the issued and outstanding capital stock of the Company will be duly authorized, validly issued, fully paid and nonassessable, free and clear of all liens, and, subject to reliance upon all accredited investor representations made by the purchasers, will be issued pursuant to a valid exception from the registration requirements of applicable state and federal laws and regulations concerning the issuance of securities. The consideration per share paid (or to be paid) for the Shares is and shall be as set forth on the signature page hereto. Other than under the Shareholders' Agreement, there are no preemptive or other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition of the Company's capital stock.

2.2 Authorization. The Company has full corporate power and authority to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Company is a party and to perform its obligations hereunder and thereunder. All corporate action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement by the Company, and for the authorization, issuance and delivery of the Shares being sold under this Agreement, has been taken. This Agreement, when executed and delivered by all parties hereto, shall constitute the valid and legally binding obligation of the Company, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Validity of Shares. The Shares, when issued, sold and delivered in accordance with the terms of this Agreement, shall be duly and validly issued, and fully paid and nonassessable, free and clear of all liens and encumbrances (other than those created by the Subscriber).

2.4 Securities Act. The sale of Shares in accordance with the terms of this Agreement (assuming the accuracy of the representations and warranties of the Subscriber contained in Article III hereof) is exempt from the registration requirements of the Securities Act of 1933, as amended (the *"**1933 Act**"*).

ARTICLE III

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE SUBSCRIBER

3.1 Authorization. The Subscriber represents and warrants that this Agreement, when executed and delivered to the Company, will constitute the Subscriber's valid and legally binding obligation, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

3.2 Investment Representations.

(a) This Agreement is made with the Subscriber in reliance upon Subscriber's representations to the Company, which by the Subscriber's acceptance hereof, the Subscriber hereby confirms, that (i) the Shares to be received by the Subscriber will be acquired by the Subscriber for investment for his or her own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, (ii) he or she has no current intention of selling, granting a participation in or otherwise distributing the same in violation of applicable federal and state securities laws, and (iii) the information contained in the form or Confidential Investment Qualification Questionnaire attached hereto as Exhibit A (the *"**Purchaser Questionnaire**"*) and completed by the Subscriber and delivered to the Company is true, correct, accurate and complete both as of the date of such Purchaser Questionnaire and as of the date hereof. By executing this Agreement, the Subscriber further represents that he or she does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant a participation to such person, or to any third person, with respect to any of the Shares.

(b) The Subscriber understands that the Shares have not been registered under the 1933 Act on the basis that the sale provided for in this Agreement and the issuance of Shares hereunder is exempt from registration under the 1933 Act pursuant to Section 4(2) thereof and regulations issued thereunder and other available exemptions, and that the Company's reliance on such exemption is predicated on representations of the Subscriber set forth herein.

(c) The Subscriber represents that he or she has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of his investment. The Subscriber is a sophisticated investor, has relied upon independent investigations made by the Subscriber and, to the extent believed by the Subscriber to be appropriate, the Subscriber's representatives, including the Subscriber's own professional, tax and other advisors, and is making an independent decision to invest in the Shares. The Subscriber further represents that the Subscriber has had access, during the course of the transactions contemplated hereby and prior to the Subscriber's purchase of Shares, to the same kind of information that is specified in Part I of a registration statement under the 1933 Act and that the Subscriber has had, during the course of the transactions contemplated hereby and prior to the Subscriber's purchase of the Shares, the opportunity to ask questions of, and receive answers from, the Company concerning the terms and conditions of the offering and to obtain additional information necessary to verify the accuracy of any information furnished to the Subscriber or to which the Subscriber had access, and the Subscriber has read carefully such

documents, materials and information and understands and has evaluated the types of risks involved with a purchase of the Shares. The Subscriber has not relied upon any representations or other information (whether oral or written) from the Company or its respective stockholders, directors, officers or affiliates, or from any other person or entity, in connection with its investment in the Shares. The Subscriber acknowledges that the Company has not given any assurances with respect to the tax consequences of the acquisition, ownership and disposition of the Shares. Furthermore, the Subscriber understands that no federal or state agency has passed upon this investment or upon the Company, nor has any such agency made any finding or determination as to the fairness of this investment.

(d) The Subscriber understands that the Shares may not be sold, transferred or otherwise disposed of without registration under the 1933 Act or an exemption therefrom, and that in the absence of an effective registration statement covering the Shares or an available exemption from registration under the 1933 Act, the Shares must be held indefinitely. The Subscriber must be prepared to bear the economic risk of this investment for an indefinite period of time. In particular, the Subscriber acknowledges that he or she is aware that the Shares may not be sold pursuant to Rule 144 promulgated under the 1933 Act unless all of the conditions of that Rule are met. Among the current conditions for use of Rule 144 by certain holders is the availability to the public of current information about the Company. Such information is not now available, and the Company has no current plans to make such information available. The Subscriber represents that, in the absence of an effective registration statement covering the Shares, he or she will sell, transfer or otherwise dispose of the Shares only in a manner consistent with his representations set forth herein and then only in accordance with the Shareholders' Agreement.

(e) Independent of the additional restrictions on the transfer of Shares contained in the Shareholders' Agreement, the Subscriber agrees that he or she will not make a transfer, disposition or pledge of any of the Shares other than pursuant to an effective registration statement under the 1933 Act, unless and until (i) he or she shall have notified the Company of the proposed disposition and shall have furnished the Company with a statement of the circumstances surrounding the disposition, and (ii) if requested by the Company, at the expense of the Subscriber or his or her transferee, he or she shall have furnished to the Company an opinion of counsel, reasonably satisfactory to the Company and its counsel, to the effect that such transfer may be made without registration of the Shares under the 1933 Act.

(f) The Subscriber acknowledges that this investment is not recommended for investors who have any need for a current return on this investment or who cannot bear the risk of losing their entire investment. The Subscriber acknowledges that: (i) he or she has adequate means of providing for his current needs and possible personal contingencies and has no need for liquidity in this investment; (ii) the Subscriber's commitment to investments which are not readily marketable is not disproportionate to the Subscriber's net worth: and (iii) the Subscriber's investment in the Shares will not cause the Subscriber's overall financial commitments to become excessive.

3.3 Legends; Stop Transfer.

(a) The Subscriber acknowledges that all certificates evidencing the Shares shall bear the following legends:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXCHANGED UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OR EXCHANGE COMPLIES WITH THE PROVISIONS OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT (AS APPLICABLE), AS AMENDED FROM TIME TO TIME, EACH AMONG THE COMPANY AND THE INVESTORS PARTY THERETO, COPIES OF WHICH ARE ON FILE WITH THE COMPANY."

(b) The certificates evidencing the Shares shall also bear any legend required by any applicable state securities law.

(c) The Company shall make a notation regarding the restrictions on transfer of the Shares in its stock books, and the Shares shall be transferred on the books of the Company only if transferred or sold pursuant to an effective registration statement under the 1933 Act covering such Shares or pursuant to and in compliance with the provisions of Section 3.2(e) hereof. A copy of this Agreement, together with any amendments thereto, shall remain on file with the Secretary of the Company and shall be available for inspection to any properly interested person without charge within five (5) days after the receipt of a written request therefor by the Company.

ARTICLE IV

CONDITIONS TO OBLIGATIONS OF THE SUBSCRIBER AT CLOSING

The obligations of the Subscriber under Article I of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions:

4.1 Representations and Warranties. The representations and warranties of the Company contained in Article II hereof shall be true on and as of the Closing with the same force and effect as if they had been made at the Closing.

4.2 Performance. The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it on or before the Closing.

ARTICLE V

CONDITIONS TO THE OBLIGATIONS OF THE COMPANY AT CLOSING

The obligations of the Company under Article I of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions:

5.1 Representations and Warranties. The representations, warranties and agreements of the Subscriber contained in Article III hereof shall be true and correct in all material respects at and as of the date of the Closing.

5.2 Purchaser Questionnaire. The Company shall have received a completed Purchaser Questionnaire in the form attached hereto as Exhibit A from the Subscriber, which questionnaire shall have responses thereto acceptable to the Company, in its reasonable discretion.

5.3 Performance. The Subscriber shall have performed in all material respects all of the Subscriber's obligations and materially complied with each and all of the Subscriber's covenants required to be performed or complied with on or prior to the Closing, including without limitation the execution and delivery of the agreements and undertakings provided for in this Agreement.

ARTICLE VI

OTHER MATTERS

6.1 Shareholders' Agreement. Simultaneously with the execution of this Agreement, the Subscriber shall execute and deliver to the Company a Joinder Agreement to the Shareholders' Agreement, substantially in the form attached hereto as Exhibit B, which shall be in full force and effect as of the Closing.

ARTICLE VII

MISCELLANEOUS

7.1 No Waiver; Modifications in Writing. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party

entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Subscriber. Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by the Company from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

7.2 Notices. All notices and other communications necessary or contemplated under this Agreement shall be in writing and shall be delivered in the manner specified herein or, in the absence of such specification, shall be deemed to have been duly given when delivered by hand, one day after sending by overnight delivery service, or three days after sending by certified mail, postage prepaid, return receipt requested to the respective addresses of the parties set forth below:

If to the Subscriber: To the address set forth below his or her name on the signature page hereto.

If to the Company:
GPS CCMP Acquisition Corp.
c/o CCMP Capital Advisors, LLC
245 Park Avenue
16th Floor
New York, New York 10167
Attention: Stephen Murray
Facsimile: (917) 464-9200

By notice complying with the foregoing provisions of this Section 7.2, each party shall have the right to change the mailing address for future notices and communications to such party.

7.3 Costs, Expenses and Taxes. Unless otherwise agreed to by the Company, the Company and the Subscriber shall pay their own costs and expenses incurred in connection with the execution and delivery of this Agreement and any and all other documents furnished pursuant hereto or in connection herewith. The Company shall pay any and all stamp, transfer and other similar taxes payable or determined to be payable in connection with the execution and delivery of this Agreement or the original issuance of the Shares but excluding all federal, state and local income or similar taxes.

7.4 Execution of Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

7.5 Binding Effect; Assignment. The rights and obligations of the Subscriber under this Agreement may not be assigned to any other person and any such assignment shall be void ab initio. This Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and the Subscriber, and their respective successors and permitted assigns.

7.6 Governing Law. This Agreement shall be governed by the laws of the State of Delaware as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

7.7 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

7.8 Schedules, Exhibits and Headings. All Schedules and Exhibits to this Agreement shall be deemed to be a part of this Agreement. The Article and Section headings used or contained in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

7.9 Injunctive Relief. Each of the parties to this Agreement hereby acknowledges that in the event of a breach by any of them of any material provision of this Agreement, the aggrieved party may be without an adequate remedy at law. Each of the parties therefore agrees that, in the event of a breach of any material provision of this Agreement, the aggrieved party may elect to institute and prosecute proceedings to enforce specific performance or to enjoin the continuing breach of such provision, as well as to obtain damages for breach of this Agreement. By seeking or obtaining any such relief, the aggrieved party will not be precluded from seeking or obtaining any other relief to which it may be entitled.

7.10 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or in the Confidential Investment Qualification Questionnaire attached hereto, as the case may be, in connection with the transactions contemplated by this Agreement shall survive the execution and delivery of this Agreement and the sale and purchase of the Shares and payment therefor.

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MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

COUNTERPART SIGNATURE PAGE

IN WITNESS WHEREOF, the Company and the Subscriber have executed this Agreement as of the day and year first written above.

Name of Subscriber: **JOHN BOWLIN**

Subscriber Signature: /s/ John Bowlin

	AGGREGATE CLASS B COMMON SHARES	TOTAL PURCHASE PRICE
JOHN BOWLIN	90	$ 900,000.00

MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT (the ***"Agreement"***) is entered into as of February 23, 2007, by and between GPS CCMP Acquisition Corp., a Delaware corporation (the ***"Company"***), and the person or entity identified on the signature page hereto as the subscriber (the ***"Subscriber"***).

W I T N E S S E T H :

WHEREAS, on the terms and subject to the conditions set forth herein, the Subscriber desires to subscribe for and purchase, and the Company is willing to sell to the Subscriber, in exchange for cash, shares of the Company's class B voting common stock, par value $0.01 per share (***"Class B Common Stock"***); and

WHEREAS, in connection with the execution and delivery of this Agreement, the Subscriber is entering into a Joinder Agreement to that certain Shareholders' Agreement, dated as of November 10, 2006, by and among the Company, the Subscriber and the other parties signatory thereto (the ***"Shareholders' Agreement"***);

NOW, THEREFORE, in order to implement the foregoing and in consideration of the mutual representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

PURCHASE AND SALE OF SHARES

1.1 Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, the Subscriber does hereby subscribe for and agree to purchase at the Closing (as defined below), and the Company does hereby agree to sell to the Subscriber at the Closing, the number of shares of Class B Common Stock set forth in the column "Aggregate Class B Common Shares" and opposite the name of the Subscriber on the signature page hereto (collectively, the ***"Shares"***) for the total purchase price set forth below the column "Total Purchase Price" and opposite the name of the Subscriber on the signature page hereto (the ***"Purchase Price"***).

1.2 Closing. Subject to Articles IV and V below, the closing of the purchase and sale of the Shares (the ***"Closing"***) shall occur on February 23, 2007. Payment of the Purchase Price shall be made at the Closing by delivery of a wire transfer of same day funds denominated in U.S. dollars or delivery of a check payable to the Company, unless otherwise approved in writing by the Company.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Subscriber that:

2.1 Organization and Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. As of the Closing: (i) there will be 31,200 shares of Class A Non-Voting Common Stock of the Company with a par value of $0.01 per share authorized, of which 8,531.883901 shares will be issued and outstanding, (ii) there will be 110,000 shares of Class B Voting Common Stock of the Company with a par value of $0.01 per share authorized, of which 68,711.7382 shares will be issued and outstanding, and (iii) all of the issued and outstanding capital stock of the Company will be duly authorized, validly issued, fully paid and nonassessable, free and clear of all liens, and, subject to reliance upon all accredited investor representations made by the purchasers, will be issued pursuant to a valid exception from the registration requirements of applicable state and federal laws and regulations concerning the issuance of securities. The consideration per share paid (or to be paid) for the Shares is and shall be as set forth on the signature page hereto. Other than under the Shareholders' Agreement, there are no preemptive or other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition of the Company's capital stock.

2.2 Authorization. The Company has full corporate power and authority to execute and deliver this Agreement and all other agreements and instruments contemplated hereby to which the Company is a party and to perform its obligations hereunder and thereunder. All corporate action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement by the Company, and for the authorization, issuance and delivery of the Shares being sold under this Agreement, has been taken. This Agreement, when executed and delivered by all parties hereto, shall constitute the valid and legally binding obligation of the Company, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Validity of Shares. The Shares, when issued, sold and delivered in accordance with the terms of this Agreement, shall be duly and validly issued, and fully paid and nonassessable, free and clear of all liens and encumbrances (other than those created by the Subscriber).

2.4 Securities Act. The sale of Shares in accordance with the terms of this Agreement (assuming the accuracy of the representations and warranties of the Subscriber contained in Article III hereof) is exempt from the registration requirements of the Securities Act of 1933, as amended (the ***"1933 Act"***).

ARTICLE III

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE SUBSCRIBER

3.1 Authorization. The Subscriber represents and warrants that this Agreement, when executed and delivered to the Company, will constitute the Subscriber's valid and legally binding obligation, except to the extent the enforceability thereof may be limited by bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

3.2 Investment Representations.

(a) This Agreement is made with the Subscriber in reliance upon Subscriber's representations to the Company, which by the Subscriber's acceptance hereof, the Subscriber hereby confirms, that (i) the Shares to be received by the Subscriber will be acquired by the Subscriber for investment for his or her own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, (ii) he or she has no current intention of selling, granting a participation in or otherwise distributing the same in violation of applicable federal and state securities laws, and (iii) the information contained in the form of Confidential Investment Qualification Questionnaire attached hereto as Exhibit A (the ***"Purchaser Questionnaire"***) and completed by the Subscriber and delivered to the Company is true, correct, accurate and complete both as of the date of such Purchaser Questionnaire and as of the date hereof. By executing this Agreement, the Subscriber further represents that he or she does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant a participation to such person, or to any third person, with respect to any of the Shares.

(b) The Subscriber understands that the Shares have not been registered under the 1933 Act on the basis that the sale provided for in this Agreement and the issuance of Shares hereunder is exempt from registration under the 1933 Act pursuant to Section 4(2) thereof and regulations issued thereunder and other available exemptions, and that the Company's reliance on such exemption is predicated on representations of the Subscriber set forth herein.

(c) The Subscriber represents that he or she has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of his investment. The Subscriber is a sophisticated investor, has relied upon independent investigations made by the Subscriber and, to the extent believed by the Subscriber to be appropriate, the Subscriber's representatives, including the Subscriber's own professional, tax and other advisors, and is making an independent decision to invest in the Shares. The Subscriber further represents that the Subscriber has had access, during the course of the transactions contemplated hereby and prior to the Subscriber's purchase of Shares, to the same kind of information that is specified in Part I of a registration statement under the 1933 Act and that the Subscriber has had, during the course of the transactions contemplated hereby and prior to the Subscriber's purchase of the Shares, the opportunity to ask questions of, and receive answers from, the Company concerning the terms and conditions of the offering and to obtain additional information necessary to verify the accuracy of any information furnished to the Subscriber or to which the Subscriber had access, and the Subscriber has read carefully such

documents, materials and information and understands and has evaluated the types of risks involved with a purchase of the Shares. The Subscriber has not relied upon any representations or other information (whether oral or written) from the Company or its respective stockholders, directors, officers or affiliates, or from any other person or entity, in connection with its investment in the Shares. The Subscriber acknowledges that the Company has not given any assurances with respect to the tax consequences of the acquisition, ownership and disposition of the Shares. Furthermore, the Subscriber understands that no federal or state agency has passed upon this investment or upon the Company, nor has any such agency made any finding or determination as to the fairness of this investment.

(d) The Subscriber understands that the Shares may not be sold, transferred or otherwise disposed of without registration under the 1933 Act or an exemption therefrom, and that in the absence of an effective registration statement covering the Shares or an available exemption from registration under the 1933 Act, the Shares must be held indefinitely. The Subscriber must be prepared to bear the economic risk of this investment for an indefinite period of time. In particular, the Subscriber acknowledges that he or she is aware that the Shares may not be sold pursuant to Rule 144 promulgated under the 1933 Act unless all of the conditions of that Rule are met. Among the current conditions for use of Rule 144 by certain holders is the availability to the public of current information about the Company. Such information is not now available, and the Company has no current plans to make such information available. The Subscriber represents that, in the absence of an effective registration statement covering the Shares, he or she will sell, transfer or otherwise dispose of the Shares only in a manner consistent with his representations set forth herein and then only in accordance with the Shareholders' Agreement.

(e) Independent of the additional restrictions on the transfer of Shares contained in the Shareholders' Agreement, the Subscriber agrees that he or she will not make a transfer, disposition or pledge of any of the Shares other than pursuant to an effective registration statement under the 1933 Act, unless and until (i) he or she shall have notified the Company of the proposed disposition and shall have furnished the Company with a statement of the circumstances surrounding the disposition, and (ii) if requested by the Company, at the expense of the Subscriber or his or her transferee, he or she shall have furnished to the Company an opinion of counsel, reasonably satisfactory to the Company and its counsel, to the effect that such transfer may be made without registration of the Shares under the 1933 Act.

(f) The Subscriber acknowledges that this investment is not recommended for investors who have any need for a current return on this investment or who cannot bear the risk of losing their entire investment. The Subscriber acknowledges that: (i) he or she has adequate means of providing for his current needs and possible personal contingencies and has no need for liquidity in this investment, (ii) the Subscriber's commitment to investments which are not readily marketable is not disproportionate to the Subscriber's net worth; and (iii) the Subscriber's investment in the Shares will not cause the Subscriber's overall financial commitments to become excessive.

3.3 Legends; Stop Transfer.

(a) The Subscriber acknowledges that all certificates evidencing the Shares shall bear the following legends:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXCHANGED UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OR EXCHANGE COMPLIES WITH THE PROVISIONS OF THE SHAREHOLDERS' AGREEMENT AND THE RESTRICTED STOCK AGREEMENT (AS APPLICABLE), AS AMENDED FROM TIME TO TIME, EACH AMONG THE COMPANY AND THE INVESTORS PARTY THERETO, COPIES OF WHICH ARE ON FILE WITH THE COMPANY."

(b) The certificates evidencing the Shares shall also bear any legend required by any applicable state securities law.

(c) The Company shall make a notation regarding the restrictions on transfer of the Shares in its stock books, and the Shares shall be transferred on the books of the Company only if transferred or sold pursuant to an effective registration statement under the 1933 Act covering such Shares or pursuant to and in compliance with the provisions of Section 3.2(e) hereof. A copy of this Agreement, together with any amendments thereto, shall remain on file with the Secretary of the Company and shall be available for inspection to any properly interested person without charge within five (5) days after the receipt of a written request therefor by the Company.

ARTICLE IV

CONDITIONS TO OBLIGATIONS OF THE SUBSCRIBER AT CLOSING

The obligations of the Subscriber under Article I of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions:

4.1 Representations and Warranties. The representations and warranties of the Company contained in Article 11 hereof shall be true on and as of the Closing with the same force and effect as if they had been made at the Closing.

4.2 Performance. The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it on or before the Closing.

ARTICLE V

CONDITIONS TO THE OBLIGATIONS OF THE COMPANY AT CLOSING

The obligations of the Company under Article I of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions:

5.1 Representations and Warranties. The representations, warranties and agreements of the Subscriber contained in Article III hereof shall be true and correct in all material respects at and as of the date of the Closing.

5.2 Purchaser Questionnaire. The Company shall have received a completed Purchaser Questionnaire in the form attached hereto as Exhibit A from the Subscriber, which questionnaire shall have responses thereto acceptable to the Company, in its reasonable discretion.

5.3 Performance. The Subscriber shall have performed in all material respects all of the Subscriber's obligations and materially complied with each and all of the Subscriber's covenants required to be performed or complied with on or prior to the Closing, including without limitation the execution and delivery of the agreements and undertakings provided for in this Agreement.

ARTICLE VI

OTHER MATTERS

6.1 Shareholders' Agreement. Simultaneously with the execution of this Agreement, the Subscriber shall execute and deliver to the Company a Joinder Agreement to the Shareholders' Agreement, substantially in the form attached hereto as Exhibit B, which shall be in full force and effect as of the Closing.

ARTICLE VII

MISCELLANEOUS

7.1 No Waiver; Modifications in Writing. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of

any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Subscriber. Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by the Company from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

7.2 Notices. All notices and other communications necessary or contemplated under this Agreement shall be in writing and shall be delivered in the manner specified herein or, in the absence of such specification, shall be deemed to have been duly given when delivered by hand, one day after sending by overnight delivery service, or three days after sending by certified mail, postage prepaid, return receipt requested to the respective addresses of the parties set forth below:

If to the Subscriber: To the address set forth below his or her name on the signature page hereto.

If to the Company:
GPS CCMP Acquisition Corp.
c/o CCMP Capital Advisors, LLC
245 Park Avenue
16th Floor
New York, New York 10167
Attention: Stephen Murray
Facsimile: (917) 464-9200

By notice complying with the foregoing provisions of this Section 7.2, each party shall have the right to change the mailing address for future notices and communications to such party.

7.3 Costs, Expenses and Taxes. Unless otherwise agreed to by the Company, the Company and the Subscriber shall pay their own costs and expenses incurred in connection with the execution and delivery of this Agreement and any and all other documents furnished pursuant hereto or in connection herewith. The Company shall pay any and all stamp, transfer and other similar taxes payable or determined to be payable in connection with the execution and delivery of this Agreement or the original issuance of the Shares but excluding all federal, state and local income or similar taxes.

7.4 Execution of Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

7.5 Binding Effect; Assignment. The rights and obligations of the Subscriber under this Agreement may not be assigned to any other person and any such assignment shall be void ab initio. This Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and the Subscriber, and their respective successors and permitted assigns.

7.6 Governing Law. This Agreement shall be governed by the laws of the State of Delaware as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

7.7 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

7.8 Schedules, Exhibits and Headings. All Schedules and Exhibits to this Agreement shall be deemed to be a part of this Agreement. The Article and Section headings used or contained in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

7.9 Injunctive Relief. Each of the parties to this Agreement hereby acknowledges that in the event of a breach by any of them of any material provision of this Agreement, the aggrieved party may be without an adequate remedy at law. Each of the parties therefore agrees that, in the event of a breach of any material provision of this Agreement, the aggrieved party may elect to institute and prosecute proceedings to enforce specific performance or to enjoin the continuing breach of such provision, as well as to obtain damages for breach of this Agreement. By seeking or obtaining any such relief, the aggrieved party will not be precluded from seeking or obtaining any other relief to which it may be entitled.

7.10 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or in the Confidential Investment Qualification Questionnaire attached hereto, as the case may be, in connection with the transactions contemplated by this Agreement shall survive the execution and delivery of this Agreement and the sale and purchase of the Shares and payment therefor.

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MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

COUNTERPART SIGNATURE PAGE

IN WITNESS WHEREOF, the Company and the Subscriber have executed this Agreement as of the day and year first written above.

Name of Subscriber: **HARRY K. HORNISH, JR.**

Subscriber Signature: /s/ Harry K. Hornish

	AGGREGATE CLASS B COMMON SHARES	TOTAL PURCHASE PRICE
HARRY K. HORNISH, JR.	50	$ 500,000.00

Exhibit 10.26

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT is made as of September 24, 2007 (the "Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company").

RECITALS

WHEREAS, Generac Acquisition Corp., a wholly-owned subsidiary of the Company, Generac Power Systems, Inc. (the "Borrower"), JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc., as syndication agent, Barclays Bank PLC, as documentation agent, Wilmington Trust Company, as collateral agent, Goldman Sachs Credit Partners L.P., and J.P. Morgan Securities Inc., as joint lead arrangers, and the lenders party thereto (the "Lenders"), are each a party to that certain Credit Agreement, dated as of November 10, 2006 (the "Second Lien Credit Agreement"), pursuant to which the Lenders made certain term loans to the Borrower upon the terms and conditions set forth therein (such term loans, the "Second Lien Term Loans");

WHEREAS, the Borrower is an indirect, wholly-owned subsidiary of the Company;

WHEREAS, as of September 24, 2007, the Investors and their affiliates own, in the aggregate, 58,850 shares of the Company's Class B Voting Common Stock, par value $0.01 per share (the "Class B Common Stock");

WHEREAS, the Investors have purchased Second Lien Term Loans in an aggregate principal amount of $20,000,000 (the "Purchased Loans") for an aggregate purchase price of $14,400,000, and, as a result thereof, have become Lenders under the Second Lien Credit Agreement;

WHEREAS, the Investors desire transfer such Purchased Loans to the Company (the "Exchange") in exchange for that number of shares of Class B Common Stock (the "Shares"), as set forth opposite each such Investor's name on Exhibit A hereto, which Shares shall have a fair market value of $10,000.00 per Share and, in the aggregate, shall have a value equivalent to the aggregate purchase price that the Investors paid to purchase the Purchased Loans;

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereto hereby agree as follows:

1. Exchange. The parties hereby agree that effective immediately upon the execution and delivery of this Agreement, each Investor is transferring to the Company, and the Company is accepting and receiving, the Purchased Loans in exchange for the number of Shares set forth opposite such Investor's name on Exhibit A hereto. The parties further agree that upon the Exchange and the delivery of the Shares in exchange therefor, (i) the Investors and the Company will execute and deliver the Assignment

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and Acceptance Agreement required to be executed and delivered under the Second Lien Credit Agreement in connection with the Exchange, (ii) neither Investor shall have any further obligations in respect of any of the Purchased Loans, and (iii) the Shares, when issued, shall be fully paid and non-assessable.

2. Investor Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, each Investor represents and warrants to the Company as follows:

(a) Authority. Such Investor has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Such Investor has taken all action required by law or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement is a valid and binding agreement of such Investor enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Accredited Investor. Such Investor is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and has business or financial experience from which it could be reasonably assumed that the Investor has the capacity to protect its own interest in connection with the transaction.

3. Company Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, the Company represents and warrants to each Investor as follows:

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all company action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery by the Investor, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Authorization of Shares. The Shares have been duly authorized.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Agreement shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. There are no restrictions, promises, warranties or undertakings with respect to the subject matter hereof other than those set forth or referred to herein. All exhibits hereto shall be deemed a part of this Agreement.

(d) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Investor.

(e) Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Investor shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Investor and their respective successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld
Name: Aaron Jagdfeld
Title: C.F.O.

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name:
Title:

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name:
Title:

EXHIBIT A

Shares to be exchanged for Purchased Loans

Investor	Value of Purchased Loan Exchanged	Number of Shares Received
CCMP	**$ 12,439,338.19**	**1,243.933819**
Cayman	**$ 1,960,661.81**	**196.066181**

Exhibit 10.27

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT is made as of September 25, 2007 (the "Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company").

RECITALS

WHEREAS, Generac Acquisition Corp., a wholly-owned subsidiary of the Company, Generac Power Systems, Inc. (the "Borrower"), JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc., as syndication agent, Barclays Bank PLC, as documentation agent, Wilmington Trust Company, as collateral agent, Goldman Sachs Credit Partners L.P., and J.P. Morgan Securities Inc., as joint lead arrangers, and the lenders party thereto (the "Lenders"), are each a party to that certain Credit Agreement, dated as of November 10, 2006 (the "Second Lien Credit Agreement"), pursuant to which the Lenders made certain term loans to the Borrower upon the terms and conditions set forth therein (such term loans, the "Second Lien Term Loans");

WHEREAS, the Borrower is an indirect, wholly-owned subsidiary of the Company;

WHEREAS, as of September 25, the Investors and their affiliates own, in the aggregate, 60,290 shares of the Company's Class B Voting Common Stock, par value $0.01 per share (the "Class B Common Stock");

WHEREAS, the Investors have purchased Second Lien Term Loans in an aggregate principal amount of $4,000,000 (the "Purchased Loans") for an aggregate purchase price of $2,880,000, and, as a result thereof, have become Lenders under the Second Lien Credit Agreement;

WHEREAS, the Investors desire transfer such Purchased Loans to the Company (the "Exchange") in exchange for that number of shares of Class B Common Stock (the "Shares"), as set forth opposite each such Investor's name on Exhibit A hereto, which Shares shall have a fair market value of $10,000.00 per Share and, in the aggregate, shall have a value equivalent to the aggregate purchase price that the Investors paid to purchase the Purchased Loans;

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereto hereby agree as follows:

1. Exchange. The parties hereby agree that effective immediately upon the execution and delivery of this Agreement, each Investor is transferring to the Company, and the Company is accepting and receiving, the Purchased Loans in exchange for the number of Shares set forth opposite such Investor's name on Exhibit A hereto. The parties further agree that upon the Exchange and the delivery of the Shares in exchange therefor, (i) the Investors and the Company will execute and deliver the Assignment

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and Acceptance Agreement required to be executed and delivered under the Second Lien Credit Agreement in connection with the Exchange, (ii) neither Investor shall have any further obligations in respect of any of the Purchased Loans, and (iii) the Shares, when issued, shall be fully paid and non-assessable.

2. Investor Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, each Investor represents and warrants to the Company as follows:

(a) Authority. Such Investor has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Such Investor has taken all action required by law or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement is a valid and binding agreement of such Investor enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Accredited Investor. Such Investor is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and has business or financial experience from which it could be reasonably assumed that the Investor has the capacity to protect its own interest in connection with the transaction.

3. Company Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, the Company represents and warrants to each Investor as follows:

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all company action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery by the Investor, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Authorization of Shares. The Shares have been duly authorized.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Agreement shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. There are no restrictions, promises, warranties or undertakings with respect to the subject matter hereof other than those set forth or referred to herein. All exhibits hereto shall be deemed a part of this Agreement.

(d) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Investor.

(e) Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Investor shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Investor and their respective successors and assigns.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld
Name: Aaron Jagdfeld
Title: C.F.O.

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name:
Title:

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name:
Title:

EXHIBIT A

Shares to be exchanged for Purchased Loans

Investor	Value of Purchased Loan Exchanged	Number of Shares Received
CCMP	**$ 2,487,867.64**	**248.786764**
Cayman	**$ 392,132.36**	**39.213236**

AMENDMENT TO EXCHANGE AGREEMENTS

This AMENDMENT TO THE EXCHANGE AGREEMENTS is made as of October 22, 2007 (the "Amendment"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company," and together with the Investors, the "Parties").

RECITALS

WHEREAS, the Parties are party to those certain Exchange Agreements dated as of September 24, 2007 and 25, 2007 (each, an "Exchange Agreement" and collectively, the "Exchange Agreements"); and

WHEREAS, pursuant to the Exchange Agreements, the Investors purchased certain second lien term loans of Generac Power Systems, Inc., an indirect, wholly-owned subsidiary of the Company, in an aggregate principal amount of $24,000,000 (the "Purchased Loans") and contributed such Purchased Loans to the Company (the "Exchanges") in exchange for 1,728 shares of Class B Voting Common Stock of the Company, in the aggregate (the "Shares"); and

WHEREAS, in connection with the review of the methodology used to determine the number of Shares to be issued under the terms of the Exchanges for the Purchased Loans, the Parties have determined that there was an error in their initial calculation of the Exchanges. Accordingly, the Parties have agreed that the number of Shares of Class B Voting Common Stock of the Company that should have been issued in connection with the Exchanges are set forth on Exhibit A and Exhibit B hereto and, accordingly, an amount of additional Shares of Class B Voting Common Stock of the Company, as set forth on such exhibits (reduced by the number of Shares of Class B Voting Common Stock of the Company previously issued under the applicable Exchange Agreements), should be issued to the Investors in accordance with their respective transfers.

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereto hereby agree as follows:

1. Amendments.

1.1 Amendment to Section 4 of the Exchange Agreements.

Section 4 of each Exchange Agreement is hereby amended by adding a new subsection 4(f) to read as follows:

"(f) The Exchange is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, and the Parties shall not take any action inconsistent with the treatment of the Exchange as such."

1.2 Amendment to Exhibit A attached to the Exchange Agreements.

(a) Exhibit A to the Exchange Agreement dated September 24, 2007 is hereby deleted in its entirety and replaced with Exhibit A attached hereto.

(b) Exhibit A to the Exchange Agreement dated September 25, 2007 is hereby deleted in its entirety and replaced with Exhibit B attached hereto.

2. Miscellaneous.

(a) Counterparts. This Amendment may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Amendment may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Amendment shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Amendment shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Amendment shall be effective unless signed in writing by or on behalf of the Company and each Investor.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld
Name: Aaron Jagdfeld
Title: C.F.O.

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name:
Title:

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name:
Title:

Exhibit A to Amendment to Exchange Agreements

"EXHIBIT A

Shares to be exchanged for Purchased Loans (9/24/07)

Investor	Value of Purchased Loans Exchanged	Number of Shares Received
CCMP	$ 17,276,858.59	1,727.685859
Cayman	$ 2,723,141.41	272.314141

Exhibit B to Amendment to Exchange Agreements

"EXHIBIT A

Shares to be exchanged for Purchased Loans (9/25/07)

Investor	Value of Purchased Loans Exchanged	Number of Shares Received
CCMP	$ 3,455,371.72	345.537172
Cayman	$ 544,628.28	54.462828

Exhibit 10.29

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT is made as of October 19, 2007 (the "Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company").

RECITALS

WHEREAS, Generac Acquisition Corp., a wholly-owned subsidiary of the Company, Generac Power Systems, Inc. (the "Borrower"), JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc., as syndication agent, Barclays Bank PLC, as documentation agent, Wilmington Trust Company, as collateral agent, Goldman Sachs Credit Partners L.P., and J.P. Morgan Securities Inc., as joint lead arrangers, and the lenders party thereto (the "Lenders"), are each a party to that certain Credit Agreement, dated as of November 10, 2006 (the "Second Lien Credit Agreement"), pursuant to which the Lenders made certain term loans to the Borrower upon the terms and conditions set forth therein (such term loans, the "Second Lien Term Loans");

WHEREAS, the Borrower is an indirect, wholly-owned subsidiary of the Company;

WHEREAS, as of October 19, 2007, the Investors and their affiliates own, in the aggregate, 61,250 shares of the Company's Class B Voting Common Stock, par value $0.01 per share (the "Class B Common Stock");

WHEREAS, the Investors have purchased Second Lien Term Loans in an aggregate principal amount of $9,000,000 (the "Purchased Loans") and, as a result thereof, have become Lenders under the Second Lien Credit Agreement;

WHEREAS, the Investors desire to transfer such Purchased Loans to the Company (the "Exchange") in exchange for that number of shares of Class B Common Stock (the "Shares"), as set forth opposite each such Investor's name on Exhibit A hereto, which Shares shall have a fair market value of $10,000.00 per Share and, in the aggregate, shall have a value equivalent to the aggregate principal amount of the Purchased Loans;

NOW, **THEREFORE**, in consideration of the foregoing premises, the parties hereto hereby agree as follows:

1. Exchange. The parties hereby agree that effective immediately upon the execution and delivery of this Agreement, each Investor is transferring to the Company, and the Company is accepting and receiving, the Purchased Loans in exchange for the number of Shares set forth opposite such Investor's name on Exhibit A hereto. The parties further agree that upon the Exchange and the delivery of the Shares in exchange therefor, (i) the Investors and the Company will execute and deliver the Assignment and

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Acceptance Agreement required to be executed and delivered under the Second Lien Credit Agreement in connection with the Exchange, (ii) neither Investor shall have any further obligations in respect of any of the Purchased Loans, and (iii) the Shares, when issued, shall be fully paid and non-assessable.

2. Investor Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, each Investor represents and warrants to the Company as follows:

(a) Authority. Such Investor has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Such Investor has taken all action required by law or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement is a valid and binding agreement of such Investor enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Accredited Investor. Such Investor is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and has business or financial experience from which it could be reasonably assumed that the Investor has the capacity to protect its own interest in connection with the transaction.

3. Company Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, the Company represents and warrants to each Investor as follows:

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all company action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery by the Investor, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Authorization of Shares. The Shares have been duly authorized.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Agreement shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. There are no restrictions, promises, warranties or undertakings with respect to the subject matter hereof other than those set forth or referred to herein. All exhibits hereto shall be deemed a part of this Agreement.

(d) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Investor.

(e) Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Investor shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Investor and their respective successors and assigns.

(f) Recapitalization. The Exchange is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, and the parties hereto shall not take any action inconsistent with the treatment of the Exchange as such.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld

Name: Aaron Jagdfeld
Title: C.F.O.

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name:
Title:

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name:
Title:

EXHIBIT A

Shares to be exchanged for Purchased Loans

Investor	Value of Purchased Loans Exchanged	Number of Shares Received
CCMP	$ 7,774,586.36	777.458636
Cayman	$ 1,225,413.64	122.541364

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT is made as of October 30, 2007 (the "Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company").

RECITALS

WHEREAS, Generac Acquisition Corp., a wholly-owned subsidiary of the Company, Generac Power Systems, Inc. (the "Borrower"), JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc., as syndication agent, Barclays Bank PLC, as documentation agent, Wilmington Trust Company, as collateral agent, Goldman Sachs Credit Partners L.P., and J.P. Morgan Securities Inc., as joint lead arrangers, and the lenders party thereto (the "Lenders"), are each a party to that certain Credit Agreement, dated as of November 10, 2006 (the "Second Lien Credit Agreement"), pursuant to which the Lenders made certain term loans to the Borrower upon the terms and conditions set forth therein (such term loans, the "Second Lien Term Loans");

WHEREAS, the Borrower is an indirect, wholly-owned subsidiary of the Company;

WHEREAS, as of October 30, 2007, the Investors and their affiliates own, in the aggregate, 62,150 shares of the Company's Class B Voting Common Stock, par value $0.01 per share (the "Class B Common Stock");

WHEREAS, the Investors have purchased Second Lien Term Loans in an aggregate principal amount of $8,000,000 (the "Purchased Loans") and, as a result thereof, have become Lenders under the Second Lien Credit Agreement;

WHEREAS, the Investors desire to transfer such Purchased Loans to the Company (the "Exchange") in exchange for that number of shares of Class B Common Stock (the "Shares"), as set forth opposite each such Investor's name on Exhibit A hereto, which Shares shall have a fair market value of $10,000.00 per Share and, in the aggregate, shall have a value equivalent to the aggregate principal amount of the Purchased Loans;

NOW, **THEREFORE**, in consideration of the foregoing premises, the parties hereto hereby agree as follows:

1. Exchange. The parties hereby agree that effective immediately upon the execution and delivery of this Agreement, each Investor is transferring to the Company, and the Company is accepting and receiving, the Purchased Loans in exchange for the number of Shares set forth opposite such Investor's name on Exhibit A hereto. The parties further agree that upon the Exchange and the delivery of the Shares in exchange therefor, (i) the Investors and the Company will execute and deliver the Assignment and

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Acceptance Agreement required to be executed and delivered under the Second Lien Credit Agreement in connection with the Exchange, (ii) neither Investor shall have any further obligations in respect of any of the Purchased Loans, and (iii) the Shares, when issued, shall be fully paid and non-assessable.

2. Investor Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, each Investor represents and warrants to the Company as follows:

(a) Authority. Such Investor has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Such Investor has taken all action required by law or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement is a valid and binding agreement of such Investor enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Accredited Investor. Such Investor is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and has business or financial experience from which it could be reasonably assumed that the Investor has the capacity to protect its own interest in connection with the transaction.

3. Company Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, the Company represents and warrants to each Investor as follows:

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all company action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery by the Investor, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Authorization of Shares. The Shares have been duly authorized.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Agreement shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. There are no restrictions, promises, warranties or undertakings with respect to the subject matter hereof other than those set forth or referred to herein. All exhibits hereto shall be deemed a part of this Agreement.

(d) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Investor.

(e) Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Investor shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Investor and their respective successors and assigns.

(f) Recapitalization. The Exchange is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, and the parties hereto shall not take any action inconsistent with the treatment of the Exchange as such.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld

Name: Aaron Jagdfeld
Title: C.F.O.

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name:
Title:

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name:
Title:

EXHIBIT A

Shares to be exchanged for Purchased Loans

Investor	Value of Purchased Loans Exchanged	Number of Shares Received
CCMP	$ 7,059,098.77	705.909877
Cayman	$ 940,901.23	94.090123

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT is made as of November 13, 2007 (the "Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company").

RECITALS

WHEREAS, Generac Acquisition Corp., a wholly-owned subsidiary of the Company, Generac Power Systems, Inc. (the "Borrower"), JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc., as syndication agent, Barclays Bank PLC, as documentation agent, Wilmington Trust Company, as collateral agent, Goldman Sachs Credit Partners L.P., and J.P. Morgan Securities Inc., as joint lead arrangers, and the lenders party thereto (the "Lenders"), are each a party to that certain Credit Agreement, dated as of November 10, 2006 (the "Second Lien Credit Agreement"), pursuant to which the Lenders made certain term loans to the Borrower upon the terms and conditions set forth therein (such term loans, the "Second Lien Term Loans");

WHEREAS, the Borrower is an indirect, wholly-owned subsidiary of the Company;

WHEREAS, as of November 13, 2007, the Investors and their affiliates own, in the aggregate, 62,950 shares of the Company's Class B Voting Common Stock, par value $0.01 per share (the "Class B Common Stock");

WHEREAS, the Investors have purchased Second Lien Term Loans in an aggregate principal amount of $8,750,000 (the "Purchased Loans") and, as a result thereof, have become Lenders under the Second Lien Credit Agreement;

WHEREAS, the Investors desire to transfer such Purchased Loans to the Company (the "Exchange") in exchange for that number of shares of Class B Common Stock (the "Shares"), as set forth opposite each such Investor's name on Exhibit A hereto, which Shares shall have a fair market value of $10,000.00 per Share and, in the aggregate, shall have a value equivalent to the aggregate principal amount of the Purchased Loans;

NOW, **THEREFORE**, in consideration of the foregoing premises, the parties hereto hereby agree as follows:

1. Exchange. The parties hereby agree that effective immediately upon the execution and delivery of this Agreement, each Investor is transferring to the Company, and the Company is accepting and receiving, the Purchased Loans in exchange for the number of Shares set forth opposite such Investor's name on Exhibit A hereto. The parties further agree that upon the Exchange and the delivery of the Shares in exchange therefor, (i) the Investors and the Company will execute and deliver the Assignment and

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Acceptance Agreement required to be executed and delivered under the Second Lien Credit Agreement in connection with the Exchange, (ii) neither Investor shall have any further obligations in respect of any of the Purchased Loans, and (iii) the Shares, when issued, shall be fully paid and non-assessable.

2. Investor Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, each Investor represents and warrants to the Company as follows:

(a) Authority. Such Investor has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Such Investor has taken all action required by law or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement is a valid and binding agreement of such Investor enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Accredited Investor. Such Investor is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and has business or financial experience from which it could be reasonably assumed that the Investor has the capacity to protect its own interest in connection with the transaction.

3. Company Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, the Company represents and warrants to each Investor as follows:

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all company action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery by the Investor, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Authorization of Shares. The Shares have been duly authorized.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Agreement shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. There are no restrictions, promises, warranties or undertakings with respect to the subject matter hereof other than those set forth or referred to herein. All exhibits hereto shall be deemed a part of this Agreement.

(d) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Investor.

(e) Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Investor shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Investor and their respective successors and assigns.

(f) Recapitalization. The Exchange is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, and the parties hereto shall not take any action inconsistent with the treatment of the Exchange as such.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld
Name: Aaron Jagdfeld
Title: C.F.O.

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name: Tim Walsh
Title: Managing Director

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name: Tim Walsh
Title: Managing Director

EXHIBIT A

Shares to be exchanged for Purchased Loans

Investor	Value of Purchased Loans Exchanged	Number of Shares Received
CCMP	$ 7,720,889.28	772.0889280
Cayman	$ 1,029,110.72	102.9110720

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT is made as of November 21, 2007 (the "Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company").

RECITALS

WHEREAS, Generac Acquisition Corp., a wholly-owned subsidiary of the Company, Generac Power Systems, Inc. (the "Borrower"), JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc., as syndication agent, Barclays Bank PLC, as documentation agent, Wilmington Trust Company, as collateral agent, Goldman Sachs Credit Partners L.P., and J.P. Morgan Securities Inc., as joint lead arrangers, and the lenders party thereto (the "Lenders"), are each a party to that certain Credit Agreement, dated as of November 10, 2006 (the "Second Lien Credit Agreement"), pursuant to which the Lenders made certain term loans to the Borrower upon the terms and conditions set forth therein (such term loans, the "Second Lien Term Loans");

WHEREAS, the Borrower is an indirect, wholly-owned subsidiary of the Company;

WHEREAS, as of November 21, 2007, the Investors and their affiliates own, in the aggregate, 63,825 shares of the Company's Class B Voting Common Stock, par value $0.01 per share (the "Class B Common Stock");

WHEREAS, the Investors have purchased Second Lien Term Loans in an aggregate principal amount of $8,500,000 (the "Purchased Loans") and, as a result thereof, have become Lenders under the Second Lien Credit Agreement;

WHEREAS, the Investors desire to transfer such Purchased Loans to the Company (the "Exchange") in exchange for that number of shares of Class B Common Stock (the "Shares"), as set forth opposite each such Investor's name on Exhibit A hereto, which Shares shall have a fair market value of $10,000.00 per Share and, in the aggregate, shall have a value equivalent to the aggregate principal amount of the Purchased Loans;

NOW, **THEREFORE**, in consideration of the foregoing premises, the parties hereto hereby agree as follows:

1. Exchange. The parties hereby agree that effective immediately upon the execution and delivery of this Agreement, each Investor is transferring to the Company, and the Company is accepting and receiving, the Purchased Loans in exchange for the number of Shares set forth opposite such Investor's name on Exhibit A hereto. The parties further agree that upon the Exchange and the delivery of the Shares in exchange therefor, (i) the Investors and the Company will execute and deliver the Assignment and

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Acceptance Agreement required to be executed and delivered under the Second Lien Credit Agreement in connection with the Exchange, (ii) neither Investor shall have any further obligations in respect of any of the Purchased Loans, and (iii) the Shares, when issued, shall be fully paid and non-assessable.

2. Investor Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, each Investor represents and warrants to the Company as follows:

(a) Authority. Such Investor has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Such Investor has taken all action required by law or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement is a valid and binding agreement of such Investor enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Accredited Investor. Such Investor is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and has business or financial experience from which it could be reasonably assumed that the Investor has the capacity to protect its own interest in connection with the transaction.

3. Company Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, the Company represents and warrants to each Investor as follows:

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all company action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery by the Investor, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Authorization of Shares. The Shares have been duly authorized.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Agreement shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. There are no restrictions, promises, warranties or undertakings with respect to the subject matter hereof other than those set forth or referred to herein. All exhibits hereto shall be deemed a part of this Agreement.

(d) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Investor.

(e) Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Investor shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Investor and their respective successors and assigns.

(f) Recapitalization. The Exchange is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, and the parties hereto shall not take any action inconsistent with the treatment of the Exchange as such.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld
Name: Aaron Jagdfeld
Title: C.F.O.

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name: Tim Walsh
Title: Managing Director

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name: Tim Walsh
Title: Managing Director

EXHIBIT A

Shares to be exchanged for Purchased Loans

Investor	Value of Purchased Loans Exchanged	Number of Shares Received
CCMP	$ 7,500,292.44	750.0292440
Cayman	$ 999,707.56	99.9707560

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT is made as of December 4, 2007 (the "Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company").

RECITALS

WHEREAS, Generac Acquisition Corp., a wholly-owned subsidiary of the Company, Generac Power Systems, Inc. (the "Borrower"), JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc., as syndication agent, Barclays Bank PLC, as documentation agent, Wilmington Trust Company, as collateral agent, Goldman Sachs Credit Partners L.P., and J.P. Morgan Securities Inc., as joint lead arrangers, and the lenders party thereto (the "Lenders"), are each a party to that certain Credit Agreement, dated as of November 10, 2006 (the "Second Lien Credit Agreement"), pursuant to which the Lenders made certain term loans to the Borrower upon the terms and conditions set forth therein (such term loans, the "Second Lien Term Loans");

WHEREAS, the Borrower is an indirect, wholly-owned subsidiary of the Company;

WHEREAS, as of December 4, 2007, the Investors and their affiliates own, in the aggregate, 64,675 shares of the Company's Class B Voting Common Stock, par value $0.01 per share (the "Class B Common Stock");

WHEREAS, the Investors have purchased Second Lien Term Loans in an aggregate principal amount of $6,000,000 (the "Purchased Loans") and, as a result thereof, have become Lenders under the Second Lien Credit Agreement;

WHEREAS, the Investors desire to transfer such Purchased Loans to the Company (the "Exchange") in exchange for that number of shares of Class B Common Stock (the "Shares"), as set forth opposite each such Investor's name on Exhibit A hereto, which Shares shall have a fair market value of $10,000.00 per Share and, in the aggregate, shall have a value equivalent to the aggregate principal amount of the Purchased Loans;

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereto hereby agree as follows:

1. Exchange. The parties hereby agree that effective immediately upon the execution and delivery of this Agreement, each Investor is transferring to the Company, and the Company is accepting and receiving, the Purchased Loans in exchange for the number of Shares set forth opposite such Investor's name on Exhibit A hereto. The parties further agree that upon the Exchange and the delivery of the Shares in exchange therefor, (i) the Investors and the Company will execute and deliver the Assignment and

---

Acceptance Agreement required to be executed and delivered under the Second Lien Credit Agreement in connection with the Exchange, (ii) neither Investor shall have any further obligations in respect of any of the Purchased Loans, and (iii) the Shares, when issued, shall be fully paid and non-assessable.

2. Investor Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, each Investor represents and warrants to the Company as follows:

(a) Authority. Such Investor has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Such Investor has taken all action required by law or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement is a valid and binding agreement of such Investor enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Accredited Investor. Such Investor is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and has business or financial experience from which it could be reasonably assumed that the Investor has the capacity to protect its own interest in connection with the transaction.

3. Company Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, the Company represents and warrants to each Investor as follows:

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all company action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery by the Investor, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Authorization of Shares. The Shares have been duly authorized.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Agreement shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. There are no restrictions, promises, warranties or undertakings with respect to the subject matter hereof other than those set forth or referred to herein. All exhibits hereto shall be deemed a part of this Agreement.

(d) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Investor.

(e) Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Investor shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Investor and their respective successors and assigns.

(f) Recapitalization. The Exchange is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, and the parties hereto shall not take any action inconsistent with the treatment of the Exchange as such.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld
Name: Aaron Jagdfeld
Title: C.F.O.

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name: Tim Walsh
Title: MD

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name: Tim Walsh
Title: MD

EXHIBIT A

Shares to be exchanged for Purchased Loans

Investor	Value of Purchased Loans Exchanged	Number of Shares Received
CCMP	$ 5,294,324.08	529.4324080
Cayman	$ 705,675.92	70.5675920

Exhibit 10.34

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT is made as of December 5, 2007 (the "Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company").

RECITALS

WHEREAS, Generac Acquisition Corp., a wholly-owned subsidiary of the Company, Generac Power Systems, Inc. (the "Borrower"), JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc., as syndication agent, Barclays Bank PLC, as documentation agent, Wilmington Trust Company, as collateral agent, Goldman Sachs Credit Partners L.P., and J.P. Morgan Securities Inc., as joint lead arrangers, and the lenders party thereto (the "Lenders"), are each a party to that certain Credit Agreement, dated as of November 10, 2006 (the "Second Lien Credit Agreement"), pursuant to which the Lenders made certain term loans to the Borrower upon the terms and conditions set forth therein (such term loans, the "Second Lien Term Loans");

WHEREAS, the Borrower is an indirect, wholly-owned subsidiary of the Company;

WHEREAS, as of December 5, 2007, the Investors and their affiliates own, in the aggregate, 65,275 shares of the Company's Class B Voting Common Stock, par value $0.01 per share (the "Class B Common Stock");

WHEREAS, the Investors have purchased Second Lien Term Loans in an aggregate principal amount of $5,000,000 (the "Purchased Loans") and, as a result thereof, have become Lenders under the Second Lien Credit Agreement;

WHEREAS, the Investors desire to transfer such Purchased Loans to the Company (the "Exchange") in exchange for that number of shares of Class B Common Stock (the "Shares"), as set forth opposite each such Investor's name on Exhibit A hereto, which Shares shall have a fair market value of $10,000.00 per Share and, in the aggregate, shall have a value equivalent to the aggregate principal amount of the Purchased Loans;

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereto hereby agree as follows:

1. Exchange. The parties hereby agree that effective immediately upon the execution and delivery of this Agreement, each Investor is transferring to the Company, and the Company is accepting and receiving, the Purchased Loans in exchange for the number of Shares set forth opposite such Investor's name on Exhibit A hereto. The parties further agree that upon the Exchange and the delivery of the Shares in exchange therefor, (i) the Investors and the Company will execute and deliver the Assignment and

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Acceptance Agreement required to be executed and delivered under the Second Lien Credit Agreement in connection with the Exchange, (ii) neither Investor shall have any further obligations in respect of any of the Purchased Loans, and (iii) the Shares, when issued, shall be fully paid and non-assessable.

2. Investor Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, each Investor represents and warrants to the Company as follows:

(a) Authority. Such Investor has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Such Investor has taken all action required by law or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement is a valid and binding agreement of such Investor enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Accredited Investor. Such Investor is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and has business or financial experience from which it could be reasonably assumed that the Investor has the capacity to protect its own interest in connection with the transaction.

3. Company Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, the Company represents and warrants to each Investor as follows:

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all company action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery by the Investor, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Authorization of Shares. The Shares have been duly authorized.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Agreement shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. There are no restrictions, promises, warranties or undertakings with respect to the subject matter hereof other than those set forth or referred to herein. All exhibits hereto shall be deemed a part of this Agreement.

(d) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Investor.

(e) Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Investor shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Investor and their respective successors and assigns.

(f) Recapitalization. The Exchange is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, and the parties hereto shall not take any action inconsistent with the treatment of the Exchange as such.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld
Name: Aaron Jagdfeld
Title: C.F.O.

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates, GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name: Tim Walsh
Title: MD

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates, GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name: Tim Walsh
Title: MD

EXHIBIT A

Shares to be exchanged for Purchased Loans

Investor	Value of Purchased Loans Exchanged	Number of Shares Received
CCMP	$ 4,411,936.73	441.1936730
Cayman	$ 588,063.27	58.8063270

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT is made as of December 6, 2007 (the "Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company").

RECITALS

WHEREAS, Generac Acquisition Corp., a wholly-owned subsidiary of the Company, Generac Power Systems, Inc. (the "Borrower"), JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc., as syndication agent, Barclays Bank PLC, as documentation agent, Wilmington Trust Company, as collateral agent, Goldman Sachs Credit Partners L.P., and J.P. Morgan Securities Inc., as joint lead arrangers, and the lenders party thereto (the "Lenders"), are each a party to that certain Credit Agreement, dated as of November 10, 2006 (the "Second Lien Credit Agreement"), pursuant to which the Lenders made certain term loans to the Borrower upon the terms and conditions set forth therein (such term loans, the "Second Lien Term Loans");

WHEREAS, the Borrower is an indirect, wholly-owned subsidiary of the Company;

WHEREAS, as of December 6, 2007, the Investors and their affiliates own, in the aggregate, 65,775 shares of the Company's Class B Voting Common Stock, par value $0.01 per share (the "Class B Common Stock");

WHEREAS, the Investors have purchased Second Lien Term Loans in an aggregate principal amount of $11,000,000 (the "Purchased Loans") and, as a result thereof, have become Lenders under the Second Lien Credit Agreement;

WHEREAS, the Investors desire to transfer such Purchased Loans to the Company (the "Exchange") in exchange for that number of shares of Class B Common Stock (the "Shares"), as set forth opposite each such Investor's name on Exhibit A hereto, which Shares shall have a fair market value of $10,000.00 per Share and, in the aggregate, shall have a value equivalent to the aggregate principal amount of the Purchased Loans;

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereto hereby agree as follows:

1. Exchange. The parties hereby agree that effective immediately upon the execution and delivery of this Agreement, each Investor is transferring to the Company, and the Company is accepting and receiving, the Purchased Loans in exchange for the number of Shares set forth opposite such Investor's name on Exhibit A hereto. The parties further agree that upon the Exchange and the delivery of the Shares in exchange therefor, (i) the Investors and the Company will execute and deliver the Assignment and

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Acceptance Agreement required to be executed and delivered under the Second Lien Credit Agreement in connection with the Exchange, (ii) neither Investor shall have any further obligations in respect of any of the Purchased Loans, and (iii) the Shares, when issued, shall be fully paid and non-assessable.

2. Investor Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, each Investor represents and warrants to the Company as follows:

(a) Authority. Such Investor has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Such Investor has taken all action required by law or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement is a valid and binding agreement of such Investor enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Accredited Investor. Such Investor is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and has business or financial experience from which it could be reasonably assumed that the Investor has the capacity to protect its own interest in connection with the transaction.

3. Company Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, the Company represents and warrants to each Investor as follows:

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all company action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery by the Investor, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Authorization of Shares. The Shares have been duly authorized.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Agreement shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. There are no restrictions, promises, warranties or undertakings with respect to the subject matter hereof other than those set forth or referred to herein. All exhibits hereto shall be deemed a part of this Agreement.

(d) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Investor.

(e) Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Investor shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Investor and their respective successors and assigns.

(f) Recapitalization. The Exchange is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, and the parties hereto shall not take any action inconsistent with the treatment of the Exchange as such.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld
Name: Aaron Jagdfeld
Title: C.F.O.

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name: Tim Walsh
Title: MD

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates GP, LLC,
its General Partner

By: /s/ Tim Walsh
Name: Tim Walsh
Title: MD

EXHIBIT A

Shares to be exchanged for Purchased Loans

Investor	Value of Purchased Loans Exchanged	Number of Shares Received
CCMP	$ 9,706,260.81	970.6260810
Cayman	$ 1,293,739.19	129.3739190

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT is made as of January 11, 2008 (the "Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company").

RECITALS

WHEREAS, Generac Acquisition Corp., a wholly-owned subsidiary of the Company, Generac Power Systems, Inc. (the "Borrower"), JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc., as syndication agent, Barclays Bank PLC, as documentation agent, Wilmington Trust Company, as collateral agent, Goldman Sachs Credit Partners L.P., and J.P. Morgan Securities Inc., as joint lead arrangers, and the lenders party thereto (the "Lenders"), are each a party to that certain Credit Agreement, dated as of November 10, 2006 (the "Second Lien Credit Agreement"), pursuant to which the Lenders made certain term loans to the Borrower upon the terms and conditions set forth therein (such term loans, the "Second Lien Term Loans");

WHEREAS, the Borrower is an indirect, wholly-owned subsidiary of the Company;

WHEREAS, as of January 11, 2008, the Investors and their affiliates own, in the aggregate, 66,875 shares of the Company's Class B Voting Common Stock, par value $0.01 per share (the "Class B Common Stock");

WHEREAS, the Investors have purchased Second Lien Term Loans in an aggregate principal amount of $19,000,000 (the "Purchased Loans") and, as a result thereof, have become Lenders under the Second Lien Credit Agreement;

WHEREAS, the Investors desire to transfer such Purchased Loans to the Company (the "Exchange") in exchange for that number of shares of Class B Common Stock (the "Shares"), as set forth opposite each such Investor's name on Exhibit A hereto, which Shares shall have a fair market value of $10,000.00 per Share and, in the aggregate, shall have a value equivalent to the aggregate principal amount of the Purchased Loans;

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereto hereby agree as follows:

1. Exchange. The parties hereby agree that effective immediately upon the execution and delivery of this Agreement, each Investor is transferring to the Company, and the Company is accepting and receiving, the Purchased Loans in exchange for the number of Shares set forth opposite such Investor's name on Exhibit A hereto. The parties further agree that upon the Exchange and the delivery of the Shares in exchange therefor, (i) the Investors and the Company will execute and deliver the Assignment and

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Acceptance Agreement required to be executed and delivered under the Second Lien Credit Agreement in connection with the Exchange, (ii) neither Investor shall have any further obligations in respect of any of the Purchased Loans, and (iii) the Shares, when issued, shall be fully paid and non-assessable.

2. Investor Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, each Investor represents and warrants to the Company as follows:

(a) Authority. Such Investor has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Such Investor has taken all action required by law or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement is a valid and binding agreement of such Investor enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Accredited Investor. Such Investor is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and has business or financial experience from which it could be reasonably assumed that the Investor has the capacity to protect its own interest in connection with the transaction.

3. Company Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, the Company represents and warrants to each Investor as follows:

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all company action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery by the Investor, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Authorization of Shares. The Shares have been duly authorized.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Agreement shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. There are no restrictions, promises, warranties or undertakings with respect to the subject matter hereof other than those set forth or referred to herein. All exhibits hereto shall be deemed a part of this Agreement.

(d) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Investor.

(e) Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Investor shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Investor and their respective successors and assigns.

(f) Recapitalization. The Exchange is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, and the parties hereto shall not take any action inconsistent with the treatment of the Exchange as such.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld
Name: Aaron Jagdfeld
Title: C.F.O

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates, GP, LLC,
its General Partner

By: /s/ [ILLEGIBLE]
Name:
Title:

CCMP CAPITAL INVESTORS II, L.P.,

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates, GP, LLC,
its General Partner

By: /s/ [ILLEGIBLE]
Name:
Title:

EXHIBIT A

Shares to be exchanged for Purchased Loans

Investor		Value of Purchased Loans Exchanged	Number of Shares Received
CCMP	$	16,765,359.59	1,676.5359590
Cayman	$	2,234,640.41	223.4640410

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT is made as of April 18, 2008 (the "Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company").

RECITALS

WHEREAS, Generac Acquisition Corp., a wholly-owned subsidiary of the Company, Generac Power Systems, Inc. (the "Borrower"), JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Securities Inc., as syndication agent, Barclays Bank PLC, as documentation agent, Wilmington Trust Company, as collateral agent, Goldman Sachs Credit Partners L.P., and J.P. Morgan Securities Inc., as joint lead arrangers, and the lenders party thereto (the "Lenders"), are each a party to that certain Credit Agreement, dated as of November 10, 2006 (the "Second Lien Credit Agreement"), pursuant to which the Lenders made certain term loans to the Borrower upon the terms and conditions set forth therein (such term loans, the "Second Lien Term Loans");

WHEREAS, the Borrower is an indirect, wholly-owned subsidiary of the Company;

WHEREAS, as of April 18, 2008, the Investors and their affiliates own, in the aggregate, 68,775 shares of the Company's Class B Voting Common Stock, par value $0.01 per share (the "Class B Common Stock");

WHEREAS, the Investors have purchased Second Lien Term Loans in an aggregate principal amount of $5,000,000 (the "Purchased Loans") and, as a result thereof, have become Lenders under the Second Lien Credit Agreement;

WHEREAS, the Investors desire to transfer such Purchased Loans to the Company (the "Exchange") in exchange for that number of shares of Class B Common Stock (the "Shares"), as set forth opposite each such Investor's name on Exhibit A hereto, which Shares shall have a fair market value of $10,000.00 per Share and, in the aggregate, shall have a value equivalent to the aggregate principal amount of the Purchased Loans;

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereto hereby agree as follows:

1. Exchange. The parties hereby agree that effective immediately upon the execution and delivery of this Agreement, each Investor is transferring to the Company, and the Company is accepting and receiving, the Purchased Loans in exchange for the number of Shares set forth opposite such Investor's name on Exhibit A hereto. The parties further agree that upon the Exchange and the delivery of the Shares in exchange therefor, (i) the Investors and the Company will execute and deliver the Assignment and

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Acceptance Agreement required to be executed and delivered under the Second Lien Credit Agreement in connection with the Exchange, (ii) neither Investor shall have any further obligations in respect of any of the Purchased Loans, and (iii) the Shares, when issued, shall be fully paid and non-assessable.

2. Investor Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, each Investor represents and warrants to the Company as follows:

(a) Authority. Such Investor has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Such Investor has taken all action required by law or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement is a valid and binding agreement of such Investor enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Accredited Investor. Such Investor is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and has business or financial experience from which it could be reasonably assumed that the Investor has the capacity to protect its own interest in connection with the transaction.

3. Company Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, the Company represents and warrants to each Investor as follows:

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all company action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery by the Investor, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Authorization of Shares. The Shares have been duly authorized.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Agreement shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. There are no restrictions, promises, warranties or undertakings with respect to the subject matter hereof other than those set forth or referred to herein. All exhibits hereto shall be deemed a part of this Agreement.

(d) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Investor.

(e) Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Investor shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Investor and their respective successors and assigns.

(f) Recapitalization. The Exchange is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, and the parties hereto shall not take any action inconsistent with the treatment of the Exchange as such.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron Jagdfeld

Name: Aaron Jagdfeld
Title: C.F.O.

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates, GP, LLC,
its General Partner

By: /s/ [ILLEGIBLE]
Name:
Title:

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates, GP, LLC,
its General Partner

By: /s/ [ILLEGIBLE]
Name:
Title:

EXHIBIT A

Shares to be exchanged for Purchased Loans

Investor	Value of Purchased Loans Exchanged	Number of Shares Received
CCMP	$ 4,411,936.73	441.193673
Cayman	$ 588,063.27	58.806327

Exhibit 10.38

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT is made as of November 25, 2008 (the "Agreement"), by and among CCMP Capital Investors II, L.P. ("CCMP"), CCMP Capital Investors (Cayman) II, L.P. ("Cayman", and together with CCMP, the "Investors") and GPS CCMP Acquisition Corp., a Delaware corporation (the "Company").

RECITALS

WHEREAS, Generac Acquisition Corp., a wholly-owned subsidiary of the Company, and Generac Power Systems, Inc. (the "Borrower"), are each a party to that certain Credit Agreement dated as of November 10, 2006 (the "First Lien Credit Agreement"), by and among JPMorgan Chase Bank, N.A., Barclays Bank PLC, Goldman Sachs Credit Partners L.P. and the other lenders party thereto (the "First Lien Lenders"), and that certain Credit Agreement, dated as of November 10, 2006 (the "Second Lien Credit Agreement", and together with the First Lien Credit Agreement, the "Credit Agreements"), by and among JPMorgan Chase Bank, N.A., Wilmington Trust Company, J.P. Morgan Securities Inc., Barclays Bank PLC, Goldman Sachs Credit Partners L.P. and the other lenders party thereto (the "Second Lien Lenders", and together with the First Lien Lenders, the "Lenders"), pursuant to which the Lenders made certain term and revolving loans (the "First Lien Term Loans" and the "Second Lien Term Loans," respectively) to the Borrower upon the terms and conditions set forth therein;

WHEREAS, the Borrower is an indirect, wholly-owned subsidiary of the Company;

WHEREAS, as of November 1, 2008, the Investors and their affiliates own, in the aggregate, 69,152 shares of the Company's Class B Voting Common Stock, representing 87.4% of the voting power of all the Company's stockholders;

WHEREAS, the Investors have purchased (i) certain First Lien Term Loans in an aggregate principal amount of $10,000,000 at an aggregate cost to the Investors of $6,730,250, and (ii) certain Second Lien Term Loans in an aggregate principal amount of $144,916,667 at an aggregate cost to the Investors of $72,148,458 (collectively, the "Purchased Loans") and, as a result thereof, have become Lenders under the First Lien Credit Agreement and the Second Lien Credit Agreement;

WHEREAS, the Investors desire to transfer such Purchased Loans to the Company (the "Exchange") in exchange for that number of shares of Series A Preferred Stock of the Company (the "Preferred Shares"), as set forth opposite each such Investor's name on Exhibit A hereto, which Preferred Shares shall have an aggregate Series A Preferred Paid-in Capital (as defined in that certain Certificate of Designation dated November , 2008) equal to the aggregate cost incurred by the Investors to purchase the Purchased Loans;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. **Exchange.** The parties hereby agree that effective immediately upon the execution and delivery of this Agreement, each Investor is transferring to the Company, and the Company is accepting and receiving, the Purchased Loans in exchange for the number of Preferred Shares set forth opposite such Investor's name on Exhibit A hereto. The parties further agree that upon the Exchange and the delivery of the Preferred Shares in exchange therefor, (i) the Investors and the Company will execute and deliver the Assignment and Acceptance Agreements required to be executed and delivered under each of the First Lien Credit Agreement and the Second Lien Credit Agreement in connection with the Exchange, (ii) neither Investor shall have any further obligations in respect of any of the Purchased Loans, and (iii) the Preferred Shares, when issued, shall be fully paid and non-assessable.

2. Investor Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, each Investor represents and warrants to the Company as follows:

(a) Authority. Such Investor has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Such Investor has taken all action required by law or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement is a valid and binding agreement of such Investor enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Accredited Investor. Such Investor is an "Accredited Investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and has business or financial experience from which it could be reasonably assumed that the Investor has the capacity to protect its own interest in connection with the transaction.

3. Company Representation and Warranties. In connection with the consummation of the transactions contemplated hereby, the Company represents and warrants to each Investor as follows:

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the Company have been duly authorized by all company action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery by the Investor, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) Authorization of Preferred Shares. The Preferred Shares have been duly authorized.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

(b) Governing Law. This Agreement shall be governed by the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(c) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof. There are no restrictions, promises, warranties or undertakings with respect to the subject matter hereof other than those set forth or referred to herein. All exhibits hereto shall be deemed a part of this Agreement.

(d) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto as set forth below. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and each Investor.

(e) Binding Effect; Assignment. The rights and obligations of each party under this Agreement may not be assigned to any other person; provided that each Investor shall have the right to assign its rights and obligations hereunder to any of its affiliated investment funds. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and each Investor and their respective successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron P. Jagdfeld
Name: Aaron P. Jagdfeld
Title:

CCMP CAPITAL INVESTORS (CAYMAN) II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates, GP, LLC,
its General Partner

By: /s/ [ILLEGIBLE]
Name:
Title:

CCMP CAPITAL INVESTORS II, L.P.

By: CCMP Capital Associates, L.P.,
its General Partner

By: CCMP Capital Associates, GP, LLC,
its General Partner

By: /s/ [ILLEGIBLE]
Name:
Title:

PURCHASE AGREEMENT

Purchase Agreement, dated as of November 12, 2007 (this ***"Agreement"***), by and between William Treffert, The William and Sclma Treffert Living Trust Dated February 21, 1998 (the ***"Trust"*** and together with William Treffert, the ***"Sellers"***), and GPS CCMP Acquisition Corp., a Delaware corporation (in its capacity as issuer of the Shares (defined below), the ***"Company"*** and, in its capacity as the purchaser of the Shares from the Sellers, ***"Purchaser"***).

WHEREAS, the Sellers are party to that certain Shareholders' Agreement dated as of November 10, 2006, by and among the Company and the other shareholders of the Company party thereto; and

WHEREAS, the Sellers acquired 2,337.502439 shares of Class A Nonvoting Common Stock, par value $0.01 per share (the ***"Shares"***) of the Company pursuant to that certain Restricted Stock Agreement dated as of November 10, 2006 (the ***"Restricted Stock Agreement"***) by and among the Trust and the Company; and

WHEREAS, William Treffert, the Trust, The William W. Treffert Grantor Retained Annuity Trust and Generac Power Systems, Inc. executed that certain Separation Agreement, dated as of October 22, 2007 and the Company delivered that certain Notice of Equity Repurchase to Sellers on October 30, 2007.

NOW, THEREFORE, in consideration of the premises and covenants contained in this Agreement and other valuable consideration, the receipt of which hereby is acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

Purchase and Sale of Shares

Section 1.01. Sale of Shares. Upon the terms and conditions set forth herein, Sellers shall sell concurrently with the execution of this Agreement (the ***"Closing"***) to Purchaser, and Purchaser shall purchase on the Closing from Sellers, Sellers' Shares and any and all rights associated therewith or attendant thereto, free and clear of all liens, pledges or encumbrances.

Section 1.02. Purchase Price. The aggregate purchase price to be paid by Purchaser to Sellers (the ***"Purchase Price"***) for the Shares being purchased hereunder shall be an amount equal to $797,929.83 (i.e., $341.36 per Share).

Section 1.03. Closing Deliveries By the Parties. At the Closing, Sellers shall deliver or cause to be delivered to the Purchaser upon receipt of the Purchase Price stock certificates evidencing the Sellers' Shares duly endorsed in blank, or accompanied by stock powers in the form of Annex A hereto duly executed in blank, and Purchaser shall deliver or cause to be delivered to Sellers an amount equal to the Purchase Price by

wire transfer of immediately available funds to an account designated in writing by Sellers.

ARTICLE II

Representations and Warranties

Section 2.01. Representations and Warranties of Sellers. Each Seller represents and warrants to Purchaser as follows:

(a) This Agreement has been duly executed and delivered by such Seller.

(b) Such Seller has the full legal capacity and authority to execute and deliver this Agreement and perform its respective obligations hereunder.

(c) Immediately prior to the transactions contemplated hereby, such Seller was the sole beneficial owner of, and has good and valid title to, the Shares; and such Shares were owned by such Seller at such time free and clear of any and all liens, pledges, or other encumbrances or claims of any kind.

Section 2.02. Representations and Warranties of Purchaser. Purchaser represents and warrants to each Seller as follows:

(a) Purchaser has all the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(b) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of Purchaser.

(c) Assuming due execution and delivery of this Agreement by Sellers, this Agreement constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms.

ARTICLE III

Miscellaneous

Section 3.01. Successors and Assigns. All of the terms and provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 3.02. Entire Agreement. This Agreement constitutes the complete understanding and agreement among the parties hereto with respect to the subject matter hereof and can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought.

Section 3.03. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflicts provision or rule (whether of the State of Delaware, or any other jurisdiction), that would cause the laws of any other jurisdiction other than the State of Delaware to be applied.

Section 3.04. Severability. If any provision of this Agreement or the application of any such provision to any person or circumstances shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement, including the remainder of the provision held invalid, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Section 3.05. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth above.

SELLERS:

/s/ William Treffert
WILLIAM TREFFERT

THE WILLIAM AND SELMA TREFFERT
LIVING TRUST DATED FEBRUARY 21, 1998

By: /s/ William Treffert
Name:
Its Trustee

PURCHASER:

GPS CCMP ACQUISTION CORP.

/s/ Timothy Walsh
By: TIMOTHY WALSH
Its: Authorized Representative

CONFIDENTIALITY, NON-COMPETITION AND INTELLECTUAL PROPERTY AGREEMENT (this "***Non-Competition Agreement***"), dated as of November , 2006 (the "***Effective Date***"), by and between GPS CCMP ACQUISITION CORP. (together with its successors, assigns and affiliates, the "***Company***") and ("***Executive***").

WHEREAS, the Company or one of its subsidiaries employs the Executive, and in connection with such employment, the Executive has and will receive specific confidential information relating to the business of the Company, which confidential information is necessary to enable Executive to perform Executive's duties. Executive will play a significant role in the development and management of the businesses of the Company and has and will be entrusted with the Company's confidential information relating to the Company, the Company's customers, suppliers, subcontractors, employees and others.

WHEREAS, it is a condition to the execution of the Restricted Stock Agreement, dated as of the date hereof, by and between Executive and the Company, that Executive execute and deliver this Non-Competition Agreement simultaneously with the execution and delivery of that agreement.

NOW, THEREFORE, it is mutually agreed as follows:

SECTION 1. Confidentiality.

Confidential Information. In addition to all duties of loyalty imposed on Executive by law, during the term of Executive's employment with the Company or any of its subsidiaries, and for 18 moths following the termination of such employment for any reason, Executive shall maintain Confidential Information in confidence and secrecy and shall not disclose Confidential Information or use it for the benefit of any person or organization (including Executive) other than the Company without the prior written consent of an authorized officer of the Company (except for disclosures to persons acting on the Company's behalf with a need to know such information), under any circumstances where any Confidential Information so disclosed or used is reasonably likely to be used anywhere on behalf of any Competitive Business.

(b) Trade Secrets. During his or her employment with the Company or any of its subsidiaries, Executive shall preserve and protect Trade Secrets of the Company from unauthorized use or disclosure; and after termination of such employment, Executive shall not use or disclose any Trade Secret of the Company for so long as that Trade Secret remains a Trade Secret.

(c) Procedures. In the event that Executive is requested or required (by deposition, interrogatories, requests for information or documents in legal proceedings, subpoenas, civil demand or similar process) to disclose any Confidential Information or Trade Secrets, Executive will give the Company prompt written notice of such request or requirement so that the Company may seek an appropriate protective order or other remedy and/or waive compliance with the provisions of this Non-Competition Agreement, and Executive will cooperate with the Company's efforts to obtain such protective order. In the event that such protective order or other remedy is not obtained or the Company waives compliance with the relevant provisions of this Non-Competition Agreement, Executive is permitted to furnish that Confidential Information or Trade Secrets which is legally required to be disclosed and will use

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[his] [her] reasonable efforts to obtain assurances that confidential treatment will be accorded to such information.

As used in this Non-Competition Agreement, all capitalized terms used without definition shall have the meanings ascribed to them in the Employment Agreement. In addition, the following terms have the meanings set forth below:

"***Competitive Business***" means any corporation, partnership, association, or other person or entity, including but not limited to Executive, (i) which competes directly, or is planning to compete directly, with the Company with respect to the design, development, manufacture, remanufacture, assembly, marketing, sales, or service of standby power products, or any other business of the Company, that was within Executive's management, operational, marketing, purchasing or sales responsibility, including the responsibility of personnel reporting directly to Executive, or about which Executive received any Confidential Information or Trade Secrets at any time within eighteen (18) months prior to termination of Executive's employment with the Company or any of its subsidiaries, and (ii) which engages or plans to engage in such competition in any state of the United States in which the Company sold or distributed, or actively attempted to sell or to distribute, such products within eighteen (18) months prior to termination of Executive's employment with the Company or any of its subsidiaries.

"***Confidential Information***" shall mean information related to the Company's business, not generally known in the trade or industry, which Executive learns or creates during the period of Executive's employment with the Company or any of its subsidiaries, which may include but is not limited to product specifications, manufacturing procedures, methods, equipment, compositions, technology, formulas, know-how, research and development programs, sales methods, customer lists, customer usages and requirements, computer programs and other confidential technical or business information and data. Confidential Information shall not include any information that (A) is or becomes generally available to the public other than as a result of a disclosure by Executive in violation of this Non-Competition Agreement or (B) becomes available to Executive on a non-confidential basis from a source other than the Company or its affiliates which is not prohibited from disclosing such information to Executive by a legal, contractual or fiduciary obligation to the Company or any other person.

"***Trade Secret(s)***" means information, including a formula, pattern, compilation, program, device, method, technique or process, that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and that is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

(d) Executive further agrees to take all reasonable measures to prevent unauthorized persons or entities from obtaining or using Confidential Information. Promptly upon termination of [his] [her] employment with the Company and its subsidiaries, Executive agrees to deliver to the Company all property and materials within Executive's possession or control which belong to the Company or which contain Confidential Information.

SECTION 2. Non-Competition; Non-Solicitation.

(a) Noncompetition. During the term of Executive's employment with the Company or any of its subsidiaries and for eighteen (18) months following the termination of such employment for any reason, Executive shall not, directly or indirectly, participate in, consult

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with, be employed by, or assist with the organization, planning, ownership, financing, management, operation or control of any Competitive Business in any capacity in which, in the absence of this Agreement, Confidential Information, Trade Secrets or Goodwill of the Company would reasonably be considered useful.

"***Goodwill***" means any tendency of customers, distributors, representatives, employees, or federal, state, local or foreign governmental entities to continue or renew any valuable business relationship with the Company or any Competitive Business with which Executive may be associated, based in whole or in part on past successful relationships with the Company or the lawful efforts of the Company to foster such relationships, and in which Executive, or any personnel reporting directly to Executive, actively participated at any time within eighteen (18) months prior to termination of Executive's employment with the Company or any of its subsidiaries.

(b) Nonsolicitation. During the term of Executive's employment with the Company or any of its subsidiaries and for eighteen (18) months following the termination of such employment for any reason, Executive shall not, directly or indirectly, on behalf of any Competitive Business, either by himself or by providing substantial assistance to others, solicit to terminate employment with the Company or any of its subsidiaries, or to accept or begin employment with or service to any Competitive Business, any employee of the Company whom Executive supervised or about whom Executive gained Confidential Information at any time during the last eighteen (18) months of Executive's employment with the Company or any of its subsidiaries.

SECTION 3. No Right to Continued Employment. Nothing in this Non-Competition Agreement shall confer upon Executive any right to continue in the employ of the Company or shall interfere with or restrict in any way the rights of the Company, which are hereby reserved, to discharge Executive at any time for any reason whatsoever, with or without cause.

SECTION 4. No Conflicting Agreements. Executive warrants that Executive is not bound by the terms of a confidentiality agreement, non-competition or other agreement with a third party that would conflict with Executive's obligations hereunder.

SECTION 5. Remedies.

(a) In the event of breach or threatened breach by Executive of any provision hereof, the Company shall be entitled to seek temporary or preliminary injunctive relief or other equitable relief to which either of them may be entitled, without the posting of any bond or other security.

(b) The period of time during which the restrictions set forth in Section 2(a) hereof will be in effect will be extended by the length of time during which Executive is in breach of the terms of those provisions as finally determined by an arbitrator or any court of competent jurisdiction.

SECTION 6. Successors and Assigns. This Non-Competition Agreement shall be binding upon Executive and Executive's heirs, assigns and representatives and inure to the benefit of the Company and its successors and assigns, including without limitation any entity to which

substantially all of the assets or the business of either of the Company are sold or transferred. The obligations of Executive are personal to Executive and shall not be assigned by Executive.

SECTION 7. Severability. It is expressly agreed that if any restrictions set forth in this Non-Competition Agreement are found by any court having jurisdiction to be unreasonable because they are too broad in any respect, then and in each such case, the remaining provisions herein contained shall, to the greatest extent permitted under applicable law, nevertheless, remain effective, and this Non-Competition Agreement, or any portion hereof, shall, to the extent permitted by applicable law, be considered to be amended, so as to be considered reasonable and enforceable by such court, and the court shall specifically have the right to restrict the time period or the business or geographical scope of such restrictions to any portion of the time period, business or geographic areas to the extent the court deems such restriction to be necessary to cause the covenants to be enforceable and, in such event, the covenants shall be enforced to the extent so permitted and the remaining provisions shall be unaffected thereby. In such event, the parties hereto agree to execute all documents necessary to evidence such amendment so as to eliminate or modify any such unreasonable provision in order to carry out the intent of this Non-Competition Agreement insofar as possible and to render this Non-Competition Agreement enforceable in all respects as so modified. The covenants contained in this Section 7 shall be construed to extend to separate jurisdictions or sub-jurisdictions of the United States in which the Company, during the term of Executive's employment, have been or are engaged in business, and to the extent that any such covenant shall be illegal and/or unenforceable with respect to any jurisdiction, said covenant shall not be affected thereby with respect to each other jurisdiction, such covenants with respect to each jurisdiction being construed as severable and independent. The restrictive covenant provisions of this Non-Competition Agreement shall govern to the extent there is any conflict between their terms and the terms of any other agreement or understanding with the Company.

SECTION 8. Notices. Any notice required or permitted to be given under this Non-Competition Agreement shall be in writing and be deemed given when delivered by hand or received by registered or certified mail, postage prepaid, or by nationally reorganized overnight courier service addressed to the party to receive such notice at the following address or any other address substituted therefor by notice pursuant to these provisions:

If to the Executive, to [him] [her] at [his] [her] most recent address in the Company's records.

If to the Company:

Generac Power Systems, Inc.
P.O. Box 295
Waukesha, WI 53187
Attention: Chief Executive Officer

with a copy to:

GPS CCMP Acquisition Corp.
c/o CCMP Capital Advisors, LLC
245 Park Avenue, 16th floor
New York, New York 10167
Attn: Stephen Murray

SECTION 9. Amendment. No provision of this Non-Competition Agreement may be modified, amended, waived or discharged in any manner except by a written instrument executed by the Company and Executive.

SECTION 10. Entire Agreement. This Non-Competition Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings of the parties hereto, oral or written, with respect to the subject matter hereof, however, if any portion of this Non-Competition Agreement is determined to be unenforceable by a court of law, then solely the appropriate conflicting provisions of any other agreement binding upon Executive shall control.

SECTION 11. Waiver, etc. The failure of the Company to enforce at any time any of the provisions of this Non-Competition Agreement shall not be deemed or construed to be a waiver of any such provision, nor in any way affect the validity of this Non-Competition Agreement or any provision hereof or the right of the Company to enforce thereafter each and every provision of this Non-Competition Agreement. No waiver of any breach of any of the provisions of this Non-Competition Agreement by the Company shall be effective unless set forth in a written instrument executed by the Company, and no waiver of any such breach shall be construed or deemed to be a waiver of any other or subsequent breach.

SECTION 12. Applicable Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Non-Competition Agreement shall be governed by, and construed in accordance with, the laws of the State of Wisconsin without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Wisconsin or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Wisconsin.

SECTION 13. Enforcement. If any party shall institute legal action to enforce or interpret the terms and conditions of this Non-Competition Agreement or to collect any monies hereunder, venue for any such action shall be the State Wisconsin. Each party irrevocably consents to the jurisdiction of the courts located in the State of Wisconsin for all suits or actions arising out of this Non-Competition Agreement. Each party hereto waives to the fullest extent possible, the defense of an inconvenient forum, and each agrees that a final judgment in any action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have caused this Non-Competition Agreement to be executed as of the day written above.

GPS CCMP ACQUISITION CORP.

_____

Name: Mark McFadden
Title: Vice President and Assistant Secretary

EXECUTIVE:

_____

Name:

Exhibit 10.41

EMPLOYEE NONDISCLOSURE AND NONCOMPETE AGREEMENT

THIS AGREEMENT ("Agreement"), made as of the 5 day of Sept, 2007, by and between GENERAC POWER SYSTEMS, INC., a Wisconsin corporation with its principle place of business located in Waukesha, Wisconsin ("Employer"), and Clement Feng ("Employee").

WITNESSETH:

WHEREAS, Employer is engaged in the business of manufacturing and selling various types of motors, generators and related parts and equipment and in connection therewith has developed processes, know-how technology, designs and certain supplier and customer relationships, as well as marketing, and strategic business planning information not known publicly or otherwise in the public domain (the "Confidential Information"); and

WHEREAS, pursuant to Employee's employment with Employer he will be entrusted with and have access to the Confidential Information and may, pursuant to his employment with Employer, contribute to, conceive, develop and/or reduce to practice new modifications or improvements to the Confidential Information and Employee will assist Employer in attempting to gain a competitive advantage will gain intimate knowledge of Employer's business and competitive practices;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, IT IS AGREED:

1. Ownership of the Confidential Information. Employee agrees that the Confidential Information contributed to, conceived, developed and/or reduced to practice by Employee, either alone or in conjunction with others, during his employment with Employer shall be the sole and exclusive property of Employer.

2. Nondisclosure of the Confidential Information. Except as necessary to perform Employee's employment duties for employer, Employee shall not, either directly or indirectly, as an agent, employee, consultant, partner, shareholder or in any other capacity, use the Confidential Information or disclose it to anyone including but not limited to employees, former employees at any time, either during or subsequent to Employee's employment by Employer, without the prior written consent of a duly authorized officer of Employer. This paragraph shall not apply to Employee's disclosure, after termination of his employment with Employer, of Confidential Information which becomes generally known to the public other than as a result of Employee's breach of this Agreement.

3. Disclosure to Employer. Employee shall promptly and fully disclose to Employer, from time to time during his employment with Employer, all the Confidential Information contributed to, conceived, developed and/or reduced to practice by Employee either alone or with others.

4. Restrictions on Competition. For a period of one (1) year from the date of the termination of employment, Employee agrees to not render services directly or indirectly for Employee's own account or to any person, partnership, or corporation in a line of business competitive with Generac Power Systems, Inc. in North America. It is understood, however, that Employee may accept employment with a diversified company, so long as my employment pertains solely to that part of its business, which is not in competition with any business of Generac Power Systems, Inc.

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5. Delivery of Documents Upon Termination of Employment. Upon termination of Employee's employment with Employer for any reason, Employee will promptly deliver to Employer all correspondence, drawings, manuals, letters, notes, notebooks, reports or an other documents embodying or concerning the Confidential Information in Employee's possession.

6. Employment Relationship. The employment relationship is "At-Will" and not for any definite period. The employment relationship may be terminated with or without cause and with or without notice, at any time, at the options of either the Employee or the Employer. No promises or statements inconsistent with "At-Will" employment have been made to Employee before this Agreement is signed, and said Agreement represents the true and final intent of Employer and Employee with respect to Employee's relationship with Employer.

7. Assignment to Employer. Employee hereby assigns and conveys to Employer his entire right, title and interest in and all the Confidential Information contributed to, conceived, developed and/or reduced to practice by Employee either alone or with others during his employment with Employer, and Employee shall, whenever requested to do so by Employer, execute any and all applications, assignments or the documents of instruments which Employer shall deem necessary to apply for, obtain and maintain Letters Patent of the United States or any foreign country, copyright protection, or to otherwise protect the Confidential Information and to assure Employer the full benefit of such assignment. The obligations described in this section shall continue beyond termination of Employee's employment with employer with respect to the Confidential Information contributed to, conceived, developed and/or reduced to practice by Employee either alone or with others during his employment with Employer and shall be binding upon his assigns, heirs and personal representatives. If employee shall fail to make or refuse to execute any necessary applications, assignments or the documents or instruments relating to any of the Confidential Information contributed to, conceived, developed and/or reduced to practice by Employee either alone of with others, Employer shall have the authority, and this Agreement shall operate to give Employer authority to execute, seal and deliver as the act of Employee, any applications, assignments or other documents or instruments that may be necessary or appropriate to convey to Employer the entire right, title and interest in and to the Confidential Information and Employee agrees to hold employer and its assigns harmless by reason of employer's acts pursuant to this section.

8. Nonsoliciation of Employer's Employees. During term of Employees employment with Employer and for a period of two years immediately following the termination of such employment for any reason, Employee shall not directly or indirectly contact, solicit or employ, or facilitate the contact, solicitation, or employment through any third party, of any employee of Employer or any person who had been an employee of Employer during the year immediately preceding Employee's termination, for the purpose of providing business, products or services that are competitive with the business, products or services of Employer.

9. Relationship with Suppliers. The parties agree that the profitability and good will of Employer depends on continued, amicable relationships with its suppliers and the Employee agrees, during his employment with Employer and for two years thereafter, he will not cause, request or advise any Supplier of Employer to curtail or cancel its business relationship with Employer nor shall he solicit business from any Supplier of the Employer during such period on behalf of its competitors.

10. Geographic and Service Limitations on Restrictive Covenants. Employee acknowledges that the restriction of competition is limited to provision of the same or similar services as those performed

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by Employee for the Corporation during Employee's employment with the Corporation. Notwithstanding the foregoing, this provision shall not prohibit Employee from performing any services for any entity if such services are performed outside the United States unless those services were provided outside the United States during the term of his employment. Nor shall it prohibit Employee from performing any services for any entity if such services are in no way related to any business, which is competitive with the business of the Corporation.

11. Notification by Employee. Employee agrees to notify any prospective employer of the existence and nature of this Agreement.

12. Reasonableness Acknowledgment. Employee agrees and acknowledges that the terms and conditions of the foregoing restrictive covenants are reasonable and necessary for the protection of the business, assets, trade secrets, confidential information and goodwill of the Corporation and that the consideration provided for herein, including any contemporaneously signed agreements is sufficient to fully and adequately compensate the Employee for agreeing to such restrictions during and following termination of his employment.

13. Miscellaneous. As used herein, whenever appropriate the masculine gender shall refer to the feminine gender. This Agreement shall inure to the benefit of and shall be enforceable by Employer, its successors and assigns, and shall be binding on Employee, His heirs, personal representatives and administrators. In the event that any portion of this Agreement may be held to be invalid or unenforceable for any reason, Employer and Employee agree that said invalidity or unenforceability shall not affect the other portions of this Agreement and that the remaining covenants, terms and conditions or portions thereof shall remain in full force and effect. Any court of competent jurisdiction may so modify or amend the objectionable provision as to make it valid, reasonable and enforceable.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day, month and year first written above.

GENERAC POWER SYSTEMS, INC.

("Employer")

/s/ Clement Feng
("Employee")

Sign: /s/ Todd K. Wiedenhoeft

By: Todd K. Wiedenhoeft

Title: HR Generalist

Sign: Clement Feng

Date: 9-5-07

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated October 20, 2009, in Amendment No. 1 to the Registration Statement (Form S-1 No. 333-162590) and related Prospectus of Generac Holdings Inc. for the registration of shares of its common stock.

/s/ Ernst & Young LLP

Milwaukee, Wisconsin
November 23, 2009

QuickLinks

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
(212) 310-8000
FAX: (212) 310-8007

November 23, 2009

VIA EDGAR

Securities and Exchange Commission
Division of Corporate Finance
100 F Street, NE
Washington, D.C. 20549-6010
Attn: Ms. Celia Sohner

Re: Generac Holdings Inc.
Registration Statement on Form S-1
File No. 333-162590

Dear Ms. Sohner:

On behalf of our client, Generac Holdings Inc. (the "Company"), we are transmitting herewith via the EDGAR system for filing with the Commission Amendment No. 1 (the "Amendment") to the Registration Statement on Form S-1 (the "Registration Statement") of the Company (File No. 333-162590), together with exhibits thereto.

Set forth below in bold are each of the comments in the Staff's letter of November 16, 2009. Immediately following each of the Staff's comments is the Company's response to that comment, including where applicable, a cross-reference to the location in the Amendment of changes made in response to the Staff's comment. For your convenience, each of the numbered paragraphs below corresponds to the numbered comment in the Staff's comment letter and includes the caption used in the comment letter.

General

1. Please confirm that any preliminary prospectus you circulate will include all non-Rule 430A information. This includes the price range and related information based on a bona fide estimate of the public offering price within that range, and other information that was left blank throughout the document. Please note that we may have additional comments after you file this information.

The Company will disclose the price range and related information based on a bona fide estimate of the public offering price within that range, and other information that was left blank throughout the document, in a subsequent amendment to the Registration Statement. The Company understands that the Staff may have additional comments after it files this information.

Prospectus cover

2. Please provide us with a copy of all artwork that you intend to include in your prospectus.

The Company will supplementally provide the Staff with copies of the artwork it intends to use in the prospectus as soon as they are available.

Prospectus summary, page 1

3. Your prospectus summary should not include a lengthy description of your business and strategy. Further, we note that nearly identical disclosure appears later in your prospectus. In the summary, you are to carefully consider and identify those aspects of the offering that are the most significant, determine how to best highlight those points in clear, plain language and ensure that the amount of detail you include in the summary does not overwhelm the most significant aspects of the offering, Additionally, your summary should be a balanced presentation of the most significant aspects of your offering—not merely a recitation of extensive details regarding the positive aspects of the investment that only later addresses risks and then only at a high level and leaves balancing details for later in the document. Therefore, it is unclear why much of the detail in this section regarding your business, market, strengths and strategy is appropriate for a prospectus summary, particularly since much of that detail is repeated elsewhere in your document. Please revise substantially.

The Company has substantially revised the prospectus summary on pages 1-6 in response to the Staff's comment. Specifically, the Company has deleted a significant amount of the detail in the summary regarding the Company's business, market, strengths and strategy.

Our company, page 1

4. Please provide us with support for your market standing and the market opportunity data that you have included here and throughout your prospectus. Clearly mark the relevant sections that support the data you have included and the page number of your registration statement where such data has been used. Furthermore, please also tell us:

- **how you confirmed that the data used in your registration statement reflects the most recent available information;**
- **whether all of the data is publicly available;**
- **whether you paid for the compilation of any of the data;**
- **whether any data was prepared for your use in the registration statement; and**
- **whether the authors of the data consented to your use of such data in the registration statement.**

If you were affiliated with the preparation of any of the data, please ensure that your disclosure clearly indicates the nature of all such affiliations.

The Company has complied with the Staff's comment by supplementally providing the Staff with marked copies of documents supporting its market standing and the market opportunity data that it has included throughout the prospectus and an explanation of such data. In addition:

- The Company confirms that the data used in the Registration Statement reflects the most recent available information. For each Frost & Sullivan report cited, the

Company has used the latest Frost & Sullivan reports available. For the U.S. Census Bureau report, the U.S. Census Bureau has not commissioned a housing survey since 2007. The Rosen Consulting Group report was released in September 2009. The Baird research report on Briggs & Stratton was released on August 14, 2009. The NPD Generator Owner Study, which supports a number of the management estimates in the Registration Statement, was completed in May 2008.

- The Company confirms that all supporting documentation provided is publicly available, other than data provided by the NPD Generator Owner Study. The Frost & Sullivan reports are publicly available for a fee, which the Company has paid. The U.S. Census Bureau report is publicly available. The Rosen Consulting Group report is publicly available for a fee, which was paid by J.P. Morgan, one of the underwriters of the initial public offering. The Baird research report is publicly available for a fee from equity research websites, which our principal stockholder, CCMP Capital, or CCMP, has paid.

- The Company confirms that it has not paid for the compilation of any of the data, other than data provided by the NPD Generator Owner Study, which was a report the Company commissioned in 2008.

- The Company confirms that no data was prepared for its use in the Registration Statement.

- The Company confirms that the authors of the data consented to the use of such data in the Registration Statement in cases where consents were required. The Company has received the required consents from Frost & Sullivan and the Rosen Consulting Group. No consent is required from the U.S. Census Bureau because the report is publicly available. No consents are required from Baird or the NPD study because the reports are not cited in the Registration Statement.

5. Regarding your disclosure here and on page 6, please tell us the basis for, or provide us documentation that supports, your belief that your production costs are among the lowest in your industry.

The Company has complied with the Staff's comment by supplementally providing the Staff with documentation supporting the Company's belief that its production costs are among the lowest in the industry.

Summary historical consolidated financial and other data, page 11

6. We note your presentation of summary historical financial data for the twelve months ended June 30, 2009, which you state is a non-GAAP presentation. Please tell us why you have presented this information in your summary financial data. Please also tell us whether there were any significant unusual or non-recurring items that occurred in the combined periods. For example, discuss whether there was a significant quarterly increase in revenue in one of periods that is not expected to continue to occur or was due to an increase of outage activity in the period. Please further tell us how you considered Item 10(e) of Regulation S-K and Article 11 of Regulation S-X in presenting this information. Discuss why you believe the disclosures included provide sufficient information to investors about the information presented. Alternatively, please remove the financial data for the twelve months ended June 30, 2009.

The Company has presented financial data for the twelve months ended September 30, 2009 (updated in the Amendment) in its presentation of summary historical financial data because the Company believes the presentation provides useful information to investors regarding the Company's recent financial performance. The Company's management and Board of Directors view the "last twelve months" as a key measurement period within which to assess its historical results. In addition, the Company uses trailing four quarters financial information for the calculation of "Covenant EBITDA" in its senior secured credit facilities, as discussed on pages 61-62. The Company confirms that there were no significant unusual or non-recurring items that occurred in the combined periods, other than the non-cash charges and other expenses added back as part of the Covenant EBITDA calculation which are also reflected in the results presented in the table for the year ended December 31, 2008. The Company considered Item 10(e) of Regulation S-K and Article 11 of Regulation S-X in its presentation of financial data for the twelve months ended September 30, 2009 in that (i) the information is presented as supplemental information with no more prominence than the comparable GAAP financial measures; (ii) the reconciliation to directly comparable GAAP financial measures (i.e. the corresponding information for the year ended December 31, 2008 and the nine-months ended September 30, 2008 and September 30, 2009) is understandable; and (iii) management believes the information provides useful information to investors regarding the Company's financial condition and results of operations. The Company believes that the disclosure included provides sufficient information to investors about the information presented because it describes how management uses the information, why the Company believes the information is important to investors, and how the data is calculated using the comparable GAAP financial measures found in the table. The Company has revised the disclosure on page 12 to provide more explanatory detail about this information.

7. We note that 'adjusted EBITDA' does not appear to meet the exception described in Question 10 of Frequently Asked Questions Regarding the Use of Non-GAAP Financial Measures dated June 13, 2003 (FAQ), available on our website at *http://www.sec.gov/divisions/corpfin/faqs/nongaapfaq.htm*. For example, we note that adjusted EBITDA is not calculated exactly in accordance with your debt covenant. Please tell us how management uses this measure internally and discuss why you believe the presentation of adjusted EBITDA is in accordance with Item 10(e)(1)(ii) of Regulation S-K. Please also tell us how you considered Questions 8 and 10 from the FAQ. Alternatively, you may remove references to this non-GAAP measure.

The Company believes that the presentation of Adjusted EBITDA is appropriate and important to investors because the Company's management considers Adjusted EBITDA to be an important supplemental measure of its operating performance for planning purposes, including the preparation of internal budgets and projections, as well as to facilitate the evaluation of business strategies and for determining achievement of targets under the Company's management incentive plans. Management also uses Adjusted EBITDA as part of the calculation of Covenant EBITDA to determine compliance with financial covenants under the Company's credit facilities. The Company believes its presentation of Adjusted EBITDA is in accordance with Item 10(e)(1)(ii) of Regulation S-K because (i) although, as noted below in the response to Staff comment No. 11, the Company is presenting Adjusted EBITDA primarily as a performance

measure, to the extent that Adjusted EBITDA could be viewed as a non-GAAP liquidity measure for purposes of Item 10(e)(1)(ii)(A), the Company is relying on the guidance provided in Question 10 of the FAQ in presenting items that exclude charges or liabilities that require cash settlement, as explained below, (ii) the Company has not identified as non-recurring, infrequent or unusual the adjustments included in its calculation of Adjusted EBITDA and is relying on the guidance provided in Question 8 of the FAQ, as explained below, with respect to adjustment for charges or gains that may be reasonably likely to recur within two years or for which there was a similar charge or gain within the prior two years, (iii) the Company does not present Adjusted EBITDA on the face of its financial statements presented in accordance with GAAP or in the accompanying notes; (iv) the Company does not present Adjusted EBITDA on the face of any pro forma financial information required to be disclosed by Article 11 or Regulation S-X; and (v) the term "Adjusted EBITDA" is not the same as, nor confusingly similar to, any descriptions used for GAAP financial measures.

The Company considered Question 8 from the FAQ in that (i) the Company discloses the manner in which management uses Adjusted EBITDA to conduct and evaluate the Company's business; (ii) the Company discloses the economic substance behind management's decision to use Adjusted EBITDA; (iii) the Company discloses the material limitations associated with the use of Adjusted EBITDA as compared to the use of the most directly comparable GAAP financial measure, in this case net income; (iv) the Company discloses the manner in which management compensates for these limitations when using the non-GAAP financial measure; and (v) the Company discloses the substantive reasons why management believes Adjusted EBITDA provides useful information to investors.

Insofar as the Company also uses Adjusted EBITDA as the basis for determining compliance with the covenants in its credit facilities, the Company also considered Question 10 from the FAQ. The Company believes that its presentation is consistent with the guidance provided under Question 10 because (i) the Company discloses the materiality of the credit agreement and the covenant; (ii) the Company discloses the amount required for compliance with the covenant; and (iii) the Company discloses the actual and reasonably likely effects of non-compliance with the covenant on the Company's financial condition and liquidity. The Company has revised the disclosure in footnote (6) on page 13 in response to this part of the Staff's comment.

8. Please also tell us how management uses EBITDA internally and ensure that you provide all of the disclosures required by Item 10(e) of Regulation S-K for this measure as well as Adjusted EBITDA.

The Company has revised the summary historical financial and other data on pages 11 and throughout the prospectus to delete all references to "EBITDA" in response to the Staff's comment.

9. We note your disclosure that you present 'adjusted EBITDA' because of its importance for purposes of your senior secured credit facilities, because you consider it to be an important supplemental measure of your performance and because you believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of your company. We also note that you present EBITDA. Please note that in order to comply with Item l0(e)(l)(i)(C), you should revise your disclosure to state why

management believes each of these measures provides useful information to investors, including focusing on why management believes it is useful to include or exclude each of the reconciling items noted in the reconciliation.

As noted previously, the Company has revised the summary historical financial and other data to delete all references to "EBITDA." In addition, the Company has provided additional disclosure describing why management believes Adjusted EBITDA provides useful information to investors and the rationale for the reconciling items in footnote (6) on page 13.

10. In addition, while you are not prohibited from omitting recurring items from your non-GAAP measure, you must meet the burden of demonstrating the usefulness of any such measure. There are other disclosures which may be necessary as outlined in Question 8 of the FAQ. These disclosures should be clear and thorough regarding the measure. Please tell us how you considered each of these requirements in your disclosure.

As noted above in response to Comment No. 7, the Company considered Question 8 of the FAQ and has revised the disclosure on page 13 in response to the Staff's comment.

11. Please tell us and clearly disclose whether management uses "EBITDA" and "adjusted EBITDA" as performance measures, liquidity measures, or both and why.

As noted above, the Company has revised the summary historical financial and other data to delete all references to "EBITDA" in response to the Staff's comment.

With respect to Adjusted EBITDA, the Company's management uses Adjusted EBITDA principally as a performance measure, and the Company has revised the disclosure in footnote (6) on page 13 to state this clearly. The Company's management considers Adjusted EBITDA to be an important supplemental measure of its operating performance for planning purposes, including the preparation of internal budgets and projections, as well as to facilitate the evaluation of business strategies and for determining achievement of targets under the Company's management incentive plans. Management also uses Adjusted EBITDA as part of the calculation of Covenant EBITDA to determine compliance with financial covenants under the Company's credit facilities.

Risk factors, page 17

12. Please note that your risk factors must immediately follow your prospectus summary or one-page prospectus cover. Although we do not currently intend to comment regarding your table of contents on page i, please relocate your disclosure on page ii to an appropriate section of your document.

The Company has relocated its disclosure on page ii to pages 8 and 69 in response to the Staff's comment.

13. We note the reference on page 22 to SFAS 142. Please note that the FASB Accounting Standards Codification is effective for interim and annual periods ending after September 15, 2009. As a result, all non-SEC accounting and financial reporting standards have been superseded. In future filings, when you update your financial statements, please also revise any references to accounting standards accordingly.

The Company has revised the reference on page 22 and throughout the document in response to the Staff's comment. In addition, the Company intends to revise any references to accounting standards as appropriate in future filings.

14. We note from disclosure throughout your prospectus that your generators are fueled by natural gas, liquid propane, gasoline, diesel and a combination of natural gas and diesel. However, we note that you have not included disclosure addressing any risks regarding the fluctuating prices of these fuel sources. Please advise, or revise to provide risk factor disclosure, as appropriate.

The Company respectfully advises the Staff that it does not believe that fluctuating prices of fuel sources are a significant risk for the Company. Historically, the Company has not experienced any significant direct correlation between prices of fuel sources and unit sales. The Company believes that fuel cost is not generally considered a significant purchase consideration by customers for the Company's standby generators, which are the Company's primary products, because unlike permanent power sources, the run-time of a standby generator is relatively short and limited amounts of fuel are utilized.

Decreases in the availability, or increases in the cost of raw materials…, page 18

15. If you do not have material long-term supply contracts, please highlight the resulting risks. Otherwise, please file the material contracts as exhibits to your registration statement.

The Company has provided additional disclosure in the risk factor on page 17 to highlight the resulting risks.

As a public company, we will be required…, page 26

16. Please tell us how you determined the December 31, 2011 date. Cite all authority on which you rely.

The Company has revised the disclosure on page 25 to reflect a December 31, 2010 date. The Company's current intention is to request effectiveness of the Registration Statement in January 2010. Under this scenario, the Company would file its first Annual Report on Form 10-K for the year end December 31, 2009. In accordance with instruction 1 of Item 308 of Regulation S-K, the Company will be required to provide the report of management on internal control over financial reporting and the attestation report of its accounting firm for the fiscal year ended December 31, 2010 as indicated in the revised disclosure.

Use of proceeds, page 33

17. Please disclose the approximate amount of net proceeds intended to be used for each identified purpose.

The Company has revised the disclosure on page 33 in response to the Staff's comment. The Company will complete the disclosure by filling in the blanks when it discloses a price range in a subsequent amendment to the Registration Statement.

Capitalization, page 35

18. Please remove the caption relating to cash and cash equivalents from your presentation of capitalization.

The Company respectfully advises the Staff that it believes that the presentation of cash and cash equivalents in this table is appropriate because it has a large amount of cash and cash equivalents on its balance sheet in proportion to its total capitalization, which the Company believes could be material to investors. In addition, the calculation of the leverage ratio required by its senior secured credit facilities includes a net debt adjustment, which is determined based on cash and cash equivalents. Because the first introductory sentence to the table clearly states that the table sets forth "cash and cash equivalents and our capitalization," the Company believes that the inclusion of cash and cash equivalents will be helpful to investors and is unlikely to create investor confusion. The Company also respectfully believes that the presentation of cash and cash equivalents with capitalization is common in similar transactions and for that reason is also unlikely to create confusion for investors.

19. Please tell us why you did not separately present the pro forma impact of the Corporate Reorganization and the sale of your common shares in your initial public offering so that readers could understand the impact of each of these transactions on your capitalization. Please similarly address for your presentation of dilution on page 36.

The Company respectfully advises the Staff that it did not separately present the pro forma impact of the Corporate Reorganization and the sale of its common shares in its initial public offering in the capitalization table and the presentation of dilution because the Corporate Reorganization will occur if, and only if, the initial public offering is completed. The Corporate Reorganization and the sale of Company common shares in the initial public offering will occur substantially simultaneously. Accordingly, the Company believes that providing separate disclosure of the impact of the Corporate Reorganization without the initial public offering would not enhance disclosure and could give rise to confusion.

Dilution, page 36

20. We note that the table includes an item for the "decrease in pro forma net tangible book value per share attributable to the issuance of restricted stock." Please tell us about and disclose the nature of this item. Please also tell us why you have not included a separate item to reflect the pro forma impact of the Corporate Reorganization.

The Company is currently determining the terms of its equity incentive plan, which may include grants of restricted stock. If such grants are made, the Company will provide additional information on the "decrease in pro forma net tangible book value per share attributable to the issuance of restricted stock"; if no grants are made, the Company will delete this disclosure. In addition, as noted above in the response to Comment No. 19, the Company did not separately present the pro forma impact of the Corporate Reorganization and the sale of its common shares in its initial public offering in the presentation of dilution because the Corporate Reorganization will occur if, and only if, the initial public offering is completed. The Corporate Reorganization and the sale of Company common shares in the initial public offering will occur substantially simultaneously. Accordingly, the Company believes that providing separate disclosure of the impact of the Corporate Reorganization without the initial public offering would not enhance disclosure and could give rise to confusion.

Selected historical consolidated financial data, page 38

21. Please remove the word "(Unaudited)" from the table to avoid giving the impression that the other financial data is audited. You may clearly describe in the narrative whether or not each column was derived from audited or unaudited financial statements.

The Company has removed the word "Unaudited" from the table on pages 39-40 as well as from the summary financial data table on pages 11-12.

22. The presentation of the amount for total assets appears to represent a total of the amounts above this item due to the placement of lines above and below this amount and the placement of dollar signs. However, we note that the items listed above total assets do not include all of your assets or total to this amount. We also note that the presentation excludes your most significant assets, while separately presenting assets which total approximately 27% of your total assets. Please revise your presentation to clearly present your financial information.

The Company has revised the disclosure on page 40 to add line items, including "Goodwill" and "Other intangibles and other assets," so that the line items presented in the table include (and sum up to) the Company's total assets.

Management's discussion and analysis of financial condition..., page 41

Components of net sales and expenses, page 44

23. Please tell us the nature of your "shipping net sales" and why you "recognize" these sales when customers reimburse you for finished product shipping costs but realize them at the time of shipment. Tell us when you record the related costs and why. Cite the accounting literature upon which you relied. Please also tell us why this accounting policy is not included in your accounting policy footnotes in the financial statements.

The Company has revised the disclosure on page 45 to clarify its policy for recognizing net sales related to shipping and handling charges.

Critical accounting policies, page 47

24. We note that you consider goodwill impairment to be a critical estimate. Accordingly, consistent with Regulation S-K 303(a)(3)(ii), which requires a description of a known uncertainty, please provide the following disclosures for your reporting unit if it is at risk of failing step one or tell us why you believe the disclosure is not required:

- **description of the key assumptions used in your estimate of fair value and how the key assumptions were determined;**
- **discussion of the degree of uncertainty associated with the key assumptions. The discussion regarding uncertainty should provide specifics to the extent possible (e.g., the valuation model assumes recovery from a business downturn within a defined period of time); and**
- **description of potential events and/or changes in circumstances that could reasonably be expected to negatively affect the key assumptions.**

Because market conditions have improved, the Company respectfully advises the Staff that it does not currently believe that its reporting unit is at risk of failing step one. The Company has, however, revised the disclosure on pages 48-49 to provide further transparency regarding its critical estimates in response to the Staff's comment.

25. Given the significance of the impairment loss recognized, please tell us and disclose how you determined the implied fair value of goodwill as of October 31, 2008.

The Company has revised the disclosure on page 48 to describe how it calculates the implied fair value of goodwill.

Results of operations, page 50

26. We note that throughout the discussion of your results of operations you cite reasons for changes in net sales. However, the analysis of these changes is general and vague. Please revise to quantify the effects of volume and pricing changes on your revenues for each period presented. Refer to Item 303(a)(3)(iii) of Regulation S-K.

The Company respectfully advises the Staff that given the wide range of products the Company sells, the level of customization for many of the Company's products, and the changes in product features on a year-to-year basis, the Company is unable to present a sufficiently accurate or meaningful price versus volume breakdown for the change in net sales. Rather, the Company has provided a further breakdown of the changes in net sales on a period-to-period basis to address the Staff's comment regarding the generality of the analysis. We believe this approach is consistent with other public manufacturing companies with similar product profiles.

27. Where changes in financial statement line items are the result of several factors, each significant factor should be separately quantified and discussed. For example, you say that operating expenses for the six months ended June 30, 2009 increased due to "higher variable selling and service expenses in connection with [y]our increase in net sales, such as warranty, commission and credit card fees, as well as higher advertising costs." However, you do not quantify the impact of each of these factors. In addition, each of the

factors that contributed to the changes in margins and the significant changes in expense amounts each period should be quantified and discussed, to the extent practicable, along with details of whether these are trends that are expected to continue or have had a material impact on your results. The fluctuations in balance sheet accounts (e.g. inventory, receivables, etc.) should also be addressed. Refer to Item 303 of Regulation S-K.

The Company has modified the disclosure throughout the discussion of results of operations to provide further quantitative and qualitative detail for changes in financial statement line items to the extent practicable.

28. With a view toward clarified disclosure, please tell us how your results reflect the "significant reduction in product cost" mentioned in your second paragraph under "Industry trends" on page 41.

The Company respectfully advises the Staff that the disclosure on page 41 indicates that the reduction in product cost occurred over the last decade and that most of this reduction occurred before the financial periods shown in the Registration Statement. We have revised the disclosure on that page to clarify that the sentence is referring to a long-term trend. In the shorter term, the cost of raw materials has increased in the last two years, which has led to increases in product costs.

Six months ended June 30, 2009 compared to six months ended June 30, 2008, page 50

Operating expenses, page 51

29. We note your disclosure that amortization increased because of the recharacterization of certain trade names from indefinite useful life to finite useful life. Please revise to quantify the impact of the additional amortization and disclose the events and circumstances that caused the change.

The Company has revised the disclosure on page 52 to quantify the impact of the additional amortization and to disclose the events and circumstances that caused the change.

30. In addition, please tell us the amounts of trade names recharacterized and the basis for the recharacterization. Discuss why you originally determined that the useful life as infinite including the criteria in paragraph 350-30-35-3 of the FASB Accounting Standards Codification (or FASB ASC) (formerly paragraph 11 of SFAS 142). Then discuss why you changed your determination. Please also tell us how you considered the disclosure requirements of paragraph 250-10-50-4 of FASB ASC (formerly paragraph 22 of SFAS 154).

The Company supplementally advises the Staff that it has one trade name that was recharacterized in 2008 from indefinite lived to defined life, which had a net book value of $87.4 million prior to the impairment charge. The basis for both the recharacterization and the impairment charge was the Company's commitment to a re-branding strategy, pursuant to which the trade name is being phased out over time. As a result of this action, the trade name was written down to its estimated realizable value of $8.7 million, which will be amortized over its remaining useful life of two years.

Pursuant to FASB ASC 350-30-35-3, the Company originally determined that the trade name was indefinite lived at the time of the CCMP transaction in November 2006. The useful life of an intangible asset to an entity is the period over which the asset is expected to contribute directly or indirectly to the future cash flows of that entity. At the time of the CCMP transaction, no legal, regulatory, contractual, competitive, economic, or other factors limited the useful life of the trade name to the Company. Therefore, the Company expected the trade name to indefinitely contribute directly or indirectly to its future cash flows. However, in the fourth quarter of 2008, the Company committed to the aforementioned re-branding strategy, which limits the useful life of the trade name as it will be phased out over time.

The Company considered FASB ASC 250-10-50-4, which requires a description of a change in estimate to be disclosed whenever the financial statements of the period of change are presented if the change in estimate does not have a material effect in the period of change but is reasonably certain to have a material effect in later periods. The Company respectfully advises the Staff that it has included a discussion of the trade name recharacterization in "Management's discussion and analysis of financial condition and results of operations—Critical accounting policies—Goodwill and other intangible assets" on page 52 that addresses the disclosure requirements of FASB ASC 250-10-50-4. We have also added a change in estimate description on page F-44.

Cash flow, page 56

31. Please disclose the nature of the "certain derivatives" that resulted in the unrealized loss, and explain clearly the operation of the derivative including how the derivative generated the loss.

The Company respectfully advises the Staff that the term "certain derivatives" refers to the Company's interest rate swaps, and a detailed explanation can be found in footnote (2) under "Notes to condensed consolidated financial statements" on pages F-44 and F-45. The interest rate swaps were highly effective until January 3, 2009. The interest rate swaps became ineffective due a change in the Company's interest rate election, which changed a critical term of the hedge. As a result, the effective portion of the interest rate swaps prior to the change will remain in accumulated other comprehensive income and will be amortized as interest expense over the remaining period of the originally designated hedged transactions. We have also revised the disclosure on page 58 to specifically identify the interest rate swap in response to the Staff's comment.

Senior secured credit facilities, page 58

32. We note your disclosure of "Covenant EBITDA." Please also disclose the actual or reasonably likely effects of compliance or non-compliance with the covenant on your financial condition and liquidity.

The Company has revised the disclosure on page 62 to disclose the reasonably likely effects of non-compliance with the covenant on its financial condition and liquidity in response to the Staff's comment.

33. Please tell us why the table on page 61 includes the calculation of "Adjusted EBITDA" for the six months ended June 30, 2008 and 2009. We note that you do not also show "Covenant EBITDA" and the ratio of consolidated total debt to Covenant EBITDA for these periods. Further, it is not clear why you are also including subtotals for the calculation of EBITDA and Adjusted EBITDA in the table. These amounts all appear to represent non-GAAP measures for which you should comply with Item 10(e) of Regulation S-K. Refer to our comments above regarding your presentation of Adjusted EBITDA and EBITDA.

The Company has revised the table on page 63 to delete the columns for the six months ended June 30, 2008 and 2009 in response to the Staff's comment because, as suggested by the Staff's comment, these six-month measurement periods are not used in determining covenant compliance, which is determined on a trailing four-quarter basis. The Company has revised the table to delete the subtotal for the calculation of EBITDA. The subtotal for Adjusted EBITDA has been included to illustrate the additional adjustments required under our senior secured credit facilities and to enable investors to clearly understand the difference between the two measures. The Company believes that this presentation, as modified to reflect the Staff's comment, complies with the Staff's guidance in Question 10 of the FAQ.

34. Please tell us why you present "Covenant EBITDA" for the twelve months ended June 30, 2009. Tell us and disclose whether you are required by your debt agreements to calculate this measure using this time period. The disclosure should clarify your reasons for presenting this information.

The Company is required by its senior secured credit facilities to use trailing four-quarter financial information for the calculation of "Covenant EBITDA", which is used to determine compliance with the Company's leverage ratio covenant. The Company has revised the disclosure on pages 62 and 64 to clarify the Company's reasons for presenting this information.

Covenant compliance, page 59

35. With a view toward clarified disclosure, please tell us how close you are currently to violating the fourth quarter 2009 leverage ratio.

The Company has revised its disclosure on pages 61-62 to clarify information regarding its leverage ratio. As shown in the table on page 63, at September 30, 2009, the leverage ratio was 6.37 to 1.00. As disclosed on page 62, the test under the more restrictive of the Company's senior secured credit facilities will be 6.75 to 1.00 at December 31, 2009. Accordingly, if the December 31, 2009 test had been applied at September 30, 2009, the Company would have been in compliance.

Contractual obligations, page 63

36. We note from your disclosure in the last paragraph under this section that you have excluded several contractual obligations from the "Contractual obligations" table. Please note that all enforceable and legally binding purchase obligations must be included to comply with Regulation S-K Item 303(a)(5).

The Company has revised its disclosure on page 65 in response to the Staff's comment. The definition of Purchase Obligation under Item 303(a)(5) means an agreement to purchase goods or services that is enforceable and legally binding on the registrant that specifies all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions and the approximate timing of the transaction. The Company's purchase orders can be modified in several ways to change the quantity, amount or delivery dates. They can also be cancelled. Since there are no fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions, and the approximate timing of the transaction can be changed, the Company believes that its purchase orders do not constitute Purchase Obligations. The Company confirms that all contractual obligations required to be included in accordance with item 303(a)(5) of Regulation S-K have been included in the table.

Capital expenditures, page 63

37. We note your disclosure that you anticipate that your capital expenditures for 2009 will be approximately $5 million. Please expand to disclose the anticipated sources of funds needed to fulfill such commitments. Refer to Regulation S-K Item 303(a)(2)(i).

The Company has revised the disclosure on page 65 to include anticipated sources of funds needed to fulfill such commitments.

New dealers, page 76

38. Please explain the nature and duration of your "dealer acquisition efforts." Do you purchase dealers and wholly own them? Do regulations governing relationships with dealers materially affect your business?

The Company does not purchase dealers or maintain any ownership in them. The Company has revised the disclosure on page 79 to clarify its relationships with dealers. The Company also confirms that there are no regulations governing relationships with dealers that materially affect those relationships or the Company's business.

History, page 79

39. With a view toward clarified disclosure in an appropriate section of your document, please tell us the history of Generac Power Systems, Inc., including its previous owners, and any affiliation with Briggs & Stratton.

Prior to the Company's acquisition of Generac Power Systems Inc. in a leveraged buyout that was completed in November 2006, Generac Power Systems was a closely held corporation controlled by its founder. Prior to the leveraged buyout, Generac Power Systems sold a portion of its portable products business to The Beacon Group, a private equity firm, which eventually sold this business to Briggs & Stratton.

The Company has revised the disclosure on page 82 to include additional information on the history of Generac Power Systems, Inc., principally to clarify its relationship with Briggs & Stratton.

Our products, page 79

40. Please advise, with a view towards disclosure, whether any class of similar products have accounted for 10% or more of consolidated revenue in any of your last three fiscal years. See Regulation S-K Item 101(c)(l)(i).

The Company has revised the disclosure on page 82 to include information on products sold in similar end markets that have accounted for 10% or more of consolidated revenue in any of the Company's last three fiscal years.

Research and development and intellectual property, page 82

41. Please distinguish between the number of patents granted and patent applications. Please also disclose the duration and effect of the patents that you hold. Refer to Regulation S-K Item 101(c)(1)(iv).

The Company has revised the disclosure on pages 85-86 to distinguish between the number of patents granted and patent applications, as well as the duration and effect of the patents the Company holds.

Regulation, page 85

42. Refer to the last sentence of the second paragraph in which you disclose that the recent regulation "could" require you to redesign your products. Please explain the reason for the uncertainty. Also clarify the amount of your business generated by the "certain of [y]our products" mentioned in that sentence.

The Company has revised the disclosure on page 88 to clarify that new regulations, as opposed to existing regulations, could require the Company to redesign its products. The Company believes that given the prospective nature of such changes, it cannot state with certainty what the impact of such regulations would be and, accordingly, the use of the word "could" is appropriate. The Company has also removed the reference to "certain of" its products, as it intends to make a general statement about the effect of changes in regulations on its business.

Director compensation, page 88

43. Please quantify the board fees mentioned in the second paragraph.

The Company is in the process of determining the post-offering board fees as part of the initial public offering process. The Company has added disclosure on page 92 and will fill in the amount of the fees in a subsequent amendment to the Registration Statement once the post-offering board fees are determined.

Audit Committee, page 90

44. Please clarify how you intend to satisfy applicable audit committee independence requirements.

The Company has revised the disclosure on page 94 to clarify how it intends to satisfy applicable audit committee independence requirements.

Compensation committee interlocks and insider participation, page 22

45. Please provide the disclosure relating to your last completed fiscal year as required by Regulation S-K Item 407(e)(4).

The Company has revised the disclosure on page 95 to include information on its last completed fiscal year as required by Regulation S-K Item 407(e)(4).

Compensation discussion and analysis, page 92

46. Please disclose who comprised the "compensation committee" that made the decisions described in this section.

The Company has revised the disclosure on page 95 to include those persons who comprised the "compensation committee."

Role of the Compensation Committee, page 92

47. With a view toward clarified disclosure, please tell us whether the second sentence of this section is intended to incorporate disclosure by reference. If so, please tell us the authority on which you rely that permits such incorporation by reference.

The Company respectfully advises the Staff that the second sentence of this section is not intended to incorporate disclosure by reference. The Company has revised the disclosure on page 96 to remove the reference to the website.

48. Please identify the peer companies mentioned at the top of page 93. See Regulation S-K Item 402(b)(2)(xiv).

The Company has revised the disclosure on page 97 to clarify that the compensation committee has historically used third party databases to obtain a general understanding of current compensation practices at manufacturing companies with comparable net sales rather than as a tool to benchmark compensation.

49. Please expand your discussion regarding the compensation comparison to show what the comparison revealed and how it resulted in the amount of compensation changes disclosed. For example, did the comparison indicate that you were paying below the average salary and you increased your compensation to the average amount?

The Company has revised the disclosure on page 97 to expand the discussion regarding the process used to evaluate the appropriateness of executive compensation.

Base salary, page 93

50. We note that "[t]he compensation committee reviews the base salaries of the named executive officers on an annual basis and determines whether an increase is warranted based on its review of individual performance, compensation comparisons and recommendations of the Chief Executive Officer." However, it is unclear from your disclosure precisely what factors are used by the committee in its review and how the committee evaluates individual performance to determine base salary increases. For example, we note that Mr. Jagdfeld received a base salary of $350,000 pursuant to his employment agreement filed as exhibit 10.2, but for the 2008 fiscal year he received a salary of $400,000. Therefore, please provide expanded disclosure and clarity as to what

factors are used by the compensation committee in determining actual payouts for base salary and the basis upon which decisions are made to increase base salaries for named executive officers. Your revised disclosure should specify how a named executive officer's base salary reflects such officer's individual performance or contribution. Please provide an enhanced discussion and analysis as to how the compensation committee evaluates the individual performance, both quantitative and qualitative, and specific contributions of each named executive officer when determining base salary. Refer to Regulation S-K Item 402(b)(2)(vii).

The Company has revised the disclosure on page 97 to clarify and expand the discussion regarding the factors used by the compensation committee in determining compensation.

Annual Bonus, page 93

51. Refer to the last paragraph of this section; please disclose the quarterly performance target. See Instruction 4 to Regulation S-K Item 402(b).

The Company has revised the disclosure on page 98 to disclose the quarterly performance target.

Equity-based compensation, page 94

52. Please reconcile your disclosure regarding the rights to purchase shares mentioned in the first sentence of this section and the restricted stock mentioned in the last paragraph on page 99 with lack of related disclosure in your compensation tables.

The Company has revised the disclosure on page 106 related to the 2006 Equity Incentive Plan and has revised the Summary Compensation Table on p. 100 to include disclosure relating to the amortization of restricted Class A Share Common Stock expense resulting from the purchase of restricted shares by named executive officers under the plan.

Executive compensation, page 96

53. We note your disclosure on pages 86 and 88 that your current principal executive officer and principal financial officer served in those positions since September 2008. We also note the paragraph following your summary compensation table regarding your principal executive officer. As required by Regulation S-K Item 402(a)(3), please include compensation information in the required tables and related compensation disclosure regarding all individuals who served in the capacities of principal executive officer and principal financial officer during your last completed fiscal year. Also include a row for each such individual in the table required by Regulation S-K Item 403(b).

The Company has revised the disclosure on page 100 in response to the Staff's comment. The Company has added a row for the former interim CEO in the compensation tables on pages 100-102, and has revised the security ownership table on page 110 to include all named executive officers. The Company's current CEO served as the Company's CFO in 2008 prior to becoming CEO.

Equity vesting, page 99

54. Please tell us why you do not provide the quantitative disclosure required by Instruction 1 to Regulation S-K Item 402(j) regarding these instruments or the repurchase provisions mentioned on page 100.

With respect to the vesting of shares under the 2006 Equity Incentive Plan, as described on p. 104, the only impact of a change in control under this plan is accelerated vesting of some of the restricted shares purchased by the executive under the plan. The Company is not required to purchase the shares under the Shareholders Agreement described on p. 105 (or otherwise), and the amount, if any, that the executive would realize upon the sale of his or her shares in the change of control transaction would be a function of the price paid by the purchaser in the transaction. We have revised the disclosure on p. 104 to make this clearer.

With respect to the Shareholders Agreement described on p. 105, following the occurrence of an IPO, the Company will have the right, but not the obligation, to purchase shares held by management shareholders who are parties to that agreement, including the named executive officers, under the limited circumstances described in the disclosure. Given that the exercise of this right is within the Company's sole discretion, the Company respectfully submits that the quantitative disclosure required by Instruction 1 to Regulation S-K Item 402(j) is not required. We have revised the disclosure on p. 105 to to make clearer the discretionary nature of this provision.

55. Please disclose the "certain rate of return" and "certain threshold." Also disclose the price of your stock that would generate that rate of return and threshold.

The Company has revised the disclosure on page 104 in response to the Staff's comment to include the "certain rate of return" and "certain threshold," as well as the price of the Company's stock that would generate that rate of return and threshold. The Company will complete the disclosure by filling in the blanks in a subsequent amendment to the Registration Statement.

56. Please tell us which exhibit evidences the arrangements described in this section.

The arrangements that are described under "Equity vesting upon a change of control" are contained in the individual restricted stock agreements filed with the Amendment as Exhibits 10.17-10.22 to the Registration Statement and evidence the arrangements described in this section.

Certain relationships and related person transactions, page 100

57. Please ensure that you file all related-person agreements as exhibits. See Item 601(b)(l0)(ii)(A) of Regulation S-K. When you respond to this comment, please identify for us the exhibit number of the agreements related to each related-person transaction that you have disclosed.

The Company has filed all related-person agreements as exhibits. The following exhibits to the Registration Statement evidence the agreements related to each related-personal transaction disclosed:

- Shareholders Agreement by and among Generac Holdings Inc., certain stockholders of Generac Holdings Inc., including CCMP Capital Investors II, L.P., various of it affiliated funds, various funds affiliated with Unitas Capital Ltd. and the Management Shareholders (as defined in Shareholders Agreement), filed as Exhibit 4.2;
- Advisory Services and Monitoring Agreement, filed as Exhibit 10.7;
- 2006 Management Equity Incentive Plan, filed as Exhibit 10.8;
- Subscription and Stock Purchase Agreement by and between GPS CCMP Acquisition Corp. and John Bowlin, filed as Exhibit 10.9;
- Subscription and Stock Purchase Agreement by and between GPS CCMP Acquisition Corp. and Ed Leblanc, filed as Exhibit 10.10;
- Subscription and Stock Purchase Agreement by and between GPS CCMP Acquisition Corp. and Roger W. Schaus, Jr., filed as Exhibit 10.11;
- Subscription and Stock Purchase Agreement by and between GPS CCMP Acquisition Corp. and Allen D. Gillette, filed as Exhibit 10.12;
- Subscription and Stock Purchase Agreement by and between GPS CCMP Acquisition Corp. and York A. Ragen, filed as Exhibit 10.13;
- Subscription and Stock Purchase Agreement by and between GPS CCMP Acquisition Corp. and CCMP Generac Co-Invest,L.P., filed as Exhibit 10.14;
- Subscription and Stock Purchase Agreement by and among GPS CCMP Acquisition Corp., CCMP Capital Investors II L.P. and CCMP Capital Investors (Cayman) II, L.P., filed as Exhibit 10.15;
- Letter Agreement to the Subscription and Stock Purchase Agreement by and among GPS CCMP Acquisition Corp., CCMP Capital Investors II L.P. and CCMP Capital Investors (Cayman) II, L.P., filed as Exhibit 10.16;
- Restricted Stock Agreement by and between GPS CCMP Acquisition Corp. and Aaron P. Jagdfeld, filed as Exhibit 10.17;
- Restricted Stock Agreement by and between GPS CCMP Acquisition Corp. and Allen D. Gillette, filed as Exhibit 10.18;
- Restricted Stock Agreement by and between GPS CCMP Acquisition Corp. and Dawn A. Tabat, filed as Exhibit 10.19;
- Restricted Stock Agreement by and between GPS CCMP Acquisition Corp. and Roger F. Pascavis, filed as Exhibit 10.20;
- Restricted Stock Agreement by and between GPS CCMP Acquisition Corp. and Roger W. Schaus, Jr., filed as Exhibit 10.21;

- Restricted Stock Agreement by and between GPS CCMP Acquisition Corp. and York A. Ragen, filed as Exhibit 10.22;
- Management Subscription and Stock Purchase Agreements by and between GPS CCMP Acquisition Corp. and Ed LeBlanc, filed as Exhibit 10.23;
- Management Subscription and Stock Purchase Agreements by and between GPS CCMP Acquisition Corp. and John Bowlin, filed as Exhibit 10.24;
- Management Subscription and Stock Purchase Agreements by and between GPS CCMP Acquisition Corp. and Harry K. Hornish, Jr., filed as Exhibit 10.25;
- Exchange Agreement by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp., filed as Exhibit 10.26;
- Exchange Agreement by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp., filed as Exhibit 10.27;
- Amendment to Exchange Agreements by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp., filed as Exhibit 10.28;
- Exchange Agreement by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp., filed as Exhibit 10.29;
- Exchange Agreement by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp., filed as Exhibit 10.30;
- Exchange Agreement by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp., filed as Exhibit 10.31;
- Exchange Agreement by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp., filed as Exhibit 10.32;
- Exchange Agreement by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp., filed as Exhibit 10.33;
- Exchange Agreement by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp., filed as Exhibit 10.34;
- Exchange Agreement by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp. filed as Exhibit 10.35;
- Exchange Agreement by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp., filed as Exhibit 10.36;
- Exchange Agreement by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp., filed as Exhibit 10.37;
- Exchange Agreement by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P. and GPS CCMP Acquisition Corp., filed as Exhibit 10.38;
- Purchase Agreement by and between William Treffert, The William and Selma Treffert Living Trust Dated February 21, 1998, and GPS CCMP Acquisition Corp., filed as Exhibit 10.39;

- Form of Confidentiality, Non-Competition and Intellectual Property Agreement, filed as Exhibit 10.40; and
- Employee Nondisclosure and Noncompete Agreement, by and between Generac Power Systems, Inc. and Clement Feng, filed as Exhibit 10.41.

58. With a view toward clarified disclosure, please tell us how you determined that the provisions in your agreements are "customary" as you indicate in this section.

The Company has revised the disclosure to delete the word "customary."

59. Please clearly state in this section the identity of each related person involved with each transaction without requiring investors to seek the meaning of defined terms like you do in the first paragraph under "Shareholders agreement." Likewise, please replace vague references to "certain shareholders" and "certain members of management" like on page 102 with specific disclosure identifying the related persons. Please also clarify the nature of your relationships with the individuals mentioned under "Repurchase of securities" on page 102.

The Company has revised the disclosure on pages 105-108 in response to the Staff's comment.

60. Please tell us why you do not describe in this section the "equity cure" transaction mentioned on page 62 and the related-person lease mentioned on page F-37.

The Company respectfully advises the Staff that the description of the "equity cure" transaction mentioned on page 62 can be found on page 107 under "Issuances of securities—Sales of Series A Preferred Stock." In November 2008, the Company issued 1,550 shares of its Series A Preferred Stock to affiliates of CCMP for an aggregate purchase price of $15,500,000. In addition, the Company does not describe the related-person lease mentioned on page F-37 because it was terminated in 2006.

61. With a view toward disclosure in appropriate sections of your prospectus, please tell us whether your principal stockholders were associated with your creditors at the time of the negotiation of your credit agreements or subsequently.

The Company respectfully advises the Staff that the only relationship between its principal stockholders and its creditors at the time of the negotiation of its credit agreements or subsequently is one or more affiliates of JP Morgan Chase Bank are limited partners in CCMP Capital Investors II, L.P., which is a stockholder of the Company, and one or more affiliates of Goldman, Sachs & Co. are limited partners in CCMP Capital Investors (Cayman), L.P. and CCMP Generac Co-Invest, L.P., which are stockholders of the Company. In addition, CCMP Capital Advisors, LLC continues to manage the portfolio of J.P. Morgan Partners, LLC, a private equity division of JPMorgan Chase & Co. CCMP's separation from JP Morgan Chase Bank was completed prior to the negotiation of the Company's credit agreement.

Shareholders agreement, page 100

62. Please describe the operation of the preemptive rights provisions so that investors can understand how those provisions resulted in related-party involvement in the transactions that you disclose on pages 43, 44 and 102.

The Company has revised the disclosure on page 107 under "Issuances of Securities" to describe the operation of the preemptive rights provisions.

Advisory services and monitoring agreement, page 100

63. Please quantify the amount paid under the agreement during each period required to be addressed by Regulation S-K Item 404. Also quantify the amount to be paid as mentioned in the penultimate paragraph of this section, and clarify whether the amount will be paid with proceeds of this offering.

The Company has added disclosure to indicate the amounts paid under the agreement in 2007-2009 in response to the Staff's comment. The Company respectfully advises the Staff that the amount to be paid described in the penultimate paragraph of the section will not be determinable with precision until the Company knows a closing date for the offering. As already described in this section, this amount will be a pro rata portion of the quarterly advisory fee of $125,000, or $1,388.89 per day ($125,000 / 90 days), plus reasonable out-of-pocket expenses. For example, assuming this offering were to occur on January 10, 2010, the Company would be required to pay the Sponsors $13,888.89, plus any unreimbursed expenses. The amount to be paid under the advisory services agreement in connection with the offering will not be paid with proceeds from the offering.

Issuances of securities, page 101

64. Please disclose the amount that the related persons paid for the debt exchanged for your shares. Please also show us how your disclosure in this section is reconcilable with your disclosure in the section entitled "CCMP transactions" on pages 43-44.

The Company has revised the disclosure on page 106 in response to the Staff's comment. The disclosure in this section represents a portion of the transactions described under the "CCMP transactions."

65. Please clarify the amount of time between each debt purchase by a related person and the issuance of your equity in exchange for the debt. Provide disclosure required by Regulation S-K Item 404(a)(5) as applicable.

The Company respectfully advises the Staff that the debt purchases and the issuances of equity occurred within one to two days of each other, except for a single instance in which the contribution of two debt purchases by CCMP (dated February 25, and February 27, 2009) to the Company was delayed for administrative reasons and occurred on March 9, 2009, or within twelve days of CCMP's purchase of that debt. The Company believes that no additional disclosure is required under Regulation S-K Item 404(a)(5).

Repurchase of securities, page 102

66. Please disclose the amount paid to each related party, including the per share price.

The Company has reviewed the required disclosure under Item 404 of Regulation S-K and has determined that only a repurchase of shares from a trust affiliated with the former Chief Executive Officer of the Company, William Treffert, is required to be

disclosed. The Company has revised the disclosure on page 107 to include the repurchase of shares from the trust. The disclosure includes the amount paid to the trust, including the per share price.

Mandatory conversion, page 102

67. Please disclose the rate at which your outstanding securities held by related persons will convert into your common stock to be outstanding upon the completion of this offering. Also disclose the amount of any other consideration to be paid in connection with the conversion, including dividends.

The Company has reviewed the required disclosure under Item 404 of Regulation S-K and has determined that the section "Mandatory conversion" is not required. The Company believes the disclosure should be included in "Management's discussion and analysis of financial condition and results of operations—Corporate reorganization" on page 44, and has revised the disclosure accordingly. No other consideration will be paid in connection with the conversion.

Principal stockholders, page 104

68. Please disclose the natural person or persons who exercise, directly or indirectly, sole or shared voting and/or dispositive powers with respect to your shares held in the name of CCMP Capital, LLC and Unitas Capital Ltd, Additionally, please clarify whether the shares held by CCMP Capital, LLC will be reflected in the beneficial ownership of your directors and executive officers; we note in this regard footnote (1) to the principal stockholders table.

The Company respectfully advises the Staff that no single natural person can exercise voting or investment power with respect to the securities beneficially owned by CCMP Capital, LLC and Unitas Capital Ltd and, accordingly, that disclosure of the names of a natural person or persons is not required under Item 403 of Regulation S-K. Voting and investment decisions with respect to these securities are made by officers of CCMP Capital and Unitas Capital Ltd. Consistent with the "rule of three" first articulated in the no-action letter to Southland Corp. (August 10, 1987), when a majority of three or more individuals is required to make voting or investment decisions, none of the individuals is deemed to be a beneficial owner of the security. Rule 13d-1 provides that a beneficial owner is anyone who has or shares voting or investment power with respect to a security. Therefore no natural person at CCMP Capital, LLC and Unitas Capital Ltd. has or shares voting or investment power with the securities.

With respect to the Staff's question concerning beneficial ownership by directors and executive officers, the shares held by CCMP Capital, LLC will not be reflected in the beneficial ownership of directors of the Company that are affiliated with CCMP Capital, LLC for the reason explained in the preceding paragraph. As indicated in footnote (1) to the table, each such director disclaims beneficial ownership of such shares.

69. Please reconcile your reference to 11 persons in the last row of the table with the number of individuals in the tables on page 86 and 88.

The Company has revised the disclosure on page 110 to add the additional executive officers to the referenced table.

Description of capital stock, page 106

70. Please provide the disclosure required by Regulation S-K Item 201(b)(1). Also demonstrate whether you have previously been required to file a registration statement pursuant to Section 12(g) of the Exchange Act.

The Company has revised the disclosure on page 111 in response to the Staff's comment. The Company confirms that at no point has its capital stock been held of record by 500 or more people, and, accordingly, the Company has not previously been required to file a registration statement pursuant to Section 12(g) of the Exchange Act.

Shares eligible for future sale, page 110

71. Please disclose the number of shares subject to the lock-up. Also disclose the number of shares that could be sold pursuant to Rule 144.

The Company has revised the disclosure on page 115 in response to the Staff's comment. In addition, the Company will complete the disclosure when it discloses a price range in a subsequent amendment to the Registration Statement.

Underwriting, page 116

72. Refer to the penultimate sentence of the last full paragraph on page 119. Please clarify how that sentence is consistent with Section 14 of the Securities Act.

Section 14 of the Securities Act states that any stipulation or provision binding any person acquiring any security to waive compliance with any provision of the Securities Act or of the rules and regulations of the Commission is void. The Company respectfully advises the Staff that the penultimate sentence of the last full paragraph of page 119 is intended, rather, to advise potential investors that the offering may also be subject to provisions of foreign law in non-U.S. jurisdictions in which those investors may reside. Within the context of the paragraph, which addresses the treatment of the offering outside the United States, the Company believes that the sentence in question does not suggest that any person may waive compliance with the Securities Act or the rules thereunder in violation of Section 14 of the Securities Act. Nonetheless, in order to avoid any potential confusion on this point, the Company has removed the sentence identified by the Staff.

73. Refer to the last full paragraph on page 121. Please describe each material relationship with an underwriter, not merely an "example."

The Company believes that the last two paragraphs on page 126 describe all material relationships between the Company and the underwriters. The Company has deleted the words "For example" in response to the Staff's comment.

Index to consolidated financial statements, page F-1

74. Please update the financial statements as required by Rule 3-12 of Regulation S-X.

The Company has updated the financial statements in the Registration Statement.

Consolidated statements of operations, page F4

75. Please revise to state separately your goodwill impairment charges consistent with 350-20-45-2 of the FASB ASC (formerly paragraph 43 of SFAS 142).

The Company has revised the disclosure on page F-4 to present goodwill impairment and trade name impairment as separate line items on the Consolidated Statement of Operations.

Note 2. Significant accounting policies, page F-9

Goodwill and other indefinite-lived intangible assets, page F-12

76. We note from your disclosure in this section and on pages 47 and 48 that you had an independent valuation firm complete an appraisal of the company for use in your goodwill impairment analysis as of October 31, 2008. Please describe to us and revise to clarify the nature and extent of the third party valuation firm's involvement and management's reliance on the work of the independent valuation firm. Please refer to Question 141.02 of the Compliance and Disclosure Interpretations on Securities Act Sections, which can be found at *http://www.sec.gov/divisions/corpfin/guidance/sasinterp.htm*.

The Company has revised the disclosure on page F-12 to remove any suggestion that it is attributing the valuation of goodwill and other intangible assets solely to a third-party expert. The goodwill and other intangible impairment determination was made by management with the assistance of an independent third-party valuation firm, and our disclosure was not intended to suggest or imply otherwise.

77. With respect to your other intangible assets, please tell us if you determined that impairment testing was required and your basis for that conclusion. Discuss the methodologies used in testing your other intangible assets for impairment and the results of any impairment testing performed. We may have further comment upon reviewing your response.

The Company respectfully advises the Staff that a discussion of its accounting policies for other intangible assets, including its impairment testing methodology and the results of such tests, can be found on page F-11 under "Significant accounting policies—Long-lived assets," which includes property and equipment, customer lists, patents and other intangible assets, but excludes goodwill and trade names.

78. With respect to your impairment testing on trade names, discuss the methodologies used consistent with 350-30-50-3 of the FASB ASC (formerly paragraph 46 of SFAS 142).

For each impairment loss recognized related to an intangible asset, the applicable provisions of FASB ASC 350-30-50-3 require disclosure of the following information in the notes to the financial statements that include the period in which the impairment

loss is recognized: (i) description of the impaired intangible asset and the facts and circumstances leading to the impairment, (ii) the amount of the impairment loss and the method for determining fair value and (iii) the caption in the income statement or the statement of activities in which the impairment loss is aggregated.

As disclosed on page F-12, the Company performed its annual fair value-based impairment test on trade names as of October 31, 2008 using the relief-from-royalty approach. As a result of the test, the Company recorded a non-cash charge of $80.3 million for trade name impairment. The primary reason for this impairment charge related to a re-branding strategy, which was committed to in the fourth quarter of 2008 and resulted in the Company's plan to discontinue the use of a particular trade name over time as it consolidates brands under the Generac label. Accordingly, the trade name was written down to its estimated realizable value of $8.7 million, which will be amortized over its remaining useful life of 2 years. As disclosed, the fair value of trade names was measured using a relief-from-royalty approach, which assumes the fair value of the trade name is the discounted cash flows of the amount that would be paid had the Company not owned the trade name and instead licensed the trade name from another company.

As noted above in response to Comment No. 75, the Company has revised the disclosure on page F-4 to present goodwill impairment and trade name impairment as separate line items on the consolidated statements of operations.

Note 6. Redeemable stock and stockholders' equity (deficit), page F-23

79. Please tell us in more detail how you will account for the Series A Preferred stock and the Class B common stock if they automatically convert to Class A common stock before the initial public offering.

The Company respectfully advises the Staff that the conversion of the Series A Preferred stock and the Class B Common stock will occur substantially simultaneously with the initial public offering. The Company confirms that it has no plans or the ability to convert the Series A Preferred stock and the Class B common stock to common stock, except as part of the initial public offering. Consequently, upon the initial public offering, the conversion of the Series A Preferred stock and the Class B Common stock will be accounted for as described on page F-24 of the Amendment.

Note 7. Earnings per share, page F-27

80. We note that you state that the effect of the conversion of the Series A Preferred and Class B Common Stock is considered anti-dilutive. Please revise to quantify the number of shares that could potentially dilute basic earnings per share in the future that were not included in the computation of diluted loss per share because to do so would have been anti-dilutive for each of the reporting periods presented. Refer to paragraph 260-10-50-1 of the FASB Accounting Standards Codification.

The Series A preferred and Class B common stock are only convertible to Class A common stock immediately prior to an initial public offering and, as such, they are excluded from diluted earnings per share calculations. The number of shares of Class A common stock which will be issued upon conversion of the Series A preferred and

Class B common stock is dependent upon the initial public offering price of the Class A common stock on the date of conversion as well as the unpaid priority return. The initial public offering price of our Class A common stock is not currently known. In a later filing, we plan to update our disclosure to indicate the estimated number of shares of Class A common stock which will be issued upon conversion of the Series A preferred and Class B common.

The Company has revised the disclosure on page F-29 in response to the Staff's comment.

Recent sales of unregistered securities, page II-3

81. Please revise your disclosure in this section to specify which exemption from registration was claimed for each disclosed transaction; we note in this regard your disclosure at the bottom of page 11-3 that you claimed exemption under both Section 4(2) of the Securities Act and Securities Act Rule 701. Additionally, please revise to state briefly the facts relied upon to make the exemption available. Refer to Regulation S-K Item 701(d).

The Company has revised the disclosure on page II-3 that it relied on an exemption under Section 4(2) of the Securities Act for each of the disclosed transactions in response to the Staff's comment. In addition, the Company has revised the disclosure to add the facts relied upon to make the exemption available.

Undertakings, page II-5

82. Please note that due, in part, to the language of Securities Act Rule 430C(d), the undertakings included in Items 512(a)(5)(ii) and 512(a)(6) of Regulation S-K should be included in filings for initial public offerings. Please revise accordingly.

The Company has revised the disclosure on page II-8 to include the undertakings included in Items 512(a)(5)(ii) and 512(a)(6) of Regulation S-K.

Exhibit Index

83. Please file as exhibits the acquisition and reorganization agreements mentioned in your registration statement, including the agreement by which you acquired Generac Power Systems in 2006.

The Company acknowledges the Staff's comment and will file all exhibits required under Item 601 of Regulation S-K. With respect to the merger agreement by which the Company acquired Generac Power Systems in 2006, the Company respectfully advises the Staff that it believes it is not required to file this agreement under Item 601 of Regulation S-K, as the merger agreement was entered into more than two years before the filing of the Registration Statement. The transaction contemplated by this agreement was completed in November 2006, and there are no financial or other material contractual obligations that survived the closing. Accordingly, the Company believes that this agreement is not a "material contract" for purposes of Item 601(b)(10) of Regulation S-K.

Exhibit 23.1

84. Please include a currently dated consent from your independent accountant prior to requesting effectiveness.

The Company has filed an updated consent with the Amendment. The Company will include a further updated consent from its independent accountant in each subsequent amendment to the Registration Statement prior to requesting effectiveness.

We would very much appreciate receiving the Staff's comments, if any, with respect to the Amendment as promptly as applicable. If it would expedite the review of the information provided herein, please do not hesitate to call the undersigned at (212) 310-8165.

Sincerely,

/s/ MATTHEW D. BLOCH

Matthew D. Bloch

QuickLinks

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