Use these links to rapidly review the document
Table of contents
Index to consolidated financial statements

Table of Contents

As filed with the Securities and Exchange Commission on January 11, 2010

Registration No. 333-162590

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 3 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)

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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.

Table of Contents

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 , 2010

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 , 2010.

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

, 2010

Table of contents

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 standby generators for the residential, industrial and commercial markets. We have one of the leading market positions in the standby generator market in the United States and Canada, having grown our revenues organically by a 16% compound annual growth rate 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). For the twelve months ended September 30, 2009, we generated net sales of $606.9 million, a net loss of $484.7 million (includes a non-cash goodwill and trade name impairment charge of $583.5 million) and Adjusted EBITDA (as defined on page 11) of $153.7 million. We generated net sales of $574.2 million and a net loss of $556.0 million (includes a non-cash goodwill and trade name impairment charge of $583.5 million) in the year ended December 31, 2008; we generated net sales of $434.2 million and net income of $31.1 million in the nine months ended September 30, 2009. For an explanation of Adjusted EBITDA, a reconciliation of Adjusted EBITDA to net income (loss) and a description of how management uses Adjusted EBITDA, see pages 12 to 15; for a description of the calculation and use of financial data for the twelve months ended September 30, 2009, see page 11.

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 in the U.S. and Canadian standby markets is largely attributable to our strategy of providing high-quality, innovative and affordable products through our extensive and multi-layered distribution network.

Our market 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.

Generators are an alternative reliable power solution

Standby generators, whether permanently installed outside a home, business or manufacturing facility or portable, provide back-up power to a utility power source. We estimate that the generator market in the United States and Canada was at least $3.3 billion in 2008, with a global generator market (including prime generators used as a primary power source) estimated to be over $11 billion in 2008, based on data from Frost & Sullivan and other sources.

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 Lawrence Berkeley National Laboratory, 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.

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 installed 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. 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 light-commercial market also represents a significant penetration opportunity, with over two million potential customer locations in the United States.

Demographic trends lead to an increased focus on the safety and security provided by 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. Generator sales are expected to grow 14% to 15% in Colombia and Mexico in 2010, 10% annually in Russia through 2011 and approximately 14% in China by 2015, in each case according to Frost and Sullivan.

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

Federal, state and local legislation, as well as building, health and safety codes, require the use of standby generators within certain segments of the industrial and light-commercial markets, and any new mandates could have a significant impact on the generator market. Additionally, increased federal and municipal regulation of diesel engine emissions and 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, which we believe should benefit the industrial generator market. 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.

Our competitive strengths

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 installed residential standby generator market, we believe we are the market leader with a market share that we estimate, based primarily on internally generated data, to be approximately 70%. 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.

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 generally rely on a single distribution channel. We use over 3,700 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.

Broadest product line in the industry

Our product offerings include a comprehensive selection of standby generators with ranges of power output and fuel type capable of catering to many end markets and users. 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 generator needs.

Engineering excellence

We currently 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 patents and patent applications. Examples of our innovation 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 a low-cost producer. 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 strong relationships with a network of reliable, low-cost suppliers in the United States and abroad.

Financial flexibility and strong free cash flow generation

Our flexible cost structure has contributed to our financial strength and strong cash flow generation, enabling us to respond quickly to varying market environments. Furthermore, our business model generally requires low capital expenditures. 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, in addition to our $156.9 million balance of net operating losses as of September 30, 2009.

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. 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 giving effect to grants of stock options and restricted shares to be made in connection with this offering.

Our strategy

Further develop domestic distribution and sales channels

We intend to further expand our footprint in North America by continuing to develop our network of dealers, wholesalers and retailers. 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 are also targeting non-traditional commercial end markets, such as smaller health care facilities, nursing homes, pharmacies and convenience stores, through our national accounts program.

Increase awareness of standby power solutions

We believe that through our extensive distribution network, potential customers are becoming increasingly aware of the benefits of standby power solutions. 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 our customers, drawing upon our engineering expertise and experience. 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 also developed an affordable line of natural gas generators for the light-commercial market, with proprietary fuel systems, emissions technology and control systems.

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 a developing distribution network in Mexico and Central and South America and are actively pursuing partnerships with established international distribution partners in other regions.

Expand product offering in complementary markets

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 installed standby generators. We expect to evaluate opportunities to expand organically or through opportunistic acquisitions into other complementary engine- driven products where we can leverage our manufacturing, sourcing and engineering capabilities and our distribution network.

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."

In the Corporate Reorganization, our Class B Common Stock and Series A Preferred Stock will be converted into Class A Common Stock according to formulas that are described in "Management's discussion and analysis of financial condition and results of operations—Corporate reorganization." These formulas depend, among other things, on the public offering price per common share in this offering and the number of days that passes until our initial public offering. However, we will undertake the reverse stock split described above after giving effect to the conversion of the Class B Common Stock and before the conversion of the Series A Preferred Stock and the consummation of this offering. The Reverse Stock Split will be effected in a manner so that the aggregate number of shares of common stock to be held by existing holders of our Class B Common Stock, Series A Preferred Stock and Class A Common Stock as a result of the Corporate Reorganization, and their aggregate percentage ownership of our common stock upon consummation of this offering, will not change.

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. 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. Banc of America Securities LLC has agreed to act as a "qualified independent underwriter" within the meaning of NASD Rule 2720 of FINRA in connection with this offering. 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 at an exercise price equal to the initial public offering price and shares of restricted

stock that we intend to grant to our named executive officers and other employees and certain of our directors at the time of this offering and shares of our common stock to be reserved for future grants under our new equity incentive plan, or the 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				Nine months ended September 30,		Successor
	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	2008	2009(8)	Twelve months ended September 30, 2009(1)
						(Restated)	
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)	(53,652)	(80,208)
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)	(37,759)	(5,580)
Income (loss) before provision (benefit) for income taxes	18,306	(15,957)	(10,285)	(555,555)	(27,421)	31,431	(496,703)
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)	$ 31,107	$ (484,658)
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)	(36,794)	(30,367)
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(8) (Restated)
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	119,640
Total current liabilities	126,765
Long-term debt, less current portion	1,084,414
Other long-term liabilities	17,834
Total liabilities	1,229,013
Series A Preferred Stock	113,109
Class B Voting Common Stock	765,096
Stockholders' deficit	(760,892)
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 recent financial performance and we view this presentation of the four most recently completed quarters as a key measurement period for investors to assess our historical results. In addition, our management uses trailing four quarter financial information to evaluate the financial performance of the company for ongoing planning purposes, including a continuous assessment of our financial performance in comparison to budgets and internal projections. We also use trailing four quarter financial data to test compliance with covenants under our senior secured credit facilities. 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. See footnote (6) below for a description of these limitations.

(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, as further adjusted for the other items reflected in the reconciliation table set forth below. This presentation is substantially consistent with the presentation used in our senior secured credit facilities, which we refer to in this prospectus as "Covenant EBITDA", except that we do not give effect to certain additional adjustments that are permitted under those facilities which, if included, would increase the amount reflected in this table. For a description of the additional adjustments permitted for Covenant EBITDA under 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—Covenant compliance."

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 it assists us in comparing our performance across reporting periods on a consistent basis because it excludes items that we do not believe are indicative of our core operating performance. Our management uses Adjusted EBITDA:

- for planning purposes, including the preparation of our annual operating budget and developing and refining our internal projections for future periods;
- to allocate resources to enhance the financial performance of our business;
- as a benchmark for the determination of the bonus component of compensation for our senior executives under our management incentive plan, as described further under "Compensation discussion and analysis—Components of compensation—Annual bonus: incentive compensation plan";
- to evaluate the effectiveness of our business strategies and as a supplemental tool in evaluating our performance against our budget for each period; and
- in communications with our board of directors and investors concerning our financial performance.

We believe Adjusted EBITDA will be used by securities analysts, investors and other interested parties in the evaluation of our company. Management believes that the disclosure of Adjusted EBITDA offers an additional financial metric that, when coupled with U.S. GAAP results and the reconciliation to U.S. GAAP results, provides a more complete understanding of our results of operations and the factors and trends affecting our business. We believe Adjusted EBITDA is useful to investors for the following reasons:

- Adjusted EBITDA and similar non-GAAP measures are widely used by investors to measure a company's operating performance without regard to items that can vary substantially from company to company depending upon financing and accounting methods, book values of assets, tax jurisdictions, capital structures and the methods by which assets were acquired;
- Investors can use Adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of our company, including our ability to service our debt and other cash needs; and
- by comparing our Adjusted EBITDA in different historical periods, our investors can evaluate our operating performance excluding the impact of items described below.

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:

- 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;
- 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; or
- will be eliminated following the consummation of this offering, such as sponsor fees.

We explain in more detail in footnotes (a) through (h) below why we believe these adjustments are useful in calculating Adjusted EBITDA as a measure of our operating performance.

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;
- several of the adjustments that we use in calculating Adjusted EBITDA, such as non-cash impairment charges, while not involving cash expense, do have a negative impact on the value our assets as reflected in our consolidated balance sheet prepared in accordance with U.S. GAAP;
- the adjustments for business optimization expenses, which we believe are appropriate for the reasons set out in note (d) below, represent costs associated with severance and other items which are reflected in operating expenses and income (loss) from continuing operations in our consolidated statements of operations prepared in accordance with U.S. GAAP; and
- other companies may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Furthermore, as noted above, one of our uses of Adjusted EBITDA is as a benchmark for determining elements of compensation for our senior executives. At the same time, some or all of these senior executives have responsibility for monitoring our financial results generally, including the items that are included as adjustments in calculating Adjusted EBITDA (subject ultimately to review by our board of directors in the context of the board's review of our quarterly financial statements). While many of the adjustments (for example, transaction costs and credit facility fees and sponsor fees), involve mathematical application of items reflected in our financial statements, others (such as business optimization adjustments) involve a degree of judgment and discretion. While we believe that all of these adjustments are appropriate, and while the quarterly calculations are subject to review by our board of directors in the context of the board's review of our quarterly financial statements and certification by our chief financial officer in a compliance certificate provided to the lenders under our senior secured credit facilities, this discretion may be viewed as an additional limitation on the use of Adjusted EBITDA as an analytical tool.

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, net of unrestricted cash and marketable securities, to Covenant EBITDA 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. We explain the importance of Covenant EBITDA and describe how it is calculated in more detail in "Management's discussion and analysis of financial

condition and results of operations—Liquidity and capital resources—Senior secured credit facilities—Covenant compliance," including a reconciliation of Covenant EBITDA to net income on pages 65 to 66.

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(8)	Twelve months ended September 30, 2009
						(Restated)	
Net income (loss)	$ 12,787	$ (15,957)	$ (9,714)	$ (555,955)	$ (40,190)	$ 31,107	$ (484,658)
Interest expense	673	18,354	125,366	108,022	81,466	53,652	80,208
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 for the step-up in book value of inventory as a result of the application of purchase accounting 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.

We believe that adjusting net income for these non-cash charges is useful for the following reasons:

- The losses on disposals of assets in several periods described above result from the sale of assets that are no longer useful in our business and therefore represent losses that are not from our core operations;
- The charge for the step-up in the value of inventory as a result of the application of purchase accounting at the time of the CCMP Transactions is a one-time charge resulting from our acquisition by CCMP in 2006 described in "CCMP transactions;"
- The write-offs of certain pre-CCMP Transaction bad debts in the years ended December 31, 2007 and 2008 are non-cash charges that we believe do not reflect cash outflows after our acquisition by CCMP;
- The charges for unsettled mark-to-market gains and losses on copper forward contracts represent non-cash items to reflect changes in the fair value of forward contracts that have not been settled or terminated. We believe that it is useful to adjust

net income for these items because the charges do not represent a cash outlay in the period in which the charge is incurred, although Adjusted EBITDA must always be used together with our U.S. GAAP statements of operations and cash flows to capture the full effect of these contracts on our operating performance;

- The goodwill and trade name impairment charges recorded in the year ended December 31, 2008 (and also reflected in the twelve months ended September 30, 2009) are one-time items that we believe do not reflect our ongoing operations. These charges are explained in greater detail in "Management's discussion and analysis of financial condition and results of operations—Critical accounting policies—Goodwill and other intangible assets;"

- The small amount of stock compensation expense recorded in the year ended December 31, 2007 was a non-cash charge for compensation under our 2006 Management Equity Incentive Plan. We do not believe that equity awards and the related expense under our 2006 Management Equity Incentive Plan, which we intend to terminate in connection with this offering, will be useful in predicting stock compensation expense that we may incur under the new equity incentive plan that we intend to adopt in connection with this offering. However, we do expect to incur stock compensation expense under the new plan, and you should see "Compensation discussion and analysis—Components of compensation—Equity-based compensation" and "Executive compensation—Equity incentive plan" for more information about that plan; and

- The write-off of certain pre-CCMP Transaction excess inventory recorded in the year ended December 31, 2008 was a non-cash charge that we believe does not reflect cash outflows after our acquisition by CCMP.

(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, which consisted primarily of the expense incurred by our Predecessor when grants under its Equity Appreciation Share Plan vested upon the change of control triggered by the CCMP Transactions, as described in Note 9 to our audited consolidated financial statements included elsewhere in this prospectus;

- for all periods after 2006, administrative agent fees and revolving credit facility commitment fees under our senior secured credit facilities, which we believe to be akin to, or associated with, interest expense and whose inclusion in Adjusted EBITDA is therefore similar to the inclusion of interest expense in that calculation;

- 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," which repurchases we do not expect to recur following the consummation of this offering; and

- for the nine months and twelve months ended September 30, 2009, $0.3 million in transaction costs relating to this offering, which we do not believe reflect our ongoing operations.

(c) Represents non-cash gains on the extinguishment of debt repurchased by affiliates of CCMP, as described in note (b) above, which we do not expect to recur following the consummation of this offering.

(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. We do not believe the charges for restructuring-related activities in the year ended December 31, 2007 reflect our ongoing operations. Although we have incurred severance costs in most of the periods set forth in the table above, it is difficult to predict the amounts of similar costs in the future, and we believe that adjusting for these costs aids in measuring the performance of our ongoing operations. We believe that these costs will tend to be immaterial to our results of operations in future periods.

(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, and, accordingly, we believe that these expenses do not reflect the expenses of our ongoing operations after this offering.

(f) Represents fees on letters of credit outstanding under our senior secured credit facilities, which we believe to be akin to, or associated with, interest expense and whose inclusion in Adjusted EBITDA is therefore similar to the inclusion of interest expense.

(g) Represents franchise and business activity taxes paid at the state level. We believe that the inclusion of these taxes in calculating Adjusted EBITDA is similar to the inclusion of income taxes, as set forth in the table above.

(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.

(8) For a description of the restatement to the unaudited consolidated financial statements for the nine months ended September 30, 2009, please see page F-45.

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 September 30, 2009, we had $156.9 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.

We are unable to determine the specific impact of changes in selling prices or changes in volumes of our products on our net sales.

Because of the wide range of products that we sell, the level of customization for many of our products, the frequent rollout of new products and the fact that we do not apply pricing changes uniformly across our entire portfolio of products, we are unable to determine with specificity the effect of volume changes or changes in selling prices on our net sales.

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 December 31, 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.

In addition, following the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register an aggregate of shares of our common stock reserved for issuance under our Omnibus Plan. We may increase the number of shares registered for this purpose at any time. Subject to any restrictions imposed on the restricted shares and options granted under our Omnibus Plan, shares registered under the registration statement on Form S-8 will be available for sale into the public markets subject to the 180-day lock-up agreements referred to above.

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.

As of September 30, 2009, Generac Power Systems was required to maintain a maximum leverage ratio of 7.25 to 1.00 and 7.50 to 1.00 under the first and second lien credit facilities, respectively. As of September 30, 2009, Generac Power Systems' leverage ratio was 6.37 to 1.00. The maximum leverage ratio decreases over time under both facilities. The more restrictive of the facilities is the first lien credit facility, which requires Generac Power Systems to have a leverage ratio of no greater than 6.75 to 1.00 in the fourth quarter of 2009 and in the first quarter of 2010, 6.50 to 1.00 in the second quarter of 2010, 6.25 to 1.00 in the third quarter of 2010, 5.75 to 1.00 in the fourth quarter of 2010 and the first quarter of 2011, 5.50 to 1.00 in the second quarter of 2011, 5.25 to 1.00 in the third quarter of 2011 and 4.75 to 1.00 in the fourth quarter of 2011 and thereafter. 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 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 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."

As of September 30, 2009, we had cash and cash equivalents of $134.1 million. We may use a portion of our cash to pay down debt under our first lien term loan.

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**
	(Restated)	
Debt:		
Current portion of long-term debt	7,125	
Long-term debt, less current portion(1)	1,084,414	
Total debt(1)	1,091,539	
Series A Convertible Non-voting Preferred Stock, $0.01 par value, 20,000 shares authorized and 9,234 shares outstanding(2)	113,109	
Class B Convertible Voting Common Stock, $0.01 par value, 110,000 shares authorized and 79,114 shares outstanding(2)	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(3)	—	
Common stock, $0.01 par value, shares authorized and shares issued and outstanding(3)	—	
Additional paid-in capital	2,384	
Excess purchase price over predecessor basis	(202,116)	
Accumulated deficit	(550,519)	
Accumulated other comprehensive loss	(10,483)	
Stockholder notes receivable	(158)	
Total stockholders' equity (deficit)	(760,892)	
Total capitalization	$ 1,208,852	

(1) 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 long-term debt, less current portion and total debt by $ million and would increase (decrease) equity by $ million, assuming the number of shares offered by us, as set forth on the cover of this prospectus,

remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us. To the extent we raise more proceeds in this offering, we will pay down a greater portion of our first and second lien term loans. To the extent we raise less proceeds in this offering, we will reduce the amount we pay down of our first and second lien term loans.

(2) 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.

(3) 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, and our net tangible book value per share, on a pro forma basis after giving effect to the Corporate Reorganization but before giving effect to this offering, would be $ per share. Our net tangible book value per share represents the amount of our total tangible assets less total liabilities, divided by the total pro forma number of shares of common stock outstanding as of September 30, 2009, assuming the Corporate Reorganization had been completed as of that date. 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 as adjusted net tangible book value per share of common stock immediately after the completion of this offering.

After giving effect to (1) the conversion of our multiple outstanding series of capital stock into our common stock in the Corporate Reorganization, (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 and (3) the application of the net proceeds from this offering as described in "Use of proceeds," our pro forma as adjusted net tangible book value as of September 30, 2009 would have been approximately $, or $ per share. For more information on the number of common shares to be issued as a result of the Corporate Reorganization, see "Management's discussion and analysis of financial condition and results of operations—Corporate reorganization."

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	
Net tangible book value per share as of September 30, 2009	
Increase in net tangible book value per share attributable to the Corporate Reorganization	
Pro forma net tangible book value per share as of September 30, 2009(1)	
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(2)	
Dilution per share to new investors	

(1) Represents the net tangible book value per share after giving effect to the conversion of our multiple outstanding series of capital stock into our common stock in the Corporate Reorganization.

(2) Represents the net tangible book value per share after giving effect to the conversion of our multiple outstanding series of capital stock into our common stock in the Corporate Reorganization, the sale of our common stock in this offering at an assumed initial public offering price of $ per share and the application of the net proceeds of this offering.

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 as adjusted 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(10) (Restated)
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)	(53,652)
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)	(37,759)
Income (loss) before provision (benefit) for income taxes	60,698	122,017	18,306	(15,957)	(10,285)	(555,555)	(27,421)	31,431
Provision (benefit) for income taxes	476	726	5,519	—	(571)	400	12,769	324
Net income (loss)(6)	$ 60,222	$ 121,291	$ 12,787	$ (15,957)	$ (9,714)	$ (555,955)	$ (40,190)	$ 31,107
Income (loss) per share:								
Class A Common Stock(7)	n/m	n/m	n/m	(3,068)	(10,626)	(108,581)	(17,766)	(9,257)
Class B Common Stock(7)	n/m	n/m	n/m	139	1,051	1,148	850	938
Pro forma earnings per common share(8)								
Statement of cash flows data:								
Depreciation	4,570	5,046	4,654	936	6,181	7,168	5,286	5,818
Amortization	—	—	24	8,576	47,602	47,602	35,604	38,863
Expenditures for property and equipment	(12,802)	(7,029)	(6,225)	(720)	(13,191)	(5,186)	(3,877)	(2,902)

(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(10)
						(Restated)
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	$ 126,765
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(9)	—	—	685,667	747,070	843,451	878,205
Total liabilities and stockholders' equity(9)	$ 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) Includes the following items:

- for the year ended December 31, 2004, a $0.2 million non-cash charge related to losses on the sale of equipment and $2.5 million related to employee severance costs; and
- for the year ended December 31, 2005, a $0.4 million non-cash charge primarily related to losses on the sale of equipment, a $1.3 million cash gain related to adjustments to a deferred compensation plan and $0.5 million related to employee severance costs.

(7) 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.

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

(9) 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.

(10) For a description of the restatement to the unaudited consolidated financial statements for the nine months ended September 30, 2009, please see page F-45.

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 standby generators for the residential, industrial and commercial markets. As the only significant market participant focused exclusively on these products, we have one of the leading market positions in the standby generator market in the United States and Canada, having grown our revenues 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™.

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. Although there have been recent increases in product costs for installed standby generators in the residential and light-commercial markets (driven in the last two years by raw material costs), these costs have declined overall over the last decade, and 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.

Transactions with CCMP

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."

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 $24.0 million principal amount of this debt for additional shares of Class B Common Stock and $124.9 million principal amount of this debt for shares of our Series A Preferred Stock. The fair value of the shares of our Class B Common Stock and Series A Preferred Stock so exchanged was $18.2 million and $62.9 million, respectively. 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.

In connection with such issuances of our Class B Common Stock to affiliates of CCMP in connection with debt exchanges in 2007 and 2008 and the satisfaction of preemptive rights under the shareholders' agreement described in "Certain relationships and related persons transactions" that arose from such issuances, affiliates of CCMP sold some of the shares of our Class B Common Stock they were issued in connection with such debt exchanges to an entity affiliated with CCMP, certain affiliates of Unitas and certain members of our management and board of directors. In addition, in connection with such issuances of our Series A Preferred Stock to affiliates and CCMP in connection with debt exchanges in 2008 and 2009 and the satisfaction of preemptive rights under the shareholders' agreement that arose from such issuances, 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 an entity affiliated with CCMP and certain members of management and our board of directors, and affiliates of CCMP sold some of the shares of Series A Preferred Stock they were previously issued in connection with such debt exchanges to an entity affiliated with CCMP and a member of the board of directors at the same price.

Corporate reorganization

Our current 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, so that our Class B Common Stock is converted into the same class of our common stock that is to be offered in an initial public offering taking into account of the value, rights and preferences of our Class B Common Stock. In accordance with the terms of our current certificate of incorporation, at the time we enter into an underwriting agreement with respect to an initial public offering, each share of our Class B Common Stock will automatically convert into a number of shares of our Class A Common Stock equal to one plus the quotient obtained by dividing (i)(x) the amount paid for such share of Class B Common Stock plus (y) an increase to such amount equal to 10% per annum calculated and compounded quarterly on the basis of a 360-day year of twelve 30-day months and which increased amount shall be deemed to have accrued on a daily basis (i.e., the "Class B Return"), by (ii) the public offering price (net of 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 Class B Conversion will have occurred on , 2010, and, based on these assumptions, each share of our Class B Common Stock would convert into shares of our Class A Common Stock (i.e., the "Class B Conversion Ratio"). As a result of the Class B Conversion, we will issue an aggregate of shares of our Class A Common Stock.

Immediately following the Class B Conversion, we will effect a for one reverse stock split of our then outstanding shares of Class A Common Stock, including those shares of our Class A Common Stock issued as part of the Class B Conversion, which will decrease the number of shares of our Class A Common Stock immediately after the Class B Conversion from shares to shares. We refer to this as the "Reverse Stock Split."

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, so that our Series A Preferred Stock is converted into the same class of our common stock that is to be offered in an initial public offering taking into account of the value, rights and preferences of our Series A Preferred Stock. In accordance with the terms of the certificate of designations to our Series A Preferred Stock and our current certificate of incorporation, promptly following the time we enter into an underwriting agreement with respect to an initial public offering, each share of our Series A Preferred Stock will automatically convert into a number of shares of our Class A Common Stock equal to the sum of (A) the quotient obtained by dividing (i)(w) the amount paid for such share of Series A Preferred Stock plus (x) an increase to such amount equal to 14% per annum calculated and compounded quarterly on the basis of a 360-day year of twelve 30-day months and which increased amount shall be deemed to have accrued on a daily basis (the "Series A Preferred Return"), by (ii) the public offering price (net of underwriting discounts and commissions), plus (B) the product of (y) a fraction, the numerator of which is one and the denominator of which is the number of shares of our Series A Preferred Stock outstanding at such time, and (z) an additional number of shares of our Class A Common Stock that, when added to the number of shares of our Class A Common Stock outstanding at such time, including after giving effect to the Class B Conversion and the Reverse Stock Split, without giving effect to the issuance of Class A Common Stock pursuant to clause (A) above, would equal 24.3% of the number of shares of our Class A Common Stock outstanding at such time. 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 Series A Preferred Conversion will have occurred on , 2010, that the Class B Conversion and the Reverse Stock Split will have occurred, and, based on these assumptions, each share of our Series A Preferred Stock would convert into shares of our Class A Common Stock (i.e., the "Series A Preferred Conversion Ratio"). As a result of the Series A Preferred Conversion, we will issue an aggregate of shares of our Class A Common Stock. As discussed above, the Series A Preferred Return increases on a daily basis, and, accordingly, for each day that passes until an initial public offering, the number of shares of our Class A Common Stock into which our shares of Series A Preferred Stock would convert in connection with the Series A Preferred Conversion will increase by shares per day, assuming that the offering is completed on , 2010 with an offering price of $ per share, the mid-point of the range on the cover of this prospectus, with an equivalent decrease in the number of shares to be issued upon conversion of our Class B Common Stock and Class A Common Stock through an adjustment to the Reverse Stock Split ratio.

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 aggregate number of shares of Class A Common Stock into which our Series A Preferred Stock will convert by or , respectively.

Prior to the consummation of this offering and after giving effect to the Class B Conversion, the Reverse Stock Split and the Series A Preferred Conversion, there will be shares of Class A Common Stock which will be reclassified as common stock.

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

The Reverse Stock Split will be effected in a manner so that the ratio for the Reverse Stock Split at the time of the determination of the offering price for this offering in such a way that,

while the number of shares of Class A Common Stock to be issued to our Class B stockholders and our Series A Preferred stockholders in connection with the Class B Conversion and the Series A Preferred Conversion may change, relative to each other, from increases or decreases in the initial offering price, the absolute aggregate number of shares of common stock to be issued to existing holders as a result of the Corporate Reorganization and the ratio of the number of shares to be issued to existing shareholders to the number of shares to be issued to new investors in the offering will not change. The percentage of our outstanding common stock to be acquired by purchasers of common stock in connection with this offering is a function solely of the total number of shares of common stock to be issued in this offering and will not vary as a result of changes in the initial offering price.

Components of net sales and expenses

Net sales

Substantially all of our net sales are generated through the sale of our standby generators to the residential, commercial and industrial 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 $156.9 million as of September 30, 2009, 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. 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, and we believe that no further goodwill impairment is likely at this time.

In the long term, 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 (Restated)
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)	(37,759)
Income (loss) before provision (benefit) for income taxes	(27,421)	31,431
Provision (benefit) for income taxes	12,769	324
Net income (loss)	$ (40,190)	$ 31,107

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 $37.7 million, or 49.9%, to $37.8 million for the nine months ended September 30, 2009 from $75.4 million for the nine months ended September 30, 2008. This decrease was driven by a $27.8 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 $1.3 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 $31.1 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 $71.3 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 $19.2 million decrease in cash flows from net changes in operating assets and liabilities. Net changes in operating assets and liabilities were an increase of $36.8 million for the nine months ended September 30, 2009, driven by a $34.0 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.

In addition, our senior secured credit facilities provide us the option to raise incremental credit facilities, subject to certain limitations.

Covenant compliance

The senior secured credit facilities require Generac Power Systems to maintain a leverage ratio of consolidated total debt, net of unrestricted cash and marketable securities, to EBITDA (as 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. The more restrictive of the facilities is the first lien credit facility, which requires Generac Power Systems to have a leverage ratio of no greater than 6.75 to 1.00 in the fourth quarter of 2009 and in the first quarter of 2010, 6.50 to 1.00 in the second quarter of 2010, 6.25 to 1.00 in the third quarter of 2010, 5.75 to 1.00 in the fourth quarter of 2010 and the first quarter of 2011, 5.50 to 1.00 in the second quarter of 2011, 5.25 to 1.00 in the third quarter of 2011 and 4.75 to 1.00 in the fourth quarter of 2011 and thereafter. 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 maximum leverage ratio is a material term of our senior secured credit facilities in part because it is a maintenance covenant, and our compliance with the covenant is used in determining, among other things, the interest rate of the first lien credit facility, our ability to undertake business acquisitions, our ability to incur certain types of indebtedness and the maximum amount of dividends and distributions that our senior secured credit facilities permit us to pay to our stockholders, as described in more detail below.

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;
- 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;
- several of the adjustments that we use in calculating Covenant EBITDA, such as non-cash impairment charges, while not involving cash expense, do have a negative impact on the value of our assets as reflected in our consolidated balance sheet prepared in accordance with U.S. GAAP; and
- the adjustments for business optimization expenses, represent costs associated with severance and other items which are reflected in operating expenses and income (loss) from continuing operations in our consolidated statements of operations prepared in accordance with U.S. GAAP.

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
Net income (loss)	$ (9,714)	$ (555,955)	$ (484,658)
Interest expense	125,366	108,022	80,208
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(9)	158,148	129,858	153,672
Savings(10)	—	3,343	470
Equity cure(11)	—	15,319	—
Covenant EBITDA	$ 158,148	$ 148,520	$ 154,142
Leverage ratio covenant:			
Net debt(12)	$ 1,219,094	$ 1,051,350	$ 981,597
Ratio of consolidated net 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 for the step-up in book value of inventory as a result of the application of purchase accounting 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, which consisted primarily of the expense incurred by our Predecessor when grants under its Equity Appreciation Share Plan vested upon the change of control triggered by the CCMP Transactions, as described in Note 9 to our audited consolidated financial statements included elsewhere in this prospectus;

- for all periods after 2006, administrative agent fees and revolving credit facility commitment fees under our senior secured credit facilities;
- 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;" and
- for the twelve months ended September 30, 2009, $0.3 million in transaction costs relating to this offering.

(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) For a detailed explanation of Adjusted EBITDA, please see note 6 to the table contained under "Summary historical consolidated financial and other data."

(10) 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.

(11) 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.

(12) 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" (note 10) and "Equity cure" (note 11) 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, restrictions on Generac Power Systems' subsidiaries' ability to make capital expenditures. 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, in the case of the dollar basket, to compliance with a pro forma ratio of consolidated senior secured debt (as defined in the senior secured credit facilities), which is net of unrestricted cash and marketable securities and excludes the indebtedness under the second lien credit facility, to Covenant EBITDA not exceeding 3.00 to 1.00 under the more restrictive of the facilities and subject to the other 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.

The principal amount of the first lien term loan amortizes in equal installments of $2.375 million on the last date of each fiscal quarter through September 30, 2013, with a final payment of $875.081 million on November 10, 2013. Any amounts outstanding under the revolving credit facility are due on November 10, 2012. The principal amount of the second lien term loan facility is due on May 10, 2014.

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(2)	$ 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.

(2) Pension obligations are excluded from this table as we are unable to estimate the timing of payment due to the inherent assumptions underlying the obligation. The minimum required contribution to our pension plans is expected to be $0 in 2010.

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 and approximately 4% of net sales for the nine months ended September 30, 2009. The amount financed by dealers which remained outstanding was $7.5 million as of December 31, 2008 and $1.3 million as of September 30, 2009. 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 and excluding related accrued interest was a liability of $7.3 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, commercial and industrial end markets. We estimate that the generator market in the United States and Canada was at least $3.3 billion in 2008, with a global generator market (including prime generators used as a primary power source) estimated to be over $11 billion in 2008, based on data from Frost & Sullivan and other sources. The residential standby and portable market in the United States and Canada, which we estimate to be approximately $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.

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 installed standby generator market has grown at an approximate 16% CAGR from 2003 to 2008. 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.

In addition, in the light-commercial market, 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 60kW) are expected to grow at a faster rate than diesel generators. 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 standby generators for the residential, industrial and commercial markets. As the only significant market participant focused exclusively on these products, we have one of the leading market positions in the standby generator market in the United States and Canada, having grown our revenues 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™.

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 installed 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%, primarily based on internally generated data. 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 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, based on management's experience and publicly available information concerning our competitors, which, in general, do not focus exclusively on the generator business. 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 $156.9 million balance of net operating losses as of September 30, 2009.

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 giving effect to grants of stock options and restricted shares to be made in connection with this offering.

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 installed 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 installed 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. In connection with our sale of Generac Portable Products to the Beacon Group, we granted the Beacon Group a perpetual license for the use of the "Generac Portable Products" trademark for certain products. While the continued existence of this license means that a third party may have the right to use this trademark, given the limited scope of use and the protections against inappropriate use of the trademark provided in the license, we do not believe this license will have a material impact on our operations or future results. 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 our non-compete agreement with the Beacon Group entered into in connection with the aforementioned Beacon Group transaction. Today, we manufacture a full line of 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. We classify our products into three classes based on similar range of power output and similar primary customer usage: residential power products; industrial and commercial power products;

and other products. The following summary outlines our portfolio of products, including their key attributes and customer applications.

Residential power products

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, which we also manufacture. 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.

Residential power products comprised 62.7%, 55.2% and 57.9%, respectively, of total net sales in 2006, 2007, and 2008.

Industrial and commercial power products

Our light-commercial product line includes a full range of affordable generators from 22kW to 150kW and related transfer switches, 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 and related transfer switches. 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.

Industrial and commercial power products comprised 28.4%, 37.0% and 36.2%, respectively, of total net sales in 2006, 2007 and 2008.

Other power products

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. We also sell air-cooled engines to third-party equipment OEMs and sell after-market service parts to our dealers.

Other power products comprise 8.9%, 7.8% and 5.9%, respectively, of total net sales in 2006, 2007 and 2008.

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 and additionally at our technical center in Suzhou, China 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 42 U.S. issued patents, two internationally issued patents, one U.S. patent application, one international patent application, 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 2012 and January 2027 and protect certain features and technologies we have developed for use in our products including fuel systems, air flow, electronics and controls, noise reduction and air-cooled engines. 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. Some of our products carry warranties for longer periods. 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	264,000	Corporate headquarters and manufacturing of water-cooled generators and transfer switches
Eagle, WI	Owned	236,000	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	196,000	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 January 2010. 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 and as a director since November 2006. 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 Performance Polymers, Inc., 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 Performance Polymers, Inc.

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.

Messrs. Murray, Walsh and McKenna were elected to our board of directors pursuant to the shareholders agreement described in "Certain relationships and related person transactions—Shareholders agreement."

Director compensation

For 2008, Mr. Bowlin received $50,000 in board fees; none of our other directors received any director compensation for 2008. For 2009, Mr. Bowlin received $50,000 in board fees and Mr. Goldstein received $18,333; none of our other directors received any director compensation for 2009. Mr. David Grizzle was a director for part of 2009. During that time, he received $12,500 in board fees. Mr. Grizzle is no longer serving on our board of directors.

Following the consummation of this offering, the members of the board of directors will be compensated for their services as directors, through board fees of $50,000 per year, paid on a quarterly basis, for so long as they serve as directors, annual stock grants with a value of $50,000, and reimbursement for out-of-pocket expenses incurred in connection with rendering such services. The chairman of the audit committee will receive an annual retainer of $15,000 in cash and the chairman of the compensation committee will receive an annual retainer of $10,000 in cash. 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	Senior Vice President, Marketing
Allen Gillette	53	Senior Vice President, Engineering
Roger Schaus, Jr.	55	Senior Vice President, Service Operations
Roger Pascavis	49	Senior Vice President, Operations
Terrance J. Dolan*	44	Senior Vice President, Sales

* Mr. Dolan has accepted his position with us and is expected to commence work on January 18, 2010.

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 Vermont American, a division of Robert Bosch Tool Corporation. From 1994 to 2000, Mr. Feng was the Director of Marketing at Mast Lock Company. Mr. Feng holds an M.B.A from the University of Chicago School of Business, a B.S. in Chemical Engineering from Stanford University.

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 a 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.

Terrance J. Dolan has accepted a position to serve as our Senior Vice President, Sales beginning on January 18, 2010. Prior to joining Generac, Mr. Dolan was Senior Vice President of Business Development and Marketing at Boart Longyear, Vice President of Sales and Marketing at Ingersoll Rand, and Director of Strategic Accounts at Case Corporation. Mr. Dolan holds a B.A. in Management and Communications from Concordia University.

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 has engaged Hewitt Associates LLC, or Hewitt, as its independent compensation consultant. In that role, Hewitt has supplied the committee with compensation data from its Total Compensation Management database relating to compensation paid to executives at similar sized public companies which operate in Generac's industry. Hewitt has provided 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 equity 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, with the advice of Hewitt, 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, considers our prior performance and our relative shareholder return and sets the compensation levels of the named executive officers based on that evaluation. In addition, the Chief Executive Officer and Vice President of Human Resources provide the compensation committee with additional analyses and recommendations which reflects such factors as level of experience, time at position and applicable skillset as to the compensation of the named executive officers, although neither the Chief Executive Officer nor the Vice President of Human Resources makes recommendations about his/her own compensation to the compensation committee. 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 aggregated data with respect to industrial machinery and equipment manufacturing companies but which do not include specific data for the individual companies included in the dataset. The independent consultants gather data from both large and small companies and adjust the dataset to present the information, eliminating the impact of company size. The compensation committee does not know the identities of the companies included in the dataset. Once the compensation committee has determined appropriate compensation levels for the named executive officers, the compensation committee uses the data to confirm that compensation levels are reasonable based on that data. Although it does not set specific benchmarks for reasonable compensation levels based on the dataset, the compensation committee would generally view compensation to be reasonable if it is within 35% of the range as presented in the dataset after considering the factors described above. Although the compensation committee reviews this data by position annually and attempts to award salaries that are reasonable in light of such data, the compensation committee does not identify a specific peer group for the purpose of benchmarking executive compensation. In the future, we anticipate that the compensation committee may elect to identify a peer group of specified companies in consultation with Hewitt for purposes of establishing the compensation of the named executive officers and other senior executive officers.

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. 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, and provide their recommendation for base salary adjustments. Once the compensation committee has determined the appropriate adjustment based on its subjective assessment of individual performance, the compensation committee uses databases containing aggregated information maintained by two independent consulting companies to confirm that

base salary levels are reasonable in light of that data. The compensation committee does not, however, compare the executive's compensation to compensation levels at other specifically identified companies. Additionally, in making subjective evaluations of the overall performance of named executive officers, the compensation committee considers the performance from the perspective of 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. On December 29, 2009, the compensation committee approved an adjustment to Mr. Feng's base salary to $230,000 upon his appointment as Senior Vice President, Marketing.

Annual bonus: incentive compensation plan

In 2009 and prior years, the named executive officers were 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.

In prior years, the compensation committee measured performance based upon the achievement of Adjusted EBITDA targets selected by the compensation committee using a target earnings before interest, taxes, depreciation and amortization factor, or Target EBITDA Factor. 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 our Adjusted EBITDA. A participant's annual bonus is the product of his or her Target Bonus Level, multiplied by our Target EBITDA Factor achieved, multiplied by his or her base salary.

For the bonus year ended December 31, 2008, our earnings before interest, taxes, depreciation and amortization was 72.7% of Adjusted 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.

Annual performance bonus plan

After the consummation of this offering, Section 162(m) of the Internal Revenue Code will impose a limit on the amount that we may deduct for compensation paid to our CEO and certain other executive officers. This limitation does not apply to compensation that meets the requirements under Section 162(m) for "qualified performance-based" compensation. Prior to the consummation of this offering, our shareholders will approve the Generac Holdings Inc. Annual Performance Bonus Plan, or the Annual Bonus Plan. The Annual Bonus Plan has been drafted to comply with and is intended to be administered in compliance with the requirements of Section 162(m) of the Code. The Annual Bonus Plan is designed to ensure that executive compensation paid pursuant to the Annual Bonus Plan is "qualified performance-based compensation" and deductible for federal income tax purposes. Initially we will rely on a transition exemption from Section 162(m) for the Annual Bonus Plan that applies to compensation plans adopted prior to an initial public offering. The transition exemption for the Annual Bonus Plan will terminate at the time of our annual meeting that occurs after the third calendar year following the year of our initial public offering or, if earlier, at the time we materially modify the Annual Bonus Plan.

Summary of material features of the annual bonus plan. The purpose of the Annual Bonus Plan is to motivate and reward superior short-term performance through the payment of cash award amounts based upon pre-established performance metrics. Under the Annual Bonus Plan, each participating employee's bonus is based upon the level of achievement of performance metrics established by our compensation committee. In general, performance periods are expected to be one year in length and coincident with our fiscal year. Pursuant to the plan, bonuses will only be paid to the extent that the short-term performance metrics are achieved.

The Annual Bonus Plan is administered by our compensation committee. Any of our employees may be selected by the compensation committee to participate in the Annual Bonus Plan. In its discretion, the committee may add or remove participants from the Annual Bonus Plan at any time during a performance period or otherwise, subject to the requirements of Section 162(m).

Performance metrics may be based on one or more financial, strategic and operational business criteria specified in the Annual Bonus Plan. The Annual Bonus Plan provides that such criteria may be determined with respect to Generac, or any division or business unit thereof, alone or in combination. Goals need not be the same for all participants and may change from year to year, as long as they are based on the performance criteria specified in the Annual Bonus Plan. This flexibility permits us to maintain alignment with our business strategy and respond to changing market conditions, while maintaining focus on financial measures.

Following the completion of each performance period, our compensation committee will review the performance of the participating employees against the established performance goals. Cash bonus awards are paid after our compensation committee has determined the extent to which the performance goals have been achieved. The Annual Bonus Plan allows the compensation committee to reduce but not increase the amount of an award that is otherwise payable to a participant upon achievement of the performance goals. The Annual Bonus Plan specifies that payments will be in a lump sum and will be made no later than the date that is two and one-half months following the close of the fiscal year in which such bonus was earned. Section 162(m) requires that the Annual Bonus Plan contain a limit on the amount any

one participant may receive in order for bonuses to be tax deductible to us. The maximum bonus that may be paid to any employee in any fiscal year under the Annual Bonus Plan is $2,000,000.

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%.

Executive compensation

Summary compensation table

The following table shows compensation information for 2008 and 2009 for our named executive officers.

Name and principal position	Year	Salary ($)	Stock awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(1)	Change in pension value ($)(1)	Total ($)(1)
Aaron Jagdfeld	2009	400,000	9,936	N/A	N/A	N/A
Chief Executive Officer	2008	400,000	9,936	—	28,334	438,270
York Ragen	2009	183,086	493	N/A	N/A	N/A
Chief Financial Officer	2008	153,740	497	—	2,992	157,229
Dawn Tabat	2009	450,000	9,936	N/A	N/A	N/A
Chief Operating Officer, Executive Vice President and Secretary	2008	450,000	9,936	—	101,862	561,798
Clement Feng	2009	270,000	2,484	N/A	N/A	N/A
Senior Vice President, Marketing	2008	263,846	2,484	2,000	10,620	278,950
Roger Schaus, Jr.	2009	206,611	994	N/A	N/A	N/A
Senior Vice President of Service Operations	2008	200,377	994	—	59,643	261,014

(1) N/A—The amount of bonuses and the actuarial determinations of pension value for fiscal 2009 have not yet been determined.

(2) Represents the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Compensation—Stock Compensation*, but disregarding estimates of forfeitures related to service-based vesting conditions. There were no forfeitures of restricted stock held by the named executive officers during fiscal 2009 or fiscal 2008. The compensation disclosed consists of the amortization expense resulting from the purchase of restricted shares of Class A Common Stock by named executive officers at a discount from fair market value.

At December 31, 2009, the number of restricted shares of Class A Common Stock held by Messrs. Jagdfeld, Ragen, Feng and Schaus and Ms. Tabat were 1,558.335, 77.9167, 0, 155.8335 and 1,558.335, respectively. Assuming the Corporate Reorganization had occurred and this offering was completed at an initial offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus, these shares would have had a value of $, $, $, $ and $, respectively.

Grants of plan-based awards in 2008 and 2009

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.

Name	Year	Grant date	Estimated future payouts under non-equity incentive plan awards			Estimated future payouts under equity incentive plan awards			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 ($/Sh)	Grant date fair value of stock and option awards
			Threshold	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Aaron Jagdfeld	2009	—	—	280,000	420,000	—	—	—	—	—	—	—
	2008	—	—	280,000	420,000	—	—	—	—	—	—	—
York Ragen	2009	—	—	172,550	258,825	—	—	—	—	—	—	—
	2008	—	—	115,500	173,250	—	—	—	—	—	—	—
Dawn Tabat	2009	—	—	315,000	472,500	—	—	—	—	—	—	—
	2008	—	—	315,000	472,500	—	—	—	—	—	—	—
Clement Feng	2009	—	—	162,000	243,000	—	—	—	—	—	—	—
	2008	—	—	162,000	243,000	—	—	—	—	—	—	—
Roger Schaus, Jr.	2009	—	—	103,306	154,958	—	—	—	—	—	—	—
	2008	—	—	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." We have not yet determined the exact amount payable in 2009.

Outstanding equity awards at fiscal year-end

The following table sets forth information regarding outstanding equity awards held by our named executive officers as of December 31, 2009:

Name	Number of shares of restricted Class A Common Stock that have not vested(1)	Market value of restricted shares of Class A Common Stock that have not vested($)(2)
Aaron Jagdfeld	973.9593	
York Ragen	48.6979	
Dawn Tabat	973.9593	
Clement Feng	—	
Roger Schaus, Jr.	97.3959	

(1) These restricted shares of Class A Common Stock were purchased under our 2006 Equity Incentive Plan and are scheduled to vest as described under "—Vesting of restricted shares under the 2006 Equity Incentive Plan."

(2) The market value of the unvested Class A Common Stock was determined as of December 31, 2009 assuming the Corporate Reorganization had occurred and that this offering was completed at an initial offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus.

Stock vested in 2009

The following table sets forth information regarding the restricted stock held by our named executive officers that vested during fiscal 2009:

Name	Number of shares of restricted Class A Common Stock acquired on vesting	Value realized on vesting ($)
Aaron Jagdfeld	194.7919	
York Ragen	9.7396	
Dawn Tabat	194.7919	
Clement Feng	—	
Roger Schaus, Jr.	19.4792	

2010 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. We intend to file a registration statement on Form S-8 covering the shares issuable under the Omnibus Plan.

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.

Forms of award agreements

We intend to grant options and restricted shares to certain of our employees, including our named executive officers, in connection with this offering. Generally, the options will vest in equal installments on each of the first five anniversaries of the date of grant, subject to the grantee's continued employment, such that 20% of the option vests on each such anniversary. In general the restricted shares will vest in full on the third anniversary of the date of grant, subject to the grantee's continued employment.

In the event a grantee's employment is terminated without Cause within one year following a Change of Control, the options and restricted shares generally vest in full. In the event of

termination of employment for any other reason, the unvested portion of the awards is forfeited.

"Cause" is defined as the grantee's: (a) material breach of any of the grantee's obligations under any written agreement with us; (b) material violation of our policies, procedures, rules and regulations applicable to our employees; (c) failure to reasonably and substantially perform his or her duties to us; (d) willful misconduct or gross negligence causing or reasonably expected to cause material injury to us; (e) fraud or misappropriation of funds; or (f) commission of a felony or crime involving moral turpitude. If the grantee has an employment agreement containing a different definition of cause, the definition of cause in the employment agreement will control.

"Change of Control" is defined as an event or series of events resulting in any of the following: (a) the acquisition of at least 50% of the total fair market value or total voting power of our stock by any person or group, other than our subsidiaries and certain of our affiliates; (b) a change in the composition of our board of directors such that during any twelve-month period at least a majority of our incumbent board members cease to be members of the board, provided, that, any new director whose election or nomination is approved by a majority of our incumbent board members shall be deemed to be a member of the incumbent board; or (c) the acquisition of at least 50% of the total fair market value of our assets by any person or group, other than our subsidiaries and certain of our affiliates.

Initial grants

The following table shows the outstanding equity awards that we expect will be held by each of the named executive officers immediately following the closing of this offering, taking into account anticipated grants of new equity awards. All amounts are denominated in shares of common stock.

Name	Options granted in connection with the IPO(1)	Restricted shares granted in connection with the IPO
Aaron Jagdfeld		
York A. Ragen		
Dawn Tabat		
Clement Feng		
Roger Schaus, Jr.		

(1) The exercise price for these options will equal the price shown on the cover of this prospectus. The grant date for these options will be the day before our shares of common stock commence trading.

Pension benefits for 2008 and 2009

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

information for fiscal 2008 because the present value of accumulated benefits for fiscal 2009 has not yet been determined.

Name	Plan Name	Year	Number of years credited service	Present value of accumulated benefit(1)(2)	Payments during last fiscal year
Aaron Jagdfeld	Generac Power Systems Inc.	2009	14.0	N/A	—
	Salaried, Technical & Clerical Employees Pension Plan	2008	14.0	86,200	—
York Ragen	Generac Power Systems Inc.	2009	3.0	N/A	—
	Salaried, Technical & Clerical Employees Pension Plan	2008	3.0	9,397	—
Dawn Tabat	Generac Power Systems Inc.	2009	36.0	N/A	—
	Salaried, Technical & Clerical Employees Pension Plan	2008	36.0	747,079	—
Clement Feng	Generac Power Systems Inc.	2009	1.0	N/A	—
	Salaried, Technical & Clerical Employees Pension Plan	2008	1.0	10,620	—
Roger Schaus, Jr.	Generac Power Systems Inc.	2009	20.0	N/A	—
	Salaried, Technical & Clerical Employees Pension Plan	2008	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) N/A—The present value of accumulated benefits for fiscal 2009 has not yet been determined.

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, vacation pay 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 they have not entered into employment agreements, Mr. Ragen and Mr. Schaus have signed Non-Competition Agreements. Our salary and bonus arrangements with Mr. Ragen and Mr. Schaus 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 December 29, 2009 that changed Mr. Feng's position to Senior Vice President, Marketing and granted Mr. Feng a one-time bonus payment of $10,000. Pursuant to the employment letter, Mr. Feng is eligible to participate in the Executive Incentive Compensation Plan and other employee benefit programs offered by us. In addition, on December 28, 2009, Mr. Feng received a special cash bonus in the aggregate amount of $219,742, a portion of the proceeds from which were used to satisfy a loan Mr. Feng owed to Generac Power Systems, as described under "Certain relationships and related party transactions—Loans to executive officers."

It is anticipated that Mr. Terrance Dolan will begin employment with us on January 18, 2010 as Senior Vice President, Sales. In connection with this position, it is anticipated that Mr. Dolan will enter into an employment letter providing for a bi-weekly salary of $9,230.77, health insurance benefits, a relocation sign-on bonus of $50,000 and relocation assistance expenses. Mr. Dolan will be eligible to participate in our Annual Bonus Plan with a target bonus of 30% and an opportunity to earn up to 90% of his base salary annually, and he will be eligible to participate in our Omnibus Plan. Mr. Dolan's employment letter also will provide for salary and benefit continuation for a twelve-month period commencing on his termination date, in the event he is terminated without cause.

Vesting of restricted shares under the 2006 Equity Incentive Plan

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 in 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.

Before giving effect to the vesting upon consummation of this offering described at the end of this section, the other half of the restricted shares, or Performance Vesting 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 in control of Generac that results in a quotient equal or greater than two when the aggregate net proceeds received by CCMP, Unitas Capital Pte. Ltd. and Unitas Capital Consulting Company, Ltd., together, 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.

The following table sets forth, for each named executive officer, the number of restricted shares that would have vested if a change in control had occurred on December 31, 2009

resulting in the full vesting of all restricted shares of Class A Common Stock, including Time Vesting Shares and the value of such restricted shares that would have vested on an accelerated basis, assuming the Corporate Reorganization had occurred and this offering was completed at an initial offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus:

Name	Shares of Class A Common Stock that would have vested on an accelerated basis upon a change in control on December 31, 2009	Shares of common stock to be issuable upon Corporate Reorganization in exchange for restricted shares subject to accelerated vesting upon a change in control on December 31, 2009	$ value
Aaron Jagdfeld			
York A. Ragen			
Dawn Tabat			
Clement Feng			
Roger Schaus, Jr.			

If a change in control had occurred on December 31, 2009, 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 in control transaction would have depended on the price paid by the purchaser in such transaction.

In addition, as disclosed under "Certain relationships and related person transactions—Shareholders agreement," under certain circumstances, we have the right to purchase shares owned by our employees or management shareholders. The following table shows the estimated amounts that we could pay to our named executive officers for the shares of common stock held by such named executive officer, assuming the completion of our initial public offering at a public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus, the completion of the Corporate Reorganization, the full vesting of all restricted shares held by such named executive officer and the termination for cause or the violation of any non-competition or non-solicitation covenant by such named executive officer as of the date of our initial public offering.

Name	Number of shares	Potential payment per share(1)	Total potential payment
Aaron Jagdfeld			
York A. Ragen			
Dawn Tabat			
Clement Feng			
Roger Schaus, Jr.			

(1) The Shareholders Agreement provides that the price that we are entitled to pay for shares purchased as a result of termination for cause or as the result of a violation of any non-competition or non-solicitation covenant is the lesser of the fair market value of the shares or the price paid for such shares.

The Board of Directors approved, contingent upon consummation of this offering, the vesting in full of Performance Vesting Shares that were issued pursuant to the 2006 Equity Incentive Plan. The number of restricted shares of Class A Common Stock held by Messrs. Jagdfeld, Ragen, Feng and Schaus and Ms. Tabat that will automatically vest are , , , , and , respectively.

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 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—Vesting of restricted shares under the 2006 Equity Incentive Plan."

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. In connection with the CCMP Transactions, in November 2006, certain of our executives and former executives purchased our Class B Common Stock. For a description of these purchases, see "—CCMP transactions."

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. This contribution was made by affiliates of CCMP, and the proceeds were used to cure a default under the leverage ratio covenant of our senior secured credit facilities. For a description of our senior secured credit facilities and the leverage ratio, see "Management's discussion and analysis of financial condition and results of operations—Liquidity and capital resources—Senior secured credit facilities—Covenant compliance."

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 for an aggregate purchase price of $77,608,845. 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 addition to the sales made to related persons in connection with the satisfaction of preemptive rights described under "Preemptive rights" below, in September 2009, affiliates of CCMP sold 20.0000 shares of Series A Preferred Stock to Barry Goldstein for $200,000. Mr. Goldstein is currently serving on our board of directors.

Sales of Class A Nonvoting Common Stock. In connection with the CCMP Transactions, in November 2006, certain of our executives and former executives purchased our Class A Common Stock. For a description of these purchases, see "—CCMP transactions."

In December 2007, we issued 389.5799 shares of our Class A Nonvoting Common Stock to Clement Feng for the purchase price of $132,987. Mr. Feng is an executive officer.

Preemptive rights. Pursuant to the preemptive rights provisions in the Shareholders Agreement, with respect to certain new issuances of equity securities by us, each of our shareholders 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 us. Under the Shareholders Agreement, we had the right to offer and sell equity securities to CCMP without first complying with the preemptive rights provisions, provided that our other stockholders were subsequently afforded the opportunity to purchase an amount of such equity securities equal to the number of shares that would have been offered for sale to such other investors had the preemptive rights initially been complied with. 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. In

connection with these issuances and with the satisfaction of the preemptive rights related to these issuances, in December 2007, CCMP Generac Co-Invest, L.P., Unitas, Aaron Jagdfeld, Allen Gillette, Roger Schaus, Jr., John D. Bowlin, Edward A. LeBlanc and Harry Hornish (a former member of our board of directors) exercised their preemptive rights and purchased 3,234.5317, 1,136.2524, 33.1304, 1.9106, 6.0000, 13.6350, 15.9075 and 27.5750 shares of our Class B Common Stock, respectively, from affiliates of CCMP and such affiliates of CCMP were paid an approximate aggregate of $33,720,000 in connection with such purchases. In addition, preemptive rights were available in connection with the issuances of Series A Preferred Stock to affiliates of CCMP from December 2008 to July 2009. In connection with these issuances and the satisfaction of the preemptive rights related to these issuances, 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, and CCMP Generac Co-Invest, L.P. purchased 444.0373 shares from affiliates of CCMP for an aggregate purchase price of $4,440,373. Messrs. Bowlin and LeBlanc are currently serving on our board of directors. Messrs. Jagdfeld, Schaus, Gillette and Ragen are executive officers. 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 our former chief executive officer.

Loans to executive officers

In December 2007, Generac Power Systems loaned Clement Feng, our Senior Vice President, Marketing, $132,987. We made the loan to facilitate Mr. Feng's purchase of 389.5799 shares of our Class A Nonvoting Common Stock, and such shares were pledged as collateral to secure the loan. The principal amount of the loan was due on December 27, 2010, and the interest rate on the loan was 5.25% per annum. This loan is classified as a reduction to stockholders' equity in the consolidated statements of redeemable stock and stockholders' equity (deficit). On December 28, 2009, pursuant to a letter agreement, Mr. Feng received a special cash bonus from us in the aggregate amount of $219,742, from which we applied $147,337 to repay and discharge in full our loan to Mr. Feng. Additionally, Mr. Feng transferred to us the 389.5799 shares of Class A Nonvoting Common Stock that were pledged as collateral to secure the loan.

Consulting agreements

On September 30, 2008, Edward LeBlanc resigned as interim Chief Executive Officer. Upon his resignation from the company, Mr. LeBlanc entered into a separation agreement with us, which provides for 19 months of continuing medical and dental coverage ($12,965 value). In connection with the separation agreement, Mr. LeBlanc agreed to provide consulting services from October 1, 2008, with an annual fee of $150,000. Mr. LeBlanc's consulting arrangement under the separation agreement terminated as of December 31, 2009.

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. Roger Schaus, Jr., Roger Pascavis, Allen Gillette, York A. Ragen, Dawn Tabat, Aaron Jagdfeld and William Treffert and trusts affiliated with Mr. Treffert purchased 19.6805, 62.0208, 6.0104, 17.3403, 3869.8859, 1446.8053 and 3920.2079 shares of our Class B Common Stock, respectively, from us for an approximate aggregate purchase price of $93,420,000. Messrs. Schaus, Pascavis, Gillette, Ragen, Jagdfeld, Ms. Tabat and a trust affiliated with William Treffert purchased 155.8335, 233.7502, 116.8751, 77.9167, 1,558.3350, 1,558.3350 and 2337.5024 shares of our Class A Common Stock, respectively, from us for an approximate aggregate purchase price of $2,060,000. Messrs. Schaus, Pascavis, Gillette, Ragen, and Jagdfeld and Ms. Tabat are executive officers. Mr. Treffert is our former chief executive officer.

Our executive officers who owned stock in the Predecessor received the same consideration for their holdings in the CCMP Transactions as other shareholders of the Predecessor. At November 2006, Dawn Tabat and trusts affiliated with Ms. Tabat held 3,100 shares of the stock of the Predecessor, and William Treffert, our former chief executive officer, and trusts affiliated with Mr. Treffert held 4,500 shares of the stock of the Predecessor.

For additional 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 and Generac Power Systems will enter into indemnification agreements with each of our and its 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 December 31, 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 December 31, 2009 after giving effect to our Corporate Reorganization and shares 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(3)		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 shares held by the CCMP Capital Funds and Generac Co-Invest. Voting and disposition decisions at CCMP Capital with respect to such shares are made by an investment committee, the members of which are Stephen Murray, Greg Brenneman and Timothy Walsh.

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. 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.

Each of Messrs. Murray, Walsh, McKenna and Brenneman disclaims any beneficial ownership of any shares beneficially owned by the CCMP Capital Funds or Generac Co-Invest.

(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 shares held by the AOF Funds. Voting and disposition decisions at Unitas with respect to such shares are made by an investment committee, the members of which are Kei Chua, Stephen King, John Lewis, Andrew Liu, Anurag Mathur, Ajeet Singh and Eugene Suh. Each of Messrs. Chua, King, Lewis, Liu, Mathur, Singh and Suh disclaims any beneficial ownership of any shares beneficially owned by the AOF Funds.

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.

(3) The final allocation of shares of our common stock to be held by our existing shareholders upon completion of the Corporate Reorganization is subject to change based on the date of our initial public offering and the public offering price. However, the aggregate number of shares held by all existing shareholders is not subject to change. For more information, see "Management's discussion and analysis of financial condition and results of operations—Corporate reorganization."

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 500,000,000 shares of common stock, par value $0.01 per share, and 50,000,000 shares of preferred stock, par value $0.01 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. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. 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 out of legally available funds 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—Shareholders agreement" 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. Our board of directors has not authorized the issuance of any shares of preferred stock, and we have no agreements or current plans for the issuance of any shares of preferred 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.

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 two 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 amended and restated certificate of incorporation 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 affiliates of CCMP own at least 50% of our outstanding common stock or 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 amended and restated certificate of incorporation 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 90th day nor earlier than the 120th day prior to the anniversary date of the preceding annual meeting, except that if the annual meeting is not within 30 days before or 60 days after the date contemplated at the time of the previous year's proxy statement, we must receive the notice not earlier than the 120th day prior to such annual meeting and not later than the 90th day prior to such annual meeting. If a public announcement of the date of such annual meeting is made fewer than 100 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. These provisions may preclude stockholders from bringing matters before an annual or special meeting of stockholders or from making nominations for directors at an annual or special meeting of stockholders.

Amendment to bylaws and certificate of incorporation. Any amendment to our amended and restated certificate of incorporation must first be approved by a majority of our board of directors and (i) if required by law, thereafter be approved by a majority of the outstanding shares entitled to vote on the amendment or (ii) if related to provisions regarding the classification of the board of directors, the removal of directors, stockholder action by written consent, the ability to call special meetings of stockholders, indemnification, corporate opportunities or the amendment of our bylaws or certificate of incorporation, thereafter be

approved by 66 2/3% of the outstanding shares entitled to vote on the amendment. Our bylaws may be amended (x) 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 or (y) by the affirmative vote of at least 66 2/3% of the outstanding shares entitled to vote on the amendment, without further action by our board of directors.

Authorized but unissued shares. The authorized but unissued shares of our common stock and our preferred stock will be available for future issuance without any further vote or action by our stockholders. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of our common stock and our preferred stock could render more difficult or discourage an attempt to obtain control over us by means of a proxy contest, tender offer, merger or otherwise.

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 or DGCL, which relate to business combinations with interested stockholders, do not apply to us. Section 203 of the DGCL prohibits a publicly held Delaware corporation from engaging in a business combination transaction with an interested stockholder (a stockholder who owns more than 15% of our common stock) for a period of three years after the interested stockholder became such unless the transaction fits within an applicable exemption, such as board approval of the business combination or the transaction that resulted in such stockholder becoming an interested stockholder. These provisions would apply even if the business combination could be considered beneficial by some shareholders. By opting out of Section 203 of the DGCL, a stockholder that becomes an interested stockholder will be able to engage in a business combination transaction with us without prior board approval.

Corporate opportunities

Our certificate of incorporation will provide that CCMP and its affiliates have no obligation to offer us an opportunity to participate in business opportunities presented to CCMP or its respective affiliates even if the opportunity is one that we might reasonably have pursued (and therefore may be free to compete with us in the same business or similar businesses), and that neither CCMP nor its respective affiliates will be liable to us or our stockholders for breach of any duty by reason of any such activities unless, in the case of any person who is a director or officer of our company, such business opportunity is expressly offered to such director or officer in writing solely in his or her capacity as an officer or director of our company.

Listing

We have applied 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 Computershare Trust Company, N.A.

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.

Registration rights

Upon the completion of the Corporate Reorganization and the closing of this offering, the holders of an aggregate of shares of our common stock issued upon the consummation of the Corporate Reorganization, will be entitled to rights with respect to the registration of these shares under the Securities Act based on an assumed initial public offering price per share of $, the mid-point of the range set forth on the cover of this prospectus. Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of registration, except for shares purchased by affiliates. For more information, see "Certain relationships and related person transactions—Shareholders agreement."

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 have applied to have our common stock listed on the NYSE under the symbol "GNRC." In order to meet one of the requirements for listing our common stock on the NYSE, the underwriters have undertaken to sell lots of our common stock in the offering such that, upon consummation of the offering, the underwriters expect that there will be at least 400 beneficial U.S. stockholders holding 100 shares or more of our common stock each and at least 1,100,000 publicly-held shares of our common stock outstanding in the United States having a market value of at least $40,000,000.

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. The Company manages and evaluates its operations as one segment primarily due to similarities in the nature of the products, production processes and methods of distribution. 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.

The Company's product offerings consist primarily of power products with a range of power output. Residential power products and industrial & commercial power products are each a similar class of products based on similar power output and customer usage.

	Year ended December 31,		Successor	Predecessor
(Dollars in thousands)	2008	2007	Period from November 11, 2006 through December 31, 2006	Period from January 1, 2006 through November 10, 2006
Residential power products	$ 332,618	$ 306,741	$ 43,092	$ 383,809
Industrial & Commercial power products	207,861	205,759	24,210	168,672
Other	33,750	43,205	6,808	53,768
Total	$ 574,229	$ 555,705	$ 74,110	$ 606,249

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.

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 to Series A Preferred stockholders as follows: 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). No distribution shall be made to any holder of common stock until the Series A Preferred stockholders have received all distributions to which they are entitled as previously described. After such distributions are made to the Series A Preferred stockholders, the holders of common stock shall be entitled to receive any remaining payments or distributions in accordance with their respective priorities.

Liquidations: Distributions in connection with any liquidation or change of control transaction would be made in accordance with the distributions described above. No distribution shall be made to any holder of common stock until the Series A Preferred stockholders have received all distributions to which they are entitled as described above. After such distributions are made to the Series A Preferred stockholders, the holders of common stock shall be entitled to receive any remaining payments or distributions in accordance with their respective priorities.

Conversion: Series A Preferred shares automatically convert into Class A common 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) will be converted into 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 common 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 common share at the time of conversion plus (ii) the number of Class A common shares required to be issued to satisfy the Series A Equity Participation. The number of shares of Class A common stock which will be issued upon conversion of the Series A Preferred 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 of the Series A Preferred Stock.

The Series A Preferred are redeemable in a deemed liquidation in the event of a change of control. The redemption features are considered to be outside the control of the Company and therefore, all shares of Series A Preferred stock are recorded outside of permanent equity in accordance with guidance originally issued under EITF Topic D-98, *Classification and Measurement of Redeemable Securities* (codified under Accounting Standards Codification 480, *Distinguishing Liabilities from Equity)*. No adjustment to the carrying value of the Series A Preferred stock securities has been recorded, and the priority returns have not been accreted as a change of control is not probable.

Common stock

Class B Convertible common stock: Class B 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% 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.

Voting: 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: After payment of the priority return to Series A Preferred shareholders previously described above under Preferred Stock, dividends and other distributions that remain available 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 to the common stockholders as follows: 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. After payment of this priority return to Class B holders, the holders of Class A shares and Class B shares participate together equally and ratably in any and all distributions by the Company.

Liquidations: Distributions made in connection with any liquidation or change of control transaction would be made in accordance with the distributions previously described above in the preceding paragraph. 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: Class B shares automatically convert into Class A shares immediately prior to an IPO. In the case of any such conversion any 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 Class B share would convert into a 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. The number of shares of Class A common stock which will be issued upon conversion of the 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 of the Class B common stock.

As the Class B common are redeemable in a deemed liquidation in the event of a change of control. The redemption features are considered to be outside the control of the Company and therefore, all shares of Class B common stock are recorded outside of permanent equity in accordance with guidance originally issued under EITF Topic D-98, *Classification and Measurement of Redeemable Securities* (codified under Accounting Standards Codification 480, *Distinguishing Liabilities from Equity).* No adjustment to the carrying value of Class B common stock securities has been recorded, and the priority returns have not been accreted as a change of control is not probable.

Accretion: 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 (Unaudited) (Restated)	December 31, 2008
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	50,644	58,892
Current portion of long-term debt	7,125	9,500
Total current liabilities	126,765	127,981
Long-term debt	1,084,414	1,121,437
Other long-term liabilities	17,834	43,539
Total liabilities	1,229,013	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	(550,519)	(581,626)
Accumulated other comprehensive loss	(10,483)	(28,650)
Stockholder notes receivable	(158)	(158)
Total stockholders' equity (deficit)	(760,892)	(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) (Restated)	(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	(53,652)	(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	(37,759)	(75,433)
Income (loss) before provision for income taxes	31,431	(27,421)
Provision for income taxes	324	12,769
Net income (loss)	31,107	(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	$ (52,922)	$ (107,217)
Net (loss) income per common share, basic and diluted		
Class A common stock	$ (9,257)	$ (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	—	—	—	—	—	—	—	—	—	—	—	—	31,107	—	—	31,107	31,107
Amortization of restricted stock expense	—	—	—	—	—	—	—	—	—	—	28	—	—	—	—	28	—
																	$ 49,274
Balance at September 30, 2009 (unaudited) (restated)	11,311	$113,109	79,114	$765,096	—	$—	5,717	$—	—	$—	$2,384	$(202,116)	$(550,519)	$(10,483)	$ (158)	$(760,892)	

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) (Restated)	(Unaudited)
Operating activities		
Net income (loss)	$ 31,107	$ (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	(33,953)	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)

Restatement of consolidated financial statements

The Company has made a correction to the recorded fair value of interest rate swap contracts as of September 30, 2009. The correction relates to the manner in which accrued interest on the swap contracts as of the date of the fair value determination is incorporated into the fair value calculation. The Company restated its consolidated financial statements for the nine months ended September 30, 2009. The effects for presented periods prior to 2009 are immaterial.

Below is a summary of the effects of these changes on the Company's consolidated balance sheet as of September 30, 2009, as well as the effects of these changes on the Company's consolidated statements of operations for the nine months ended September 30, 2009. Although the restatement impacted certain amounts within the consolidated statement of cash flows, such amounts did not have a net impact on cash flows from operating, investing or

financing activities. There was no impact to the provision for income taxes as a result of the restatement.

	Consolidated Financial Statements		
	As Previously Reported (Unaudited)	Adjustment	As Restated
	(Dollars in Thousands, Except Per Share Data)		
As of September 30, 2009 and for the nine months ended September 30, 2009			
Other accrued liabilities	$ 57,376	$ (6,732)	$ 50,644
Accumulated deficit	(557,251)	6,732	(550,519)
Interest expense	60,384	(6,732)	53,652
Net income	24,375	6,732	31,107
Net loss attributable to Class A Common Stockholders	(59,654)	6,732	(52,922)
Net income (loss) per share, basic and diluted, Class A	(10,434)	1,177	(9,257)
Net income (loss) per share, basic and diluted, Class B	938	—	938

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 $16,928,000 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
	(Restated)	
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	7,294	—
Total derivatives	$ 7,294	$ 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 $7,294,000 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 $8,299,000 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
						(Restated)	
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	$ 722
Interest rate swaps	$ —	$ —	Interest expense	$ —	$—	$ 16,928	$ —

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 $16,928,000. 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 $722,000, 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)**
	(Restated)		**(Restated)**
Net derivative contracts	$7,294	$—	$7,294

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 $8,299,000 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
	(Restated)	
Accrued commissions	$ 4,978	$ 6,444
Accrued interest	10,564	25,228
Accrued warranties—short term	16,045	14,015
Derivative contract obligations	7,294	—
Other accrued liabilities	11,763	13,205
	$ 50,644	$ 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
	(Restated)	
Net income (loss)	$ 31,107	$ (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	(52,922)	(107,217)
Income attributable to Class B common stock	74,208	67,027
Earnings (loss) per common share, basic:		
Class A common stock	$ (9,257)	$ (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.

At September 30, 2009, the Company has estimated federal net operating loss carryforwards of approximately $156,900,000, which expire between 2026 and 2028, and various state net operating loss carryforwards, which expire between 2016 and 2028.

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, in accordance with the preemptive rights provisions of the Shareholders' Agreement with respect to prior issuances of Series A Preferred Stock to affiliates of CCMP, the Company issued 2,000 shares of Series A preferred stock for an aggregate purchase price of $20,000,000 in cash to an entity affiliated with CCMP and certain members of management and the board of directors, and affiliates of CCMP sold shares of Series A preferred stock they had purchased previously to an entity affiliated with CCMP at the same price per share.

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 January 11, 2010.

Table of Contents

shares

Generac Holdings Inc.

Common stock

Prospectus

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

, 2010

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 DGCL, 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 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. The September 2009 issuance of Series A Preferred Stock was the consummation of a contractual preemptive right exercised in September 2009 that was triggered by our sales of shares to affiliates of CCMP beginning in late 2008 and ending in July 2009. Each of the purchasers of these shares of Series A Preferred Stock had a pre-existing relationship with us as a stockholder (and, in many cases, also as an employee) and had a contractual right to acquire such shares pursuant to the Shareholders Agreement. The offering and sale of these shares of preferred stock did not involve any solicitation beyond the parties to the Shareholders Agreement. There were no underwriters employed in connection with the transaction, and the recipients of securities in the transaction 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 the transaction. All purchasers were given the opportunity to ask questions and receive answers from our representatives concerning our business and financial affairs. Based on the foregoing, and the fact that the transaction giving rise to the exercise of the preemptive right, as well as the exercise of preemptive rights themselves, took place well in

advance and was independent of the filing of the Registration Statement for our initial public offering, we concluded that these transactions were exempt from registration.

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
2.1	Agreement and Plan of Merger by and among Generac Power Systems, Inc., the representative named therein, GPS CCMP Acquisition Corp., and GPS CCMP Merger Corp., dated as of September 13, 2006
2.2	Amendment to Agreement and Plan of Merger by and among Generac Power Systems, Inc., the representative named therein, GPS CCMP Acquisition Corp., and GPS CCMP Merger Corp.
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*	Generac Holdings Inc. 2010 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
10.5**	Credit Agreement, dated as of November 10, 2006, by and among Generac, GPS CCMP Merger Corp., Goldman Sachs Credit Partners L.P., as administrative agent, JP Morgan Chase Bank, N.A. as syndication agent, Barclays Bank PLC, as documentation agent, and Goldman Sachs Credit Partners L.P. and J.P. Morgan Securities Inc. as joint lead arrangers and joint bookrunners

Exhibit number	Description of exhibits
10.5.1**	First Lien Guarantee and Collateral Agreement, dated November 10, 2006, among Generac Acquisition Corp., GPS CCMP Merger Corp., certain Subsidiaries of GPS CCMP Merger Corp. and Goldman Sachs Credit Partners L.P., as Administrative Agent
10.6**	Credit Agreement, dated as of November 10, 2006, by and among Generac, GPS CCMP Merger Corp., JP Morgan Chase Bank, N.A., as administrative agent, Goldman Sachs Credit Partners L.P., as syndication agent, Barclays Bank PLC, as documentation agent, and Goldman Sachs Credit Partners L.P. and J.P. Morgan Securities Inc. as joint lead arrangers and joint bookrunners
10.6.1**	Second Lien Lien Guarantee and Collateral Agreement, dated November 10, 2006, among Generac Acquisition Corp., GPS CCMP Merger Corp., certain Subsidiaries of GPS CCMP Merger Corp., Wilmington Trust Company, as Collateral Agent, and JPMorgan Chase Bank, N.A., as Administrative Agent
10.7**	Advisory Services and Monitoring Agreement, dated November 10, 2006
10.8**	2006 Management Equity Incentive Plan, effective as of November 10, 2006
10.9**	Subscription and Stock Purchase Agreement dated as of September 2, 2009, by and between GPS CCMP Acquisition Corp. and John Bowlin
10.10**	Subscription and Stock Purchase Agreement dated as of September 2, 2009, by and between GPS CCMP Acquisition Corp. and Ed Leblanc
10.11**	Subscription and Stock Purchase Agreement dated as of September 2, 2009, by and between GPS CCMP Acquisition Corp. and Roger W. Schaus, Jr.
10.12**	Subscription and Stock Purchase Agreement dated as of September 2, 2009, by and between GPS CCMP Acquisition Corp. and Allen D. Gillette
10.13**	Subscription and Stock Purchase Agreement dated as of September 2, 2009, by and between GPS CCMP Acquisition Corp. and York A. Ragen
10.14**	Subscription and Stock Purchase Agreement dated as of September 2, 2009, by and between GPS CCMP Acquisition Corp. and CCMP Generac Co-Invest, L.P.
10.15**	Subscription and Stock Purchase Agreement dated as of November 25, 2008, by and among GPS CCMP Acquisition Corp., CCMP Capital Investors II L.P. and CCMP Capital Investors (Cayman) II, L.P.
10.16**	Letter Agreement dated July 17, 2009, 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.
10.17**	Restricted Stock Agreement dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Aaron P. Jagdfeld
10.18**	Restricted Stock Agreement dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Allen D. Gillette
10.19**	Restricted Stock Agreement dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Dawn A. Tabat
10.20**	Restricted Stock Agreement dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Roger F. Pascavis
10.21**	Restricted Stock Agreement dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Roger W. Schaus, Jr.
10.22**	Restricted Stock Agreement dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and York A. Ragen
10.23**	Management Subscription and Stock Purchase Agreements dated as of February 23, 2007, by and between GPS CCMP Acquisition Corp. and Ed LeBlanc
10.24**	Management Subscription and Stock Purchase Agreements dated as of February 23, 2007, by and between GPS CCMP Acquisition Corp. and John Bowlin

Exhibit number	Description of exhibits
10.25**	Management Subscription and Stock Purchase Agreements dated as of February 23, 2007, by and between GPS CCMP Acquisition Corp. and Harry K. Hornish, Jr.
10.26**	Exchange Agreement dated as of September 24, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.27**	Exchange Agreement dated as of September 25, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.28**	Amendment to Exchange Agreements dated as of October 22, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.29**	Exchange Agreement dated as of October 19, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.30**	Exchange Agreement dated as of October 30, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.31**	Exchange Agreement dated as of November 13, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.32**	Exchange Agreement dated as of November 21, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.33**	Exchange Agreement dated as of December 4, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.34**	Exchange Agreement dated as of December 5, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.35**	Exchange Agreement dated as of December 6, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.36**	Exchange Agreement dated as of January 11, 2008, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.37**	Exchange Agreement dated as of April 18, 2008, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.38**	Exchange Agreement dated as of November 25, 2008, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P. and GPS CCMP Acquisition Corp.
10.39**	Purchase Agreement dated as of November 12, 2007, by and between William Treffert, The William and Selma Treffert Living Trust Dated February 21, 1998, and GPS CCMP Acquisition Corp.
10.40**	Form of Confidentiality, Non-Competition and Intellectual Property Agreement
10.41**	Employee Nondisclosure and Noncompete Agreement, by and between Generac Power Systems, Inc. and Clement Feng, dated as of September 5, 2007

Exhibit number	Description of exhibits
10.42	Restricted Stock Agreement dated as of December 27, 2007, by and between GPS CCMP Acquisition Corp. and Clement Feng.
10.43**	Promissory Note dated December 27, 2007 between Generac Power Systems, Inc. and Clement Feng
10.44*	Form of Restricted Stock Award Agreement
10.45*	Form of Nonqualified Stock Option Award Agreement
10.46**	2009 Executive Management Incentive Compensation Program
10.47	Employment Letter to Clement Feng, dated December 29, 2009
10.48	Promissory Note Repayment Letter to Clement Feng, dated December 28, 2009
10.49	Severance Agreement with Edward LeBlanc, dated September 22, 2008
10.50	Form of Generac Holdings Inc. Director Indemnification Agreement for Stephen Murray, Timothy Walsh and Stephen V. McKenna
10.51	Form of Generac Holdings Inc. Director Indemnification Agreement for Barry Goldstein, John D. Bowlin and Edward A. LeBlanc
10.52	Form of Generac Holdings Inc. Officer Indemnification Agreement
10.53*	Form of Generac Power Systems, Inc. Director Indemnification Agreement for Stephen Murray, Timothy Walsh and Stephen V. McKenna
10.54*	Form of Generac Power Systems, Inc. Indemnification Agreement for Barry Goldstein, John D. Bowlin, Edward A. LeBlanc, Aaron Jagdfeld, York A. Ragen, Dawn Tabat, Clement Feng, Allen Gillette, Roger Schaus, Jr. and Roger Pascavis
10.55	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Aaron P. Jagdfeld
10.56	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Allen D. Gillette
10.57	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Dawn A. Tabat
10.58	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Roger F. Pascavis
10.59	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Roger W. Schaus, Jr.
10.60	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and William W. Treffert and trusts affiliated with Mr. Treffert
10.61	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and York A. Ragen
10.62*	Employment Letter with Terrance Dolan
10.63*	Generac Holdings Inc. Annual Performance Bonus Plan
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.

Exhibit number	Description of exhibits
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.

Table of Contents

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this amendment No. 3 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 11th day of January, 2010.

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 11th day of January, 2010.

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
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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*	Generac Holdings Inc. 2010 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
10.5**	Credit Agreement, dated as of November 10, 2006, by and among Generac, GPS CCMP Merger Corp., Goldman Sachs Credit Partners L.P., as administrative agent, JP Morgan Chase Bank, N.A. as syndication agent, Barclays Bank PLC, as documentation agent, and Goldman Sachs Credit Partners L.P. and J.P. Morgan Securities Inc. as joint lead arrangers and joint bookrunners
10.5.1**	First Lien Guarantee and Collateral Agreement, dated November 10, 2006, among Generac Acquisition Corp., GPS CCMP Merger Corp., certain Subsidiaries of GPS CCMP Merger Corp. and Goldman Sachs Credit Partners L.P., as Administrative Agent
10.6**	Credit Agreement, dated as of November 10, 2006, by and among Generac, GPS CCMP Merger Corp., JP Morgan Chase Bank, N.A., as administrative agent, Goldman Sachs Credit Partners L.P., as syndication agent, Barclays Bank PLC, as documentation agent, and Goldman Sachs Credit Partners L.P. and J.P. Morgan Securities Inc. as joint lead arrangers and joint bookrunners
10.6.1**	Second Lien Lien Guarantee and Collateral Agreement, dated November 10, 2006, among Generac Acquisition Corp., GPS CCMP Merger Corp., certain Subsidiaries of GPS CCMP Merger Corp., Wilmington Trust Company, as Collateral Agent, and JPMorgan Chase Bank, N.A., as Administrative Agent
10.7**	Advisory Services and Monitoring Agreement, dated November 10, 2006
10.8**	2006 Management Equity Incentive Plan, effective as of November 10, 2006
10.9**	Subscription and Stock Purchase Agreement dated as of September 2, 2009, by and between GPS CCMP Acquisition Corp. and John Bowlin
10.10**	Subscription and Stock Purchase Agreement dated as of September 2, 2009, by and between GPS CCMP Acquisition Corp. and Ed Leblanc

Exhibit number	Description of exhibits
10.11**	Subscription and Stock Purchase Agreement dated as of September 2, 2009, by and between GPS CCMP Acquisition Corp. and Roger W. Schaus, Jr.
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10.14**	Subscription and Stock Purchase Agreement dated as of September 2, 2009, by and between GPS CCMP Acquisition Corp. and CCMP Generac Co-Invest, L.P.
10.15**	Subscription and Stock Purchase Agreement dated as of November 25, 2008, by and among GPS CCMP Acquisition Corp., CCMP Capital Investors II L.P. and CCMP Capital Investors (Cayman) II, L.P.
10.16**	Letter Agreement dated July 17, 2009, 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.
10.17**	Restricted Stock Agreement dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Aaron P. Jagdfeld
10.18**	Restricted Stock Agreement dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Allen D. Gillette
10.19**	Restricted Stock Agreement dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Dawn A. Tabat
10.20**	Restricted Stock Agreement dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Roger F. Pascavis
10.21**	Restricted Stock Agreement dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Roger W. Schaus, Jr.
10.22**	Restricted Stock Agreement dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and York A. Ragen
10.23**	Management Subscription and Stock Purchase Agreements dated as of February 23, 2007, by and between GPS CCMP Acquisition Corp. and Ed LeBlanc
10.24**	Management Subscription and Stock Purchase Agreements dated as of February 23, 2007, by and between GPS CCMP Acquisition Corp. and John Bowlin
10.25**	Management Subscription and Stock Purchase Agreements dated as of February 23, 2007, by and between GPS CCMP Acquisition Corp. and Harry K. Hornish, Jr.
10.26**	Exchange Agreement dated as of September 24, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.27**	Exchange Agreement dated as of September 25, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.28**	Amendment to Exchange Agreements dated as of October 22, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.29**	Exchange Agreement dated as of October 19, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.30**	Exchange Agreement dated as of October 30, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.

Exhibit number	Description of exhibits
10.31**	Exchange Agreement dated as of November 13, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.32**	Exchange Agreement dated as of November 21, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.33**	Exchange Agreement dated as of December 4, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.34**	Exchange Agreement dated as of December 5, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.35**	Exchange Agreement dated as of December 6, 2007, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.36**	Exchange Agreement dated as of January 11, 2008, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.37**	Exchange Agreement dated as of April 18, 2008, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P., and GPS CCMP Acquisition Corp.
10.38**	Exchange Agreement dated as of November 25, 2008, by and among CCMP Capital Investors II, L.P., CCMP Capital Investors (Cayman) II, L.P. and GPS CCMP Acquisition Corp.
10.39**	Purchase Agreement dated as of November 12, 2007, by and between William Treffert, The William and Selma Treffert Living Trust Dated February 21, 1998, and GPS CCMP Acquisition Corp.
10.40**	Form of Confidentiality, Non-Competition and Intellectual Property Agreement
10.41**	Employee Nondisclosure and Noncompete Agreement, by and between Generac Power Systems, Inc. and Clement Feng, dated as of September 5, 2007
10.42	Restricted Stock Agreement dated as of December 27, 2007, by and between GPS CCMP Acquisition Corp. and Clement Feng.
10.43**	Promissory Note dated December 27, 2007 between Generac Power Systems, Inc. and Clement Feng
10.44*	Form of Restricted Stock Award Agreement
10.45*	Form of Nonqualified Stock Option Award Agreement
10.46**	2009 Executive Management Incentive Compensation Program
10.47	Employment Letter to Clement Feng, dated December 29, 2009
10.48	Promissory Note Repayment Letter to Clement Feng, dated December 28, 2009
10.49	Severance Agreement with Edward LeBlanc, dated September 22, 2008
10.50	Form of Generac Holdings Inc. Director Indemnification Agreement for Stephen Murray, Timothy Walsh and Stephen V. McKenna
10.51	Form of Generac Holdings Inc. Director Indemnification Agreement for Barry Goldstein, John D. Bowlin and Edward A. LeBlanc
10.52	Form of Generac Holdings Inc. Officer Indemnification Agreement
10.53*	Form of Generac Power Systems, Inc. Director Indemnification Agreement for Stephen Murray, Timothy Walsh and Stephen V. McKenna

Exhibit number	Description of exhibits
10.54*	Form of Generac Power Systems, Inc. Indemnification Agreement for Barry Goldstein, John D. Bowlin, Edward A. LeBlanc, Aaron Jagdfeld, York A. Ragen, Dawn Tabat, Clement Feng, Allen Gillette, Roger Schaus, Jr. and Roger Pascavis
10.55	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Aaron P. Jagdfeld
10.56	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Allen D. Gillette
10.57	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Dawn A. Tabat
10.58	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Roger F. Pascavis
10.59	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and Roger W. Schaus, Jr.
10.60	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and William W. Treffert and trusts affiliated with Mr. Treffert
10.61	Management Subscription and Stock Purchase Agreements dated as of November 10, 2006, by and between GPS CCMP Acquisition Corp. and York A. Ragen
10.62*	Employment Letter with Terrance Dolan
10.63*	Generac Holdings Inc. Annual Performance Bonus Plan
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

Exhibit 2.1

AGREEMENT AND PLAN OF MERGER

by and among

GENERAC POWER SYSTEMS, INC.,

THE REPRESENTATIVE NAMED HEREIN,

GPS CCMP ACQUISITION CORP.,

and

GPS CCMP MERGER CORP.

dated as of September 13, 2006

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

[Exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The exhibits and schedules will be provided to the SEC upon request.]

EXHIBITS

SCHEDULES

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger is made as of September 13, 2006, by and among GPS CCMP Acquisition Corp., a Delaware corporation (the "Buyer"), GPS CCMP Merger Corp., a Wisconsin corporation (the "Merger Sub"), Generac Power Systems, Inc., a Wisconsin corporation ("Generac"), and Robert D. Kern, as representative of the Shareholders for certain purposes described herein (the "Representative"). The Buyer, the Merger Sub, Generac and the Representative are each referred to in this Agreement as a "Party" and collectively as the "Parties."

RECITALS

A. The authorized capital stock of Generac consists of twenty thousand (20,000) shares of Class A Voting Common Stock, par value $0.01 per share (the "Voting Common Stock"), and two hundred thousand (200,000) shares of Class B Nonvoting Common Stock, par value $0.01 per share (the "Nonvoting Common Stock" and, together with the Voting Common Stock, the "Common Stock").

B. As of the date of this Agreement, there are 4,000 shares of Voting Common Stock issued and outstanding (the "Voting Common Shares") and 58,000 shares of Nonvoting Common Stock issued and outstanding (the "Nonvoting Common Shares" and, together with the Voting Common Shares, the "Shares").

C. The individuals and trusts listed as Shareholders on Exhibit A hereto (collectively, the "Shareholders" and individually, a "Shareholder") own all of the issued and outstanding Shares.

D. The Board of Directors of each of Generac and Buyer, as applicable, deem it to be in the best interests of the Buyer, Generac and the Shareholders to merge the Merger Sub with and into Generac, with Generac being the surviving corporation (the "Merger"), pursuant to the terms of this Agreement and in accordance with Wisconsin Law.

E. Concurrently with the execution of this Agreement, and as a condition and inducement to Buyer's and Merger Sub's willingness to enter into this Agreement, the holder of all of the Voting Common Shares (i) has, pursuant to an action taken by written consent, approved Generac's execution of this Agreement and its consummation of the transactions contemplated hereby (the "Voting Shares Shareholder Consent"), and (ii) has entered into Support Agreements, for the benefit of the Merger Sub and the Buyer, in substantially the form attached hereto as Exhibit C (the "Support Agreement").

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties and covenants contained herein, the Parties agree as follows.

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1. The Merger.

(a) The Merger. At the Effective Time, and subject to and upon the terms and conditions of this Agreement and the applicable provisions of Wisconsin Law, the Merger Sub shall be merged with and into Generac, the separate existence of the Merger Sub shall cease, and Generac shall be the surviving corporation (sometimes called the "Surviving Corporation") and shall continue its corporate existence under the laws of the State of Wisconsin. The name of the Surviving Corporation shall be "Generac Power Systems, Inc."

(b) The Closing. Unless this Agreement shall have been terminated pursuant to its terms, the closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Reinhart Boerner Van Deuren s.c., at 10:00 a.m., Central Standard Time, on the later of (i) the third Business Day after all of the conditions to the Closing set forth in § 8 hereof are satisfied or waived (in writing) (other than those that by their terms cannot be satisfied prior to the Closing), and (ii) December 31, 2006, but subject to the fulfillment or waiver (in writing) of such conditions at the Closing), or such other date, time and place as shall be agreed upon by Generac, the Buyer and the Merger Sub (the actual date being herein called the "Closing Date").

(c) Effective Time. Upon the terms and subject to the conditions of this Agreement, at and in connection with the Closing, the parties hereto shall deliver to the Department of Financial Institutions of the State of Wisconsin (the "DFI") articles of merger (the "Articles of Merger"), and shall make all other filings or recordings as may be required under Wisconsin Law and any other applicable Law in order to effect the Merger. The Merger shall become effective (the "Effective Time") upon the filing of the Articles of Merger in the form required by Wisconsin Law and otherwise conforming to the requirements of Wisconsin Law, with the DFI.

(d) Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in this Agreement, the Articles of Merger and in the applicable provisions of Wisconsin Law. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, except as otherwise provided herein, all the property, rights, privileges, powers, and franchises of Generac and the Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities, and duties of Generac and the Merger Sub shall become the debts, liabilities, and duties of the Surviving Corporation.

(e) Articles of Incorporation and By-Laws. At the Effective Time, the Articles of Incorporation and the By-Laws of Generac, as in effect immediately prior to the Effective Time, shall be the Articles of Incorporation and the By-Laws of the Surviving Corporation.

(f) Directors and Officers. On the Closing Date, the officers and directors listed on § 1(f) of the Disclosure Schedule shall resign, effective as of the Effective Time, from their respective position(s) with Generac set forth on § 1(f) of the Disclosure Schedule. Except as provided in the immediately preceding sentence, the directors and officers of Generac as of the Effective Time shall be the Surviving Corporation's directors and officers until their respective successors are duly elected or appointed and qualified.

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2. Merger Consideration; Conversion of Shares.

(a) Aggregate Consideration. The aggregate consideration payable by the Buyer hereunder (the "Merger Consideration") shall be the sum of (i) the excess of (A) $2,000,000,000, *less* (B) the amount of any Transaction Expenses (whether or not then due and payable, and whether or not the same shall have been satisfied and discharged as of the Effective Time), *less* (C) the amount required to satisfy and discharge in full all liabilities and obligations of Generac under the Amended and Restated Equity Appreciation Share Plan (whether or not the same shall, in fact, have been satisfied and discharged as of the Effective Time). At or prior to the Effective Time, the Buyer shall pay, or cause to be paid, to the Paying Agent an amount equal to the Merger Consideration and the aggregate amount of unpaid Transaction Expenses which the Paying Agent shall pay in accordance with the last sentence of § 2(c)(ii). For purposes of making the payment of the Merger Consideration, not less than three Business Days prior to the Closing Date, Generac shall provide the Buyer and the Merger Sub with a certificate, prepared in good faith, setting forth in reasonable detail Generac's best estimate of the amount of Transaction Expenses and the Merger Consideration, which estimate shall be in form and substance reasonably acceptable to Buyer. Any such notice delivered by Generac shall be accompanied by supporting documentation (including final bills and/or invoices from Generac's counsel, advisors, consultants, investment bankers and accountants, to the extent constituting Transaction Expenses) reasonably acceptable to Buyer.

(b) Conversion of Shares. At the Effective Time, by virtue of the Merger and without any action on the part of the Buyer, the Merger Sub, Generac, the Representative or the Shareholders, pursuant to this Agreement and Wisconsin Law, subject to the other provisions of this § 2:

(i) Each of the outstanding Shares shall be converted into the right to receive an amount in cash, without interest thereon, equal to the Merger Consideration less the Representative's Escrow, divided by 62,000 (the number of outstanding Shares) (the "Per Share Merger Consideration"), payable to the holder thereof upon surrender of the certificate representing such Share. As of the Effective Time, all outstanding Shares shall no longer be outstanding and shall automatically be cancelled and shall cease to exist, and each holder of a certificate representing any outstanding Shares shall cease to have any rights with respect thereto, except the right to receive the Per Share Merger Consideration in respect thereof.

(ii) Each share of common stock, par value $0.01 per share, of the Merger Sub (the "Merger Sub Common Stock"), issued and outstanding immediately prior to the Effective Time, shall be converted into and exchanged for one validly issued, fully paid and non-assessable share of voting common stock, par value $0.01 per share, of the Surviving Corporation (the "Surviving Corporation Common Stock"). From and after the Effective Time, each outstanding certificate which represented shares of the Merger Sub Common Stock shall evidence ownership of and represent the number of shares of Surviving Corporation Common Stock into which such shares of the Merger Sub Common Stock shall have been converted pursuant to this § 2(b)(ii).

(iii) All Shares held in Generac' s treasury as of the Effective Time shall be cancelled and retired and all rights in respect thereof shall cease to exist, without any conversion thereof or payment of any consideration therefor.

(c) Payments; Payment for Shares; Lost Certificates.

(i) Immediately following the Effective Time, the Buyer shall deposit, or shall cause to be deposited, with a bank or trust company organized under the laws of, and having an office in, the United States and jointly agreed upon in writing by the Buyer and the Representative (the "Paying Agent"), for the benefit of the Shareholders and for exchange and payment pursuant to this § 2 through the Paying Agent, cash in an amount equal to the Merger Consideration (such funds being hereinafter referred to as the "Payment Fund"). Upon the making of such payments to the Paying Agent, the Buyer, the Merger Sub and the Surviving Corporation shall thereafter have no further liability to any Shareholder for payment for any of the Shares. The Paying Agent shall, pursuant to irrevocable written instructions executed by the Representative, deliver out of the Payment Fund all amounts received by the Paying Agent for the account of the Shareholders, except to the extent paid into the Representative's Escrow. The Paying Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any Shareholder such amounts as are required to be deducted and withheld with respect to the making of such payment under the Code, and the rules and regulations promulgated thereunder, or any provision of any state, local or foreign tax law. To the extent such amounts are so withheld, such withheld amounts shall be deemed for all purposes of this Agreement as having been paid to the holder of the Shares in respect to which such deduction and withholding was made. On the Closing Date, the Representative shall provide the Paying Agent written instructions setting forth the amount of the Payment Fund that shall be paid by the Paying Agent into a separate escrow account for the benefit of the Representative to pay for expenses incurred by the Representative in connection with actions taken as the Representative (the "Representative's Escrow"). The Representative's Escrow shall include the Withholding Amount.

(ii) At or prior to the Effective Time, (A) each Shareholder who held at the Effective Time an outstanding certificate or certificates that represented outstanding Shares (the "Certificates") shall surrender such Certificates to the Paying Agent, together with a completed and duly executed letter of transmittal that shall be in form and substance reasonably satisfactory to the Representative and the Buyer and, in any event, shall include a waiver of appraisal rights and a release (a "Letter of Transmittal"), (B) upon such surrender of a Certificate and Letter of Transmittal or at the Effective Time, whichever is later, the holder thereof will be entitled to receive an amount equal to (1) the number of Shares represented by such Certificate, multiplied by (2) the Per Share Merger Consideration, payable by wire transfer of immediately available funds on the Closing Date, immediately following the Effective Time, to an account designated in writing by such

Shareholder no later than two (2) Business Days prior to the Closing Date, (C) the Paying Agent shall immediately pay such amounts to such holder and (D) the Certificates so surrendered shall be cancelled; *provided*, *however*, in the case of any Shareholder with respect to which the Representative provides the Paying Agent with written instructions in accordance with the last two sentences of § 2(c)(i), the amount payable to such Shareholder shall be reduced by the Withholding Amount applicable to such Shareholder, which amount shall have been paid to the Representative's Escrow pursuant to § 2(c)(i). No interest will be paid or accrue on the Merger Consideration

payable upon the surrender of the Certificates. Subject to § 2(c)(iv), under no circumstances will any holder of a Certificate be entitled to receive any part of the Merger Consideration until such holder shall have surrendered such Certificate. On the Closing Date, the Paying Agent shall also pay by wire transfer of immediately available funds, the unpaid Transaction Expenses, pursuant to written instructions from the Representative and the Surviving Corporation.

(iii) If payment is to be made to a Person other than the Person in whose name a surrendered Certificate is registered, the Certificate must be properly endorsed or otherwise in proper form for transfer and the Person requesting such payment must agree to pay any applicable transfer or other taxes or establish to the reasonable satisfaction of the Buyer and the Surviving Corporation that such tax has been paid or is not applicable.

(iv) If any Certificate has been lost, stolen or destroyed, the Buyer will issue the applicable portion of the Aggregate Consideration deliverable in respect thereof upon receipt of a customary affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed. After the Effective Time, until surrendered in accordance with these provisions, each Certificate shall represent only the right to receive the applicable portion of the Merger Consideration as set forth in this Agreement.

(v) After the Effective Time, there shall be no transfers on the stock transfer books of the Surviving Corporation of the Shares which were outstanding immediately prior to the Effective Time. Certificates presented to the Surviving Corporation after the Effective Time shall be cancelled.

(vi) Any portion of the Payment Fund that remains undistributed to the Shareholders for six months after the Effective Time shall be delivered to the Buyer upon demand, and any Shareholder who has not theretofore complied with this §2 shall thereafter look only to the Buyer for payment of such Shareholder's claim to any part of the Merger Consideration. None of the Buyer, the Merger Sub or the Surviving Corporation shall be liable to any Person in respect of any Merger Consideration delivered to a public office pursuant to any applicable abandoned property, escheat or similar law. If any Certificates representing outstanding Shares shall not have been surrendered immediately prior to the date on which any Merger Consideration in respect of such Certificate would otherwise escheat to or become the property of any government authority, any such Merger Consideration in respect of such Certificate shall, at such time and the extent permitted by applicable law, become the property of the Surviving Corporation, free and clear of all claims of interest of any person previously entitled thereto.

3. Representations and Warranties of Generac. Generac hereby represents and warrants to the Buyer that the statements contained in this §3 are correct and complete as of the date of this Agreement and shall be correct and complete as of the Closing Date, except as set forth in the corresponding section of the disclosure schedule accompanying this Agreement (the "Disclosure Schedule"). The Disclosure Schedule shall be arranged in paragraphs corresponding to the lettered paragraphs contained in this §3; *provided*, *however*, that any event, fact or circumstance disclosed in any lettered paragraph of the Disclosure Schedule shall be deemed to

be a disclosure for purposes of other lettered paragraphs of the Disclosure Schedule so long as it is reasonably apparent that such disclosure applies to such other lettered paragraphs of the Disclosure Schedule.

(a) Organization; Authorization of Transaction. Generac is a corporation duly organized, validly existing and in good standing under the laws of the State of Wisconsin. Generac is duly authorized to conduct business and is in good standing under the laws of each jurisdiction set forth in §3(b) of the Disclosure Schedule, and, except where the lack of such qualification would not have a Material Adverse Effect, there are no other jurisdictions where Generac is required to be so qualified. Generac has full corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. Generac has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Generac, enforceable in accordance with its terms and conditions, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or by general equitable principles. The Voting Shares Shareholder Consent and any required consents under the Shareholders' Agreements (each of which will be terminated at or prior to Closing) are the only consent or approval of the holders of the capital stock of Generac required under Wisconsin Law and the Organizational Documents of Generac in connection with the execution, delivery and performance by Generac of this Agreement and the consummation of the transactions contemplated hereby.

(b) Noncontravention. Except as set forth in §3(b) of the Disclosure Schedule as to the Shareholders' Agreements, neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, shall (i) violate any statute, regulation, rule, injunction, judgment, order, decree or ruling of any government, governmental agency or court to which any of the Shareholders or Generac is subject or any provision of the Organizational Documents of any of the Shareholders or Generac or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any agreement, contract, lease, license or instrument to which any of the Shareholders or Generac is a party or by which any of them are bound or to which any of their assets are subject, except where such violation, conflict, breach, default, acceleration, termination, modification, cancellation or failure to give notice would not have a Material Adverse Effect or a material adverse effect on the ability of the Shareholders or Generac to consummate the transactions contemplated by this Agreement. Except for applicable requirements of the Hart-Scott-Rodino Act and for the filing of the Articles of Merger with the DFI under Wisconsin Law, none of the Shareholders nor Generac is required to give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement, except where the failure to give notice, to file or to obtain any authorization, consent or approval would not have, or would not reasonably be likely to have (individually or in the aggregate) a Material Adverse Effect or a material adverse effect on the ability of the Shareholders or Generac to consummate the transactions contemplated by this Agreement.

(c) Brokers' Fees. Neither the Shareholders nor Generac has any liability or obligation to pay any fees or commissions to any broker, finder or investment banker with respect to the transactions contemplated by this Agreement for which the Buyer could become

liable or obligated, except for the fees of Goldman Sachs & Co. and Wells Fargo Securities, LLC, which shall be part of the Transaction Expenses.

(d) Capitalization. §3(d) of the Disclosure Schedule sets forth for Generac (i) the number of shares of authorized capital stock of each class of its capital stock (and their respective par values), (ii) the number of issued and outstanding shares of each class of its capital stock, the names of the holders thereof, and the number of shares held by each such holder, and (iii) its directors and officers. No shares of Generac's preferred stock are outstanding. All of the issued and outstanding shares of capital stock of Generac have been duly authorized and are validly issued, fully paid and nonassessable (subject to §180.0622(2)(b) of Wisconsin Law, as judicially interpreted, for debts owing to employees for services performed, but not exceeding six months' service in any one case) and were not issued in violation or contravention of any preemptive or similar rights. Each Shareholder holds of record all of the Shares of Generac set forth next to such Shareholder's name in §3(d) of the Disclosure Schedule, free and clear of any restrictions on transfer, Security Interests and Permitted Liens (other than restrictions under the Securities Act, state securities laws and the Shareholders' Agreements). Except as set forth on §3(d) of the Disclosure Schedule, there are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights or other contracts, instruments or commitments that could require any Shareholder to sell, transfer or otherwise dispose of any capital stock of Generac or that could require Generac to issue, sell or otherwise cause to become outstanding any of its capital stock (in each case, other than this Agreement and the Shareholders' Agreements). Except as set forth on §3(d) of the Disclosure Schedule, there are no outstanding stock appreciation, phantom stock or similar rights with respect to Generac. There are no voting trusts, proxies or other agreements or understandings with respect to the voting of any capital stock of Generac.

(e) Subsidiaries and Joint Ventures. Except as set forth in § 3(e) to the Disclosure Schedule, Generac has no Subsidiaries and is not a partner or member of any partnership, joint venture or other similar relationship.

(f) Financial Statements. Attached hereto as Exhibit B are the following financial statements (collectively the "Financial Statements"): (i) Generac's audited balance sheets and statements of income, stockholders' equity and cash flows as of and for the years ended December 31, 2004 and 2005 (the "Most Recent Fiscal Year End") and (ii) Generac's unaudited balance sheet and statements of income and cash flows (the "Most Recent Financial Statements") as of and for the period beginning January 1, 2006 and ended June 30, 2006 (the "Most Recent Fiscal Month End"). The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby and present fairly in all material respects the financial condition of Generac as of such dates and the results of operations of Generac for such periods, *provided* that the Most Recent Financial Statements are subject to normal year end adjustments and lack footnotes and other presentation items.

(g) Title to Personal Property. Except as set forth on §3(g) of the Disclosure Schedule, Generac has good and valid title to, or a valid leasehold interest in, the material tangible personal property that is reflected on the Most Recent Balance Sheet, free and clear of any Security Interest. To the Knowledge of Generac, all such items of material tangible personal property are in good condition and in a state of good maintenance and repair (ordinary wear and

tear excepted) and are adequate for the conduct of the businesses of Generac in substantially the same manner in which such businesses are currently being conducted.

(h) Absence of Certain Developments. Except as set forth on §3(h) of the Disclosure Schedule or otherwise contemplated by this Agreement, since the Most Recent Fiscal Month End, there has not occurred, and there is no event, circumstance or occurrence that is reasonably likely to have (individually or in the aggregate), any Material Adverse Effect. In addition to the foregoing, since that date, except as set forth on §3(h) of the Disclosure Schedule and except as contemplated by Generac's projection for capital expenditures for 2006, Generac has not:

(i) borrowed any amount or incurred any material liabilities, except amounts borrowed or liabilities incurred in the Ordinary Course of Business or under contracts entered into in the Ordinary Course of Business;

(ii) mortgaged, pledged or subjected to any material lien or other encumbrance, any of its assets, except for Permitted Liens;

(iii) sold, assigned or transferred any material portion of its assets, or purchased any material assets or any capital stock of any Person, except in the Ordinary Course of Business;

(iv) sold, assigned or transferred any patents, trademarks, trade names, copyrights or trade secrets, except in the Ordinary Course of Business;

(v) entered into any material agreement, contract, lease or license outside the Ordinary Course of Business;

(vi) cancelled or waived any material claims or rights, except in the Ordinary Course of Business;

(vii) failed to make any capital expenditure or capital commitment contemplated by Generac's projection for capital expenditures for 2006;

(viii) issued, sold or transferred any of its equity securities, securities convertible into its equity securities or warrants, options or other rights to acquire its equity securities, or any notes, bonds or debt securities;

(ix) redeemed or purchased any shares of its capital stock;

(x) amended the Organizational Documents of Generac;

(xi) terminated or received notice of termination of any Material Contract (other than termination resulting from the expiration of the term of such Material Contract);

(xii) made any material loan to, or entered into any other transaction with, any of its directors, officers, employees or other Affiliates, except in the Ordinary Course of Business;

(xiii) made or revoked any election in respect of Taxes, changed any accounting method in respect of Taxes, prepared any Tax Return in a manner which is not consistent with the past practice of Generac with respect to the treatment of items on such Tax Return, filed any amendment to a Tax Return, incurred any liability for Taxes other than in the ordinary course of business, settled any claim or assessment in respect of Taxes, or consented to any extension or waiver of the limitation period applicable to any claim or assessment of Taxes;

(xiv) adopted, entered into, amended, modified or terminated any bonus, profit sharing, incentive, severance, or other plan, contract, or commitment for the benefit of any of its directors, officers or employees (or taken any such action with respect to any other Employee Benefit Plan);

(xv) made any other material change in employment terms for any of its directors, officers or employees outside the Ordinary Course of Business; or

(xvi) committed to do any of the foregoing.

(i) Undisclosed Liabilities. Generac has no liability (whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), except for (i) liabilities accrued or reserved for on the Most Recent Balance Sheet (including any notes thereto), (ii) liabilities under executory agreements, contracts, leases, licenses and other arrangements the performance in respect of which is not due or delinquent, (iii) liabilities reflected on the Disclosure Schedule, (iv) liabilities not required to be disclosed or reflected on financial statements prepared in accordance with GAAP, and (v) liabilities which have arisen in the Ordinary Course of Business since the Most Recent Fiscal Month End.

(j) Legal Compliance. Generac is in compliance with all applicable statutes, laws, ordinances, rules, orders and regulations of federal, state, local and foreign governments (and all agencies thereof), except where the failures to comply would not have, or would not reasonably be likely to have (individually or in the aggregate), a Material Adverse Effect. Except as set forth on § 3(j) of the Disclosure Schedule, Generac has not received any written communication from any governmental authority that alleges that Generac is not in compliance with any foreign, federal, state or local laws, rules or regulations, except where the written communication alleges a failure to comply that would not (individually or together with all other written communications) reasonably be expected to have a Material Adverse Effect or where the alleged failure to comply has been substantially resolved or is no longer alleged by such governmental authority.

(k) Tax Matters.

(i) Except as set forth on §3(k) of the Disclosure Schedule, Generac has filed or caused to be filed all Income Tax Returns and other material Tax Returns required to be filed by, or with respect to it, and has paid or caused to be paid, except where such failure to pay would not have, or be reasonably expected to have (individually or in the aggregate), a Material Adverse Effect, all Taxes (whether or not shown to be due thereon)

with respect to such Tax Returns. All such Tax Returns are true, correct and complete in all material respects.

(ii) No material deficiency or proposed adjustment which has not been resolved or settled for any amount of Tax has been proposed, asserted or assessed in writing by any taxing authority against Generac, except where such deficiency or proposed adjustment would not have, or be reasonably expected to have (individually or in the aggregate), a Material Adverse Effect.

(iii) Except as set forth on § 3(k) of the Disclosure Schedule, Generac has withheld and paid to the appropriate taxing authorities all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder or other third party, except where the failure to withhold and pay such Taxes would not have, or be reasonably expected to have (individually or in the aggregate), a Material Adverse Effect.

(iv) §3(k) of the Disclosure Schedule lists those Income Tax Returns and other Tax Returns that currently are the subject of audit or for which written notice of intent to audit has been received. Except as set forth in § 3(k) of the Disclosure Schedule, Generac has made available to the Buyer, copies of all Income Tax Returns and other material Tax Returns filed, or expected to be filed, and all examination reports and statements of deficiencies assessed against or agreed to by Generac for the years 2003, 2004 and 2005.

(v) Generac has not waived any statute of limitations in respect of Taxes nor has it agreed to any extension of time with respect to a Tax assessment or deficiency nor has it entered into a closing agreement under applicable Tax Law within the last three Tax years of Generac.

(vi) Generac (A) is not a party to nor is it bound by any Tax allocation, Tax sharing, Tax indemnity or any similar Contract or arrangement nor does it have any current or potential contractual obligation to indemnify any other person with respect to Taxes, (B) has never been a member of an affiliated group of corporations (as defined in Section 1504(a) of the Code) or filed or been included in or has been required to file or be included in an affiliated, consolidated, combined, unitary or similar Tax Return, or (C) except as set forth on § 3(k) of the Disclosure Schedule, has not agreed, nor been required, to make any adjustment pursuant to Section 481 of the Code, or any similar provision of state, local or foreign Law for the last five years.

(vii) Generac has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A) of the Code.

(viii) Except as set forth on §3(k) of the Disclosure Schedule, Generac made an election to be treated as an S corporation within the meaning of § 1361 of the Code (and all corresponding provisions of state and local Tax Law) effective on, and has qualified as an S corporation for federal income tax purposes (and all corresponding provisions of

state and local Tax Law) since, January 1, 1987. No issue has been raised by any taxing authority with respect to Generac's qualification as an S corporation under federal income tax law or any corresponding provision of state or local Tax Law. Except as set forth on § 3(k) of the Disclosure Schedule, Generac has not been subject to Tax pursuant to the provisions of § 1374 of the Code (or any analogous or similar provision of state or local Tax Law) nor has it been subject to any income, franchise or value added Taxes within the last three years.

(l) Real Property.

(i) §3(l)(i) of the Disclosure Schedule sets forth the street address of all real property owned by Generac (the "Owned Real Property"). With respect to each such parcel of Owned Real Property and except for matters that would not be reasonably expected to have a Material Adverse Effect: (a) Generac has good and marketable fee simple title to the parcel and any buildings or improvements thereon, subject only to Permitted Liens and free and clear of all Security Interests; (b) there are no leases, subleases, licenses or other agreements, written or oral, granting to any party or parties the right of use or occupancy of any such parcel or any portion thereto (except for matters of public record or matters which would be disclosed in a survey); (c) there are no parties (other than Generac) who are in possession of any Owned Real Property; and (d) there are no condemnation proceedings pending or, to the Knowledge of Generac, threatened which would preclude or materially impair the use of any Owned Real Property.

(ii) §3(l)(ii)(A) of the Disclosure Schedule lists all real property leased or subleased by Generac (the "Leased Real Property"). Generac has made available to the Buyer a copy of the leases and subleases for the Leased Real Property. To the Knowledge of Generac, except where the invalidity, nonbinding nature, unenforceability, ineffectiveness or default would not be reasonably expected to have a Material Adverse Effect and except for leases for Leased Real Property set forth on §3(l)(ii)(B) of the Disclosure Schedule that Generac intends to terminate at or prior to Closing (and without payment of any termination fee or penalty), each lease and sublease for the Leased Real Property is valid, binding, enforceable and in full force and effect in all material respects, and Generac has not received a current written notice of default under any such lease or sublease.

(m) Intellectual Property.

(i) §3(m)(i) of the Disclosure Schedule identifies each patent or registered Intellectual Property, or application therefor, owned by Generac, and each material written license agreement (excluding off-the-shelf software license agreements) pursuant to which Generac has granted to any third party, or has been granted by any third party, any rights in the Intellectual Property.

(ii) With respect to each item of Intellectual Property identified in §3(m)(i) of the Disclosure Schedule, except as set forth in §3(m)(ii) of the Disclosure Schedule:

(A) Generac possess all right, title and interest in and to the item, free and clear of any Security Interest, license or other restriction;

(B) the item is not subject to any outstanding injunction, judgment, order, decree or ruling; and

(C) no action, suit, proceeding, hearing, investigation, written claim or written demand is pending or, to the Knowledge of Generac, is threatened which challenges the legality, validity, enforceability, use or ownership of the item;

except where a failure to comply with the representations in (A), (B) or (C) would not, individually or in the aggregate, have a Material Adverse Effect.

(iii) With respect to each license agreement identified in §3(m)(i) of the Disclosure Schedule:

(A) Generac is not, and to the Knowledge of Generac, no other party to any license agreement is in material breach or default; and

(B) to the Knowledge of Generac, no party to any license agreement has repudiated any material provision thereof;

except where a failure to comply with the representations in (A) or (B) would not, individually or in the aggregate, have a Material Adverse Effect.

(n) Contracts. §3(n) of the Disclosure Schedule lists the following contracts and other agreements to which Generac is a party:

(i) any agreement for the lease of personal property to or from any Person providing for lease payments in excess of $1,000,000 per annum;

(ii) any agreement for the purchase or sale of raw materials, commodities, supplies, products or other personal property, or for the furnishing or receipt of services (in each case, other than agreements evidenced by purchase orders, sales orders or similar documents issued in the Ordinary Course of Business) the performance of the executory portion of which involves consideration in excess of $1,000,000 per annum;

(iii) any agreement concerning a partnership, investment or joint venture;

(iv) any agreement under which it has created, incurred, assumed, guaranteed or which it may become obligated for, any Debt or under which it has imposed a material Security Interest on any of its assets, tangible or intangible;

(v) any agreement which materially restricts the ability of Generac to freely conduct its business (including any agreement not to compete in any business or geographic area);

(vi) any material agreement with any of the Shareholders, any officer or director of Generac or their respective Affiliates;

(vii) any agreement for employment on a full-time, part-time, consulting or other basis with respect to any individual who received total compensation in 2005 in excess of $200,000 or who has an annual base compensation for 2006 in excess of $200,000, or any agreement providing material severance benefits to any such person;

(viii) any agreement under which it has advanced or loaned any amount to any of its directors, officers, managers or employees outside the Ordinary Course of Business;

(ix) any agreement which, upon consummation of the transaction contemplated by this Agreement, will (either alone or upon the occurrence of any additional acts or events) result in any material payment or benefits (whether severance pay or otherwise) becoming due, or the acceleration or vesting of any rights to any payment or benefits from Generac to any employee, consultant, advisor or other independent contractor, officer, director, or consultant thereof; or

(x) any other agreement (or group of related agreements) the performance of the executory portion of which involves consideration payable to or by Generac in excess of $1,000,000 per annum.

Except as set forth in § 3(n) of the Disclosure Schedule with respect to each such agreement: (A) the agreement is legal, valid, binding and enforceable obligation of Generac, and to the Knowledge of Generac, of each other party thereto, and is in full force and effect in all material respects; (B) Generac is not, and to the Knowledge of Generac, no other party is in breach or default, and no event has occurred which with notice or lapse of time would constitute a breach or default, or permit termination, modification, or acceleration, under the agreement; and (C) Generac has not, and to the Knowledge of Generac no other party has, repudiated any provision of the agreement, except, in each case, where such circumstance or event has not had or would not reasonably be expected to have (individually or in the aggregate), a Material Adverse Effect.

(o) Insurance. §3(o) of the Disclosure Schedule describes each material insurance policy (other than title insurance policies) maintained by Generac. All of such insurance policies are in full force and effect, and Generac is not in material default with respect to its obligations under any of such insurance policies. To the extent that any claims made in any of the litigation set forth on §3(p) of the Disclosure Schedule are covered by insurance policies maintained by Generac, such claims have been submitted in a timely fashion to the applicable insurer. To the Knowledge of Generac, no insurer of any material insurance policy has materially reduced or terminated coverage under such policies since December 31, 2005.

(p) Litigation. §3(p) of the Disclosure Schedule sets forth each instance in which Generac (i) is subject to any outstanding injunction, judgment, order, decree or ruling or (ii) is a party or, to the Knowledge of Generac, is threatened to be made a party, to any material action, suit, proceeding, hearing or investigation of, in or before any court or quasi-judicial or administrative agency of any federal, state, local or foreign jurisdiction or before any arbitrator.

(q) Employees.

(i) Except as set forth in §3(q)(i) of the Disclosure Schedule, Generac is not a party to nor is it bound by any collective bargaining agreement, nor is it a party to any material arbitration or grievance proceeding relating to any such collective bargaining agreement. No labor organization or group of employees has filed any representation petition or made any written or oral demand for recognition. To the Knowledge of Generac, no union organizing or decertification efforts are underway or threatened and no other questions concerning representation exist.

(ii) Except as set forth in §3(q)(i) of the Disclosure Schedule, within the last three years, Generac has not experienced any work stoppage due to labor disagreements and there is currently no labor strike, dispute, request for representation, slow down or work stoppage actually pending or, to the Knowledge of Generac threatened. Generac is not bound by any material administrative agency, tribunal, commission or board decree, judgment, order or award relating to any collective bargaining agreement, claims of unfair labor practices.

(iii) To the Knowledge of Generac, no executive or key employee set forth on §3(q)(ii) of the Disclosure Schedule has notified Generac of any present intention to terminate employment with Generac.

(r) Employee Benefits.

(i) §3(r) of the Disclosure Schedule sets forth all of the current Employee Pension Benefit Plans, Employee Welfare Benefit Plans and all other material employee benefit, fringe benefit plans and programs maintained or contributed to by Generac with respect to current or former employees of Generac (the "Plans"). Generac has provided or made available to the Buyer (A) a copy of each of the Plans, including all amendments thereto, (B) any trust agreements thereunder, (C) each summary plan description and (D) the most recent favorable determination letter issued by the Internal Revenue Service, if applicable.

(ii) Except as set forth in §3(r) of the Disclosure Schedule, each Plan is in compliance with the applicable requirements of law, including, if applicable, ERISA and the Code, except where such failure to comply is not reasonably expected to have a Material Adverse Effect.

(iii) Except as set forth in §3(r) of the Disclosure Schedule, each Employee Pension Benefit Plan which is intended to qualify under §401(a) of the Code has received a favorable determination letter that it is so qualified, and, to the Knowledge of Generac, there exist no facts or circumstances which would cause any of such favorable determination letters to be revoked.

(iv) Except as set forth in §3(r) of the Disclosure Schedule, neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will (A) entitle any employee, officer or director of Generac to severance pay or any increase in severance pay upon any termination of employment after the date hereof, or (B) accelerate the time of payment or vesting or trigger any payment or funding

(through a grantor trust or otherwise) of compensation or benefits under, or increase the amount payable, in each case, except where such payments, accelerated funding or increase in payments would not, individually or in the aggregate, have a Material Adverse Effect.

(v) Except as set forth in §3(r) of the Disclosure Schedule, all contributions and premiums under or in connection with the Plans that are required to have been made as of the date hereof in accordance with the terms of the Plans or as required by Law have been timely made or have been accrued and no Employee Pension Plan has an "accumulated funding deficiency" (as such term is defined in Section 302 of ERISA or Section 412 of the Code, whether or not waived) in each case, except where failure to pay such contributions or premiums would not, individually or in the aggregate, have a Material Adverse Effect.

(vi) Except as set forth in §3(r) of the Disclosure Schedule, neither Generac nor any other entity under "common control" with Generac, as that term is used in Section 4001(b)(1) of ERISA, (i) has incurred any liability under Title IV of ERISA or any penalty, excise tax or joint and several liability under the provisions of ERISA or the Code relating to the Plans that has not been satisfied in full, except where failure to satisfy such liability would not, individually or in the aggregate, have a Material Adverse Effect, and to the Knowledge of Generac, no facts exist that would reasonably be expected to give rise to such liability or (ii) has, at any time in the preceding six (6) years, had any obligation or liability (contingent or otherwise) with respect to a multiemployer plan as defined by Section 4001(a)(3) of ERISA.

(s) Environmental Matters.

(i) Generac is, and during the past three years has been, in material compliance with applicable Environmental Laws and Environmental Permits.

(ii) Generac possesses all material Environmental Permits which are required for its operations.

(iii) During the past three years, Generac has not received any written communication alleging any material failure by it to comply with any applicable Environmental Laws or Environmental Permits.

(iv) There is no Environmental Claim pending or, to Generac's Knowledge, threatened, against Generac or any real property currently or, to Generac's Knowledge, formerly owned, leased or operated by Generac and Generac has not received any notice of or entered into or assumed by contract or operation of Law any material Environmental Liabilities.

(v) To Generac's Knowledge, Generac has not received any written request for information or any written notice from any person pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation and Recovery Act, as amended, or any comparable state or local Laws, with respect to potential responsibility for any contamination of real property,

including any Off-Site Facility used by Generac, which notice or request for information remains unresolved.

(vi) There are no facts, circumstances or conditions with respect to Generac or any real property currently or, to Generac's Knowledge, formerly owned, leased or operated by Generac or any property to or at which Generac transported or arranged for the disposal or treatment of Hazardous Materials that could reasonably be expected to result in Generac incurring material Environmental Liabilities.

(vii) This §3(s) contains the sole and exclusive representations and warranties of Generac with respect to any matters arising under any Environmental Laws or Environmental Permits. The representations and warranties contained in this § 3(s) are qualified by any recognized environmental conditions or instances of failure to comply with Environmental Laws that are identified in the environmental reports listed in § 3(s) of the Disclosure Schedule, which exceptions could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(t) Certain Business Relationships. Except as disclosed in the notes to the Financial Statements or §3(t) of the Disclosure Schedule, none of the Shareholders or any of their respective Affiliates have been involved in any business arrangement or relationship or have purchased, acquired or lease any property or services from, or sold, transferred or lease any property or services to, or loaned or advanced money to, or is owed money from, or borrowed any money from or entered into or been subject to any management consulting or similar agreement with Generac within the past 12 months, other than in his, her or its capacity as a director, officer, employee or shareholder of Generac.

4. Representations and Warranties of the Buyer and the Merger Sub. The Buyer and the Merger Sub, jointly and severally, represent and warrant to Generac that the statements contained in this §4 are correct and complete as of the date of this Agreement and shall be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this §4).

(a) Organization of the Buyer and the Merger Sub. The Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of Delaware. The Merger Sub is a corporation duly organized and validly existing under the laws of the State of Wisconsin

(b) Authorization of Transaction. The Buyer and the Merger Sub, as applicable, each has the full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Buyer and the Merger Sub, enforceable in accordance with its terms and conditions, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or by general equitable principles.

(c) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, shall (i) violate any statute, regulation, rule, injunction, judgment, order, decree or ruling of any government, governmental

agency or court to which the Buyer or the Merger Sub is subject or any provision of their respective Organizational Documents or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any agreement, contract, lease, license or instrument to which the Buyer or the Merger Sub is a party or by which it is bound or to which any of their respective assets is subject, except where the violation, conflict, breach, default, acceleration, termination, modification, cancellation or failure to give notice would not have a material adverse effect on the ability of the Buyer or the Merger Sub to consummate the transactions contemplated by this Agreement. Except for applicable requirements of the Hart-Scott-Rodino Act and for the filing of the Articles of Merger with the DFI under Wisconsin Law, neither the Buyer nor the Merger Sub is required to give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order for the Buyer or the Merger Sub to consummate the transactions contemplated by this Agreement, except where the failure to give notice, to file, or to obtain any authorization, consent or approval would not have a material adverse effect on the ability of the Buyer or the Merger Sub to consummate the transactions contemplated by this Agreement.

(d) Brokers' Fees. Neither the Buyer nor the Merger Sub has any liability or obligation to pay any fees or commissions to any broker, finder, investment banker or agent with respect to the transactions contemplated by this Agreement for which Generac, the Representative or any Shareholder could become liable or obligated.

(e) Availability of Funds. The Buyer has delivered to the Representative a true and correct copy of the commitment letter from JPMorgan Chase Bank, N.A. and J.P. Morgan Securities Inc. (the "Debt Commitment Letter") whereby JPMorgan Chase Bank, N.A. and J.P. Morgan Securities Inc. have committed, upon the terms and subject to the conditions set forth therein, to provide debt financing in the amounts set forth therein in connection with the transactions contemplated by this Agreement, to enable the Buyer to pay the full consideration payable to the Shareholders hereunder, to make all other necessary payments by it in connection with the transactions contemplated by this Agreement, and to pay any and all other related fees and expenses. In addition, Buyer has delivered to the Representative a true and correct copy of the commitment letter from CCMP Capital Investors II, L.P. whereby CCMP Capital Investors II, L.P. has committed, upon the terms and subject to the conditions set forth therein, to provide equity financing in the amount set forth therein in connection with the transactions contemplated by this Agreement (the "Equity Commitment Letter"; and together with the Debt Commitment Letter, the "Commitment Letters"). As of the date hereof, the Commitment Letters are valid and in full force and effect and have not been amended, modified, withdrawn, terminated or replaced.

5. Pre-Closing Covenants. The Parties agree, as applicable, as follows with respect to the period between the execution of this Agreement and the Closing.

(a) General. Each of the Parties shall use reasonable best efforts to take all action and to do all things necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in §8 below).

(b) Notices and Consents. Generac shall use commercially reasonable efforts to obtain any third party consents that are required to be obtained in connection with the consummation of the transaction. Each of the Parties shall give any notices to, make any filings with, and use commercially reasonable efforts to obtain any authorizations, consents and approvals of governments and governmental agencies which are required to be given, made or obtained in connection with consummation of the transaction. Without limiting the generality of the foregoing, each of the Parties shall file any Notification and Report Forms and related material that it may be required to file with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice under the Hart-Scott-Rodino Act, shall use reasonable efforts to obtain a waiver from the applicable waiting period, and shall make any further filings pursuant thereto that may be necessary, proper or advisable in connection therewith. Each of the Parties shall bear its own costs and expenses in preparing such filings; *provided* that the Buyer shall pay all filing fees required to be paid by the Buyer under the Hart-Scott-Rodino Act. Each of the Buyer and Generac shall use its respective commercially reasonable efforts to obtain any and all necessary governmental, judicial or regulatory actions or non-actions, orders, waivers, consents, clearances, extensions and approvals from any and all antitrust authorities.

(c) Operation of Business. Generac shall conduct its business only in the Ordinary Course of Business, and shall not engage in any practice, take any action, or enter into any transaction of the sort described in § 3(h) above, except (i) as expressly permitted by this Agreement, (ii) with respect to matters addressed in § 3(h)(x), as expressly contemplated by this Agreement, the Letter of Transmittal or as otherwise necessary and desirable to consummation the Merger, and (iii) with respect to the matters addressed in § 3(h)(xiv), as (x) required by Section 409A of the Code or any applicable Law and (y) necessary to take the actions required or permitted by § 5(m).

(d) Equity Issuances and Equity Equivalents. Generac shall not (i) issue, sell or deliver any shares of its capital stock or issue or sell any securities convertible into, or options with respect to, or warrants to purchase or rights to subscribe for, any shares of its capital stock, (ii) effect any recapitalization, reclassification, stock dividend, stock split or like change in its capitalization, (iii) amend its Organizational Documents, or (iv) make any redemption or purchase or repurchase of any shares of its capital stock. Generac shall not issue, create or grant any stock appreciation, phantom stock or other similar rights with respect to Generac.

(e) Restrictions on Transfer. Prior to the Closing, the Representative shall not, and shall cause the Shareholders not to, and Generac shall not permit, any Shareholder to sell, transfer, contribute, distribute or otherwise dispose of any Shares, or agree to do any of the foregoing.

(f) Preservation of Business. Generac shall use commercially reasonable efforts to keep its businesses and properties substantially intact, including their present operations, physical facilities, working conditions and relationships with lessors, licensors, suppliers, customers and employees.

(g) Access to Books and Records and Customers and Suppliers. Generac shall permit representatives of the Buyer to have reasonable access at reasonable times, and in a manner so as

not to unreasonably interfere with the normal business operations of Generac, to the premises, properties, personnel, books, records (including tax records but not including employee files or medical records), contracts and documents of or pertaining to Generac; *provided*, *however*, that all such access shall be approved by William W. Treffert or such other persons as Mr. Treffert may designate. Prior to the Closing, the Buyer shall not contact or otherwise communicate, in any manner, with the customers or suppliers of Generac in connection with the transactions contemplated by this Agreement, directly or indirectly, without the prior consent of William W. Treffert or such other persons as Mr. Treffert may designate. The Buyer reaffirms its obligations under the confidentiality agreement between the Buyer and Generac previously executed and delivered in connection with this transaction (the "Confidentiality Agreement").

(h) Notice of Developments.

(i) Generac may elect, not later than 10 Business Days prior to the anticipated Closing Date, to notify the Buyer of any development causing a breach of any of the representations and warranties in §3(e)-(t) above. Unless (x) Buyer reasonably determines, in connection with such notice or collectively with all other such notices, that the Buyer has the right to terminate this Agreement pursuant to §9(a)(ii) below by reason of such development and (y) Buyer exercises that right within the period of 10 Business Days referred to in §9(a)(ii) below, the written notice pursuant to this §5(h)(i) shall be deemed to have amended the Disclosure Schedule, to have qualified the representations and warranties contained in §3 above, and to have cured any misrepresentation or breach of warranty that otherwise might have existed hereunder by reason of such development.

(ii) Each Party shall give prompt written notice to the other Party of any material adverse development causing or reasonably expected to result in a breach of any of its own representations and warranties in §3(a)-(d) and §4 above, as applicable. No disclosure by any Party pursuant to this §5(h)(ii), however, shall be deemed to amend or supplement the Disclosure Schedule or to prevent or cure any misrepresentation or breach of warranty.

(iii) Prior to the Closing, the Buyer shall promptly notify Generac if the Buyer obtains knowledge that any representation or warranty contained in §3 of this Agreement or in the Disclosure Schedule is not true and correct in all material respects, or if the Buyer obtains knowledge of any material errors in, or omissions from, the Disclosure Schedule.

(i) Assistance with Buyer's Financing. In order to assist Buyer in connection with its obtaining the debt financing referred to in § 4(e), Generac shall use reasonable efforts to provide such assistance and cooperation as Buyer and its Affiliates may reasonably request, including (a) using reasonable efforts to participate in meetings, drafting sessions and due diligence sessions, (b) using reasonable efforts to prepare or provide any financial statements, rating agency presentations, prospectus, projections or forecasts, offering memoranda or similar document or marketing material, and, cooperating with lenders, (c) using reasonable efforts to make senior management of Generac reasonably available for customary "road show", marketing or syndication presentations, (d) using reasonable efforts to cooperate with prospective lenders and their respective advisors, (e) using reasonable efforts to ensure that any syndication efforts

benefit materially from existing relationships of Generac, (f) using reasonable efforts to obtain accountants' comfort letters and legal opinions and to provide management representation letters relating to such comfort letters, as reasonably requested by the Buyer, and (g) using reasonable efforts to help procure other definitive pledge and security documents, customary certificates (including a certificate of the chief financial officer of Generac with respect to solvency matters), legal opinions, real estate title and other documentation and agreements; *provided*, *however*, that the Buyer shall be responsible for paying, and shall reimburse Generac for, all out-of-pocket expenses incurred by Generac in providing such assistance and cooperation and such expenses shall, in no event, constitute Transaction Expenses. For the avoidance of doubt, any unreimbursed out-of-pocket expenses incurred by Generac prior to the Closing in connection with the provision of assistance to Buyer under the Section 5(i) shall not be considered Transaction Expenses hereunder.

(j) No Additional Representations or Warranties. The Buyer and the Merger Sub each acknowledge that the Shareholders, the Representative and Generac have not made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding the Shareholders or Generac, except for the representations and warranties of Generac expressly set forth in this Agreement or the Disclosure Schedule, and the Buyer and the Merger Sub each further agree that the Shareholders, the Representative, Generac, Goldman Sachs & Co. and Wells Fargo Securities, LLC, shall not have or be subject to any liability to the Buyer, the Merger Sub or any other Person resulting from the distribution to the Buyer or the Merger Sub, or the Buyer's or the Merger Sub's use of, any such information, including, without limitation, the Confidential Memorandum prepared by Goldman Sachs & Co. and Wells Fargo Securities, LLC and any information, document or material provided to or made available to the Buyer or the Merger Sub in any "data room" (including without limitation the electronic data room maintained by IntraLinks), management presentations or any other form in expectation of the transactions contemplated by this Agreement. The Buyer and the Merger Sub further acknowledge and agree that (i) they are reasonably satisfied with such investigations of Generac and its business that they have conducted in connection with the execution of this Agreement and the consummation of the transactions contemplated hereby, (ii) they and their representatives have been permitted access to the records, facilities, equipment, tax returns, contracts and other properties and assets of Generac which they and their representatives have desired and requested to see and/or review, and (iii) they and their representatives have had the opportunity to meet with representatives of Generac to discuss the business and assets of Generac. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF GENERAC EXPRESSLY SET FORTH IN §3 HEREOF OR THE DISCLOSURE SCHEDULE, NONE OF THE SHAREHOLDERS, THE REPRESENTATIVE NOR GENERAC MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, IN RESPECT OF THE SHAREHOLDERS, GENERAC OR ANY OF THEIR RESPECTIVE ASSETS, LIABILITIES OR OPERATIONS, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED REPRESENTATION OR WARRANTY AS TO THE CONDITION, MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND GENERAC, THE SHAREHOLDERS AND THE REPRESENTATIVE EXPRESSLY DISCLAIM ANY SUCH REPRESENTATION OR WARRANTY. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES OF GENERAC SET FORTH IN §3 HEREOF OR THE DISCLOSURE SCHEDULE, THE BUYER AND THE MERGER SUB AGREE THAT

THE SHARES AND GENERAC ARE BEING ACQUIRED ON AN "AS IS" AND "WHERE IS" BASIS.

(k) Disclaimer Regarding Estimates and Projections. In connection with the Buyer's investigation of Generac, the Buyer and the Merger Sub have received from Generac, Goldman Sachs & Co. and/or Wells Fargo Securities, LLC certain estimates, forecasts, plans and financial projections of Generac. The Buyer and the Merger Sub acknowledge that there are uncertainties inherent in attempting to make such estimates, forecasts, plans and projections, that the Buyer is familiar with such uncertainties, that the Buyer and the Merger Sub are taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, forecasts, plans and projections so furnished to it (including the reasonableness of the assumptions underlying such estimates, forecasts, plans and projections), and that neither the Buyer nor the Merger Sub shall have any claim against the Shareholders, the Representative, Generac, Goldman Sachs & Co., and/or Wells Fargo Securities, LLC with respect thereto. Accordingly, none of the Shareholders, the Representative, Generac, Goldman Sachs & Co. or Wells Fargo Securities, LLC, make any representation or warranty with respect to such estimates, forecasts, plans and projections (including any such underlying assumptions).

(l) Distributions to Shareholders. Subject in all respects to § 5(d) above, Generac may continue to pay cash distributions to the Shareholders from the date hereof to (but excluding) the Closing Date, including, without limitation, distributions to permit the Shareholders to pay their Taxes on Generac's income through the Closing Date and to cover other items consistent with past practices; *provided, however,* that, notwithstanding the foregoing and except as expressly permitted in § 5(m) below, in no event shall Generac declare, agree to make or pay cash or other distributions, or dividends or amounts to the Shareholders during such period to the extent in excess of $75 million, in the aggregate.

(m) Certain Other Payments. Prior to the Closing Date, Generac shall be entitled to distribute and otherwise pay all amounts payable under (i) the Generac Power Systems, Inc. Amended and Restated Equity Appreciation Share Plan (the "Equity Appreciation Plan") to the individuals listed on Schedule 5(l)(i), and (ii) the Retirement Allowances under section 2 of the separate Amended and Restated Employment and Deferred Compensation Agreements by and between Generac and each of the individuals listed on Schedule 5(l)(ii) (the "Deferred Compensation Agreements"), and shall cause each such plan and agreement to terminate and to cease to have any further force and effect from and after the Effective Time. In connection with, but without limiting the foregoing, prior to the Closing Date, Generac shall be entitled to make such amendments to (A) the Deferred Compensation Agreements as may be required or permitted by applicable Law and (B) the Deferred Compensation Agreements so as to require that all payments due or accrued thereunder be payable in connection with the consummation of the transactions contemplated by this Agreement; *provided* that in no event shall Generac make any amendments to any of the Deferred Compensation Agreements which would impose any liability or obligation upon Generac at any time after the Closing (whether in respect of any payment or otherwise).

(n) Delivery to Shareholders. Generac shall, in accordance with applicable Wisconsin Law, mail or deliver to each Shareholder by no later than 30 days prior to the anticipated Closing Date (i) a Letter of Transmittal, (ii) the notification required by Wisconsin

Law with respect to the Voting Shares Shareholder Consent, (iii) a statement in accordance with Wisconsin Law regarding appraisal rights of the Shareholders, (iv) a brief information statement including such information regarding the transactions contemplated hereby as may be required under Wisconsin and any other applicable Law, together with a copy of this Agreement, to allow the Shareholders to validly waive or assert any appraisal rights, and (v) any other information, documents, waivers or appointments as the Buyer or the Representative may deem reasonably necessary or otherwise as may be reasonably necessary to carry out the terms and provisions of this Agreement. Generac shall give Buyer prompt notice of any demands for appraisal rights and the Buyer shall have the opportunity to participate in all negotiations and proceedings with respect to such demands. Prior to the Effective Time, Generac shall not, without the prior written consent of the Buyer, make any payment with respect to or settle or offer to settle, any such demands, or agree to do any of the foregoing.

(o) No Solicitation. Prior to the earlier of (i) the Closing Date or (ii) the termination of this Agreement pursuant to §9, Generac, directly or indirectly, through any director, officer, employee, investment banker, financial advisor, attorney, accountant or other agent or representative of Generac, shall not solicit, initiate or encourage the submission of proposals or offers from any Person relating to the acquisition or purchase of all or any portion of the Shares or the assets of Generac (other than in the ordinary course of business), or any equity interest in Generac, or any business combination with Generac, other than with the Buyer or the Merger Sub, participate in any negotiations regarding or furnish to any other Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to seek or do any of the foregoing.

(p) Payoff Letters; Indebtedness Schedule. Not later than three Business Days prior to the Closing Date, Generac shall cause each of the lenders or the administrative agents for such lenders of any Debt (whether or not any amounts are then outstanding in respect thereof) to prepare and deliver to Generac (i) a statement which sets forth the aggregate amount of principal and interest anticipated to be outstanding under any such Debt as of the Closing Date (and after giving effect to the payments described in § 5.1(m)) and (ii) customary "payoff letters" or similar documents (collectively, the "Debt Payoff Letters") specifying (A) with respect to all such Debt (to the extent representing indebtedness for borrowed money or guarantees), the aggregate amount of Generac's obligations (including principal, interest, fees, expenses, prepayment penalties or payments and other amounts payable under the agreements with respect thereto), if any, that are anticipated to be outstanding as of the Closing Date (after giving effect to the payments described in § 5.1(m)), and (B) that upon receipt of the applicable lenders or administrative agents (as applicable) of such amounts (x) all Debt and other obligations represented or incurred under such agreements shall be repaid and discharged in full and (y) if applicable, all Security Interests under or granted in connection with such agreements shall be released and discharged.

6. Post-Closing Covenants. The Parties agree as follows with respect to the period following the Closing.

(a) General. In the event that at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the Parties shall take such further action (including the execution and delivery of such further instruments and documents) as the

other Party may reasonably request, all at the sole cost and expense of the requesting Party. The Buyer agrees to retain records relating to Generac for the period prior to the Closing and make them available to the Representative for a period of five years after the Closing, or, in the alternative, to notify the Representative in writing at least 30 days prior to of their disposal at any time prior to the expiration of such period and permit the Representative to have access to such records.

(b) Litigation Support. In the event and for so long as any Party actively is contesting or defending against any action, suit, proceeding, hearing, investigation, complaint, claim, or demand in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving Generac, each of the other Parties shall cooperate with such Party or its counsel in the defense or contest, make available their personnel, and provide such testimony and access to their books and records (including with respect to insurance) as shall be reasonably requested in connection with the defense or contest, all at the sole cost and expense of the contesting or defending Party.

(c) Transition. Neither the Representative nor Generac shall take any action that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier or other business associate of Generac from maintaining the same business relationships with the Buyer and Generac after the Closing as it maintained with Generac prior to the Closing.

(d) Tax Matters.

(i) The Representative shall properly prepare or cause to be properly prepared, and timely file or cause to be filed, all Tax Returns of or with respect to Generac that are required to be filed on or before the Closing Date and Generac's final S corporation returns (other than any Tax Returns on which there are reflected Section 338(h)(10) Taxes), and shall timely pay or cause to be timely paid all Taxes shown due thereon. All such Tax Returns shall be prepared in a manner consistent with this Agreement and prior practice unless otherwise required by applicable Tax Law, it

being understood that the payments made pursuant to the Employment and Deferred Compensation Agreements with the individuals listed on Schedule 5(l)(ii) and the Generac Power Systems, Inc. Amended and Restated Equity Appreciation Plan are deemed to occur prior to the Closing and the parties agree to report such items in the taxable period that ends on the Closing Date (or on the preclosing portion of a Straddle Period, as the case may be). The Representative shall provide Buyer with copies of completed drafts of such Tax Returns (along with supporting workpapers) at least twenty (20) days prior to the due date for filing thereof, for Buyer's review and approval (which approval shall not be unreasonably withheld or delayed). The Buyer shall prepare or cause to be prepared, and file or cause to be filed, all other Tax Returns required to be filed by the Surviving Corporation and shall timely pay or cause to be timely paid all Taxes of Generac shown due thereon; provided that any Tax Return with respect to (A) any taxable period that includes (but does not end on) the Closing Date (a "Straddle Period") and (B) any taxable period that ends on or prior to the Closing Date on which are reflected Taxes that are due and payable by the Shareholders shall be prepared consistently with prior practice unless otherwise required by applicable Tax law and shall

be provided by the Buyer to the Representative for review and approval at least twenty (20) days before due (including extensions) (which approval shall not be unreasonably withheld or delayed).

(ii) From and after the Closing Date, the Representative and the Buyer shall give prompt notice to each other of any Tax authority's proposed adjustment to Income Taxes of or with respect to Generac for all Tax periods that end on or prior to the Closing Date or any Straddle Period. The Representative shall have the right to represent and control the interests of Generac in any Income Tax audit or administrative or court proceeding relating to taxable periods of Generac which end on or before the Closing Date and to employ counsel of its choice at the Shareholders' expense; *provided*, *however*, that the Buyer shall have the right to participate in, and consult with the Representative regarding, any such contest that may affect Generac or the Surviving Corporation for any periods ending after the Closing Date, or for any periods with respect to Section 338(h)(10) Taxes, at Buyer's own expense; *provided further* that the Representative shall not settle any contests referred to in the immediately preceding proviso without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Buyer should have the exclusive right to represent the interests of Generac in such contest if such contest is with respect to any Section 338(h)(10) Taxes. The Buyer shall control the conduct of any audit or proceeding involving Generac or the Surviving Corporation for periods that end after the Closing Date, including any Straddle Period. The Buyer shall keep the Representative reasonably informed of the progress of any such audit or other proceeding, and the Representative shall cooperate with the Buyer and the Surviving Corporation in the conduct of any such audit or other proceeding. Notwithstanding anything in this Agreement to the contrary, the Buyer and the Surviving Corporation shall not resolve, settle, compromise, or abandon any issue or claim without the prior written consent of the Representative (on behalf of the Shareholders) if such action would materially and adversely affect the Tax liabilities of any of the Shareholders for any period ending on or before the Closing Date or the pre-Closing portion of any Straddle Period (including any imposition of any income Tax deficiencies), which consent may not be unreasonably withheld or delayed.

(iii) Neither the Buyer nor the Surviving Corporation may amend or cause the amendment of an Income Tax Return of Generac, change an annual accounting period, adopt or change any Income Tax accounting method, or file or amend any Income Tax election concerning Generac with respect to any period ending on or prior to the Closing Date without the written consent of the Representative, which consent may not be unreasonably withheld or delayed. The Surviving Corporation shall (and the Buyer shall cause the Surviving Corporation to comply), upon request by the Representative and at the Representative's expense, cooperate in the preparation of and submission to the proper Tax authority of any amended Income Tax Return with respect to Generac for any taxable period ending on or before the Closing Date.

(iv) Any refund of Income Taxes of Generac (including any interest with respect thereto) attributable (or treated as attributable) to any period that ends on or before the Closing Date (including the pre-Closing portion of a Straddle Period) and for

which the Shareholders would be responsible in the event a deficiency were assessed, shall be the property of the Shareholders, and if received by the Buyer, the Surviving Corporation or any other affiliated entity of the Buyer, the Buyer shall promptly pay such refund to the Representative.

(v) The Buyer shall join with the Shareholders in making an election under section 338(h)(10) of the Code (and any corresponding elections under appropriate state, local or foreign laws, to the extent permitted by such laws) with respect to the Merger. The Representative shall cause five (5) IRS Forms 8023 and any other appropriate election forms to be properly prepared, executed by the Shareholders and submitted to the Buyer prior to the Closing Date. The Buyer shall execute and timely file such election forms with the appropriate taxing authorities. The Shareholders and the Buyer shall file all Tax Returns in a manner consistent with the Code section 338(h)(10) election and will not take any position contrary thereto.

(vi) The Buyer, Generac, the Shareholders and the Surviving Corporation, as applicable, shall reasonably cooperate, as and to the extent reasonably requested by any such party, in connection with the furnishing of information relating to and the filing of Tax Returns of Generac and the Surviving Corporation and any audit, litigation or other proceeding with respect to Taxes of Generac or the Surviving Corporation. Subject to § 6(d), such cooperation shall include signing any Tax Return, amended Tax Returns, claims or other documents necessary to settle any Tax controversy, the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Buyer, Generac, the Shareholders and the Surviving Corporation agree to retain all books and records with respect to Tax matters pertinent to Generac relating to any taxable period beginning before the Closing Date until a reasonable time after the expiration of the statute of limitations of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority.

(vii) Neither the Shareholders nor Generac shall [a] revoke Generac's election to be taxed as an S corporation within the meanings of §1361 of the Code or any analogous or similar provision of state or local Tax Law, or [b] take or allow any action that would result in the termination of Generac's status as a validly existing S corporation within the meaning of §1361 of the Code or any analogous or similar provision of state or local Tax Law prior to the Closing.

(viii) The Parties agree that, after the Closing Date, the Surviving Corporation will be obligated to remit Wisconsin income tax withholding for Shareholders who are not residents of the state of Wisconsin (the "Nonresident Shareholders") with respect to the flow through income of Generac for the tax year ending on the Closing Date, as required by Wisconsin Statutes section 71.775 (the "Wisconsin Withholding"). The Representative shall reimburse the Surviving Corporation for the Wisconsin Withholding pursuant to the procedure set forth in this §6(d)(viii) and may use funds from the Representative's Escrow for this purpose. At least 10 days prior to the due date of

Generac's S corporation Tax Return for the tax year ending on the Closing Date, the Representative shall provide notice (the "Withholding Notice") to the Surviving Corporation of the names and addresses of the Nonresident Shareholders, the amount of the Wisconsin Withholding (the "Withholding Amount") and due date of the Wisconsin Withholding (the "Withholding Due Date"), which Withholding Notice (including the Withholding Amounts set forth therein) shall be reasonably satisfactory to Buyer and the Surviving Corporation. The Withholding Notice shall be accompanied by a payment equal to the Withholding Amount from the Representative to the Surviving Corporation. The Surviving Corporation shall thereafter remit the Withholding Amount on behalf of the Nonresident Shareholders to the Wisconsin Department of Revenue by the Withholding Due Date. Except to the extent caused by the action or inaction of the Shareholders or the Representative, neither the Shareholders nor the Representative will be liable for any penalties, interest or other assessments resulting from the Surviving Corporation's failure to pay the Withholding Amount by the Withholding Due Date and the Surviving Corporation shall be liable for any amounts payable as a result of such failure.

(ix) Buyer shall not permit the Surviving Corporation to take any actions on the Closing Date that are out of the Ordinary Course of Business of Generac and that have the result of increasing the taxable income allocated to the Shareholders for the period ending on the Closing Date, except for any actions that are expressly contemplated by the Merger Agreement.

(e) Allocation of Purchase Price. The parties hereto agree that the Merger Consideration and the liabilities of Generac (plus other relevant items) will be allocated to the assets of Generac for all purposes (including Tax and financial accounting purposes (unless, with respect to financial accounting, the Surviving Corporation's auditors determine that a different allocation is required by GAAP)) as provided on Schedule 6(e), as may be amended by the joint agreement of the Buyer and the Representative in good faith to reflect the operations of Generac through the Closing Date. The Buyer, Generac and the Shareholders shall file all Tax Returns (including amended returns and claims for refund) and information reports in a manner consistent with Schedule 6(e), as may be amended as set forth above, and will not take any position contrary thereto.

(f) Dispute Resolution. In the event that Representative or Buyer disputes the application or interpretation of any provision of Sections 6(d) or (e), such party shall deliver to the other a statement setting forth, in reasonable detail, the nature of any disagreement so asserted. The parties shall attempt in good faith to resolve any such dispute within twenty (20) days following the date of the statement provided pursuant to the preceding sentence. If the parties are unable to resolve such dispute within such twenty (20) day period, the dispute shall be resolved by KPMG LLP (the "Selected Accounting Firm"). The Selected Accounting Firm shall finally and conclusively resolve any dispute relating to matters set forth in Sections 6(d) or (e) or within thirty (30) days following receipt of the submission. The Selected Accounting Firm shall determine, only with respect to the specific disagreements submitted in writing by a Representative and Buyer, the manner in which such item or items in dispute should be resolved. The Selected Accounting Firm shall be directed to make such determination promptly, but in no event later than thirty (30) days after acceptance of its appointment. Any finding by the Selected

Accounting Firm shall be a reasoned award stating the findings of fact and conclusions of Law (if any) on which it is based, shall be final and binding upon the parties and shall be the sole and exclusive remedy between the parties regarding the disputed items so presented. The fees and expenses of the Selected Accounting Firm shall be shared by the Representative and Buyer equally, and the parties shall

otherwise bear their own expenses incurred in any dispute resolution pursuant to this Section 6(f). If any dispute with respect to a Tax Return is not resolved prior to the due date of such Tax Return, such Tax Return shall be filed in the manner which the party responsible for filing such Tax Return deems correct and shall be promptly amended to reflect the resolution of any such dispute (whether determined by the Selected Accounting Firm or otherwise by agreement of the parties).

(g) Directors' and Officers' Indemnification and Insurance.

(i) Without limiting any additional rights that any officer or director may have under any Plan, Generac's Articles of Incorporation, as amended, or By-Laws, as amended, or any indemnification agreement between Generac and its directors and officers in effect as of the date hereof, from and after the Effective Time, the Buyer shall, and shall cause the Surviving Corporation to, indemnify and hold harmless each present (as of the Effective Time) and former officer or director of Generac (each, an "Indemnified Party" and, collectively, the "Indemnified Parties"), against all claims, losses, liabilities, damages, judgments, inquiries, fines and reasonable fees, costs and expenses, including attorneys' fees and disbursements incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of actions taken by them in their capacity as officers or directors at or prior to the Effective Time (including, to the extent indemnifiable thereunder, this Agreement and the transactions contemplated hereby), or taken by them at the request of Generac, whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent permitted under applicable Wisconsin Law for a period of six years from the Effective Time. Each Indemnified Party shall be entitled to advancement of expenses incurred in the defense of any claim, action, suit, proceeding or investigation from the Surviving Corporation within 10 Business Days of receipt by the Surviving Corporation from the Indemnified Party of a request therefor; *provided*, *however*, that any Indemnified Party to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such person is not entitled to indemnification. The Surviving Corporation shall not settle, compromise or consent to the entry of any judgment in any proceeding or threatened action, suit, proceeding, investigation or claim and in which indemnification could be sought by such Indemnified Party hereunder, without the consent of such Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed, unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liability arising out of such action, suit, proceeding, investigation or claim.

(ii) The Articles of Incorporation and By-Laws of the Surviving Corporation (or any successor to the Surviving Corporation) will contain provisions with respect to exculpation, indemnification and the advancement of expenses that are at least as favorable to the Indemnified Parties as those contained in the Articles of Incorporation, as amended, and By-Laws, as amended, of Generac as in effect on the date hereof, which

provisions will not, except as required by applicable law, be amended, repealed or otherwise modified in any manner that would adversely affect the rights thereunder of any Indemnified Party unless the Surviving Corporation (or any successor to the Surviving Corporation) provides other assurance sufficient to ensure the continued exculpation, indemnification and advancement of expenses of the Indemnified Parties for six years to the fullest extent of the law as provided in such Articles of Incorporation, as amended, and By-Laws prior to any such amendment, repeal or modifications.

(iii) Prior to the Effective Time, Generac shall obtain and fully pay for "tail" insurance policies with a claims period of at least six years from the Effective Time from an insurance carrier with an AM Best rating of A- or better with respect to directors' and officers' liability insurance and fiduciary liability insurance with benefits and levels of coverage at least as favorable as Generac's existing policies with respect to matters existing or occurring at or prior to the Effective Time (including in connection with this Agreement or the transactions contemplated hereby); provided that Generac shall use commercially reasonable efforts to minimize the cost of such "tail" insurance policy (it being understood that Generac shall not be required to accept a reduction in the quality of the insurer providing such policy or the scope of the coverage of such policy as compared to Generac's existing insurer and policy); and provided, further, that the cost of such "tail" insurance policy shall not exceed 300% of the current annual premiums paid by Generac for such insurance (the "D&O Cap"); and provided, further, that in no event shall the costs of any such "tail" insurance policy be deemed to constitute Transaction Expenses for any purposes of this Agreement. If the Buyer and the Surviving Corporation cannot obtain such "tail" insurance policies as of the Effective Time for less than the D&O Cap, the Buyer and the Surviving Corporation shall obtain a "tail" insurance policy providing benefits and levels of coverage that are available for the amount of the D&O Cap. The Surviving Corporation shall honor and perform under all indemnification agreements entered into by Generac.

(iv) This §6(g) is intended to be for the benefit of, and shall be enforceable by, the Indemnified Parties, their heirs and personal representatives and shall be binding on the Surviving Corporation and their successors and assigns.

7. Appointment of the Representative.

(a) Powers of Attorney. Each of the Shareholders, by his, her or its acceptance of the Merger Consideration, irrevocably constitutes and appoints Robert D. Kern as the Representative to act as such Person's true and lawful attorney-in-fact and agent and authorizes the Representative acting for such Person and in such Person's name, place and stead, in any and all capacities to do and perform every act and thing required or permitted to be done in connection with the transactions contemplated by this Agreement, as fully to all intents and purposes as such Person might or could do in person, including, without limitation:

(i) to direct distribution of the Merger Consideration in accordance with §2;

(ii) to take any and all action on behalf of the Shareholders from time to time as the Representative may deem necessary or desirable to fulfill the interests and

purposes of this §7(a) and to engage agents and representatives (including accountants and legal counsel) to assist in connection therewith;

(iii) to take any and all action on behalf of the Shareholders from time to time as the Representative may deem necessary or desirable, to prepare or cause to be prepared and file or cause to be filed any Tax Return as contemplated by §6(d) hereof, to amend this Agreement and to make or enter into any waiver, amendment, agreement, opinion, certificate or other document contemplated hereunder;

(iv) to deliver all notices required to be delivered by the Shareholders;

(v) to receive all notices required to be delivered to the Shareholders; and

(vi) to estimate, withhold and pay the Withholding Amount pursuant to §6(d)(viii).

Each of the Shareholders, by his, her or its acceptance of the Merger Consideration, grants unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing necessary or desirable to be done in connection with the matters described above, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the Representative may lawfully do or cause to be done by virtue hereof. Each of the Shareholders further acknowledges and agrees that upon execution of this Agreement, any delivery by the Representative of any waiver, amendment, agreement, opinion, certificate or other documents executed by the Representative pursuant to this §7, such Person shall be bound by such documents as fully as if such Person had executed and delivered such documents. If Robert D. Kern is unable or unwilling to act as the Representative as provided herein, each of the Shareholders agrees that William W. Treffert shall be an alternative Representative, entitled to act as the Representative, with all of the authority, rights and powers of the Representative set forth in, and subject to the provisions of, this §7. If William W. Treffert acts as the Representative pursuant hereto, he shall provide written notice to the Buyer that he is acting in such capacity.

(b) Liability of the Representative. The Representative shall not have by reason of this Agreement a fiduciary relationship in respect of any Shareholder. The Representative shall not be liable to any Shareholder for any action taken or omitted by it or him hereunder or under any other document hereunder, or in connection therewith, except that the Representative shall not be relieved of any liability imposed by law for gross negligence or willful misconduct. The Representative shall not be liable to any Shareholder for any apportionment or distribution of payments made by it in good faith, and if any such apportionment or distribution is subsequently determined to have been made in error, the sole recourse of any Shareholder to whom payment was due, but not made, shall be to recover from other Shareholders any payment in excess of the amount to which they are determined to have been entitled. The Representative shall not be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement. Each of the Shareholders acknowledges and agrees that the Representative shall not be obligated to take any actions and shall be entitled to take such actions as the Representative deems appropriate in such Representative's sole discretion.

(c) Actions of the Representative. By his, her or its acceptance of the Merger Consideration, each Shareholder agrees that the Buyer shall be entitled to rely on any action taken by the Representative (including, without limitation, actions taken by William W. Treffert as the Representative pursuant to §7(a) above), on behalf of the Shareholders pursuant to §7(a) above (each, an "Authorized Action"), and that each Authorized Action shall be binding on each Shareholder as fully as if such Person had taken such Authorized Action.

(d) Letter of Transmittal. The Letter of Transmittal shall contain an affirmation of the provisions of this § 7.

8. Conditions to Obligation to Close.

(a) Conditions to Obligation of the Buyer and the Merger Sub. The obligation of the Buyer and the Merger Sub to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in §3 above shall be true and correct at and as of the Closing Date (determined without giving effect to any "materiality" or "Material Adverse Effect" qualifications set forth therein), unless the failure of a representation and warranty to be so true and correct, taken together with all other such failures, would not or would not reasonably be expected to (individually or in the aggregate), have a Material Adverse Effect;

(ii) Generac shall have performed and complied, in all material respects, with all of its covenants hereunder through the Closing;

(iii) there shall not be any injunction, judgment, order, decree or ruling in effect preventing consummation of any of the transactions contemplated by this Agreement;

(iv) the Reinvesting Management Group shall have entered into arrangements with Generac and Buyer pursuant to which the members of such Reinvesting Management Group will subscribe for or otherwise commit to purchase, shares of Buyer's capital stock with an aggregate value of not less than $100 million, which shares shall be the same classes of stock and for the same per share price as Buyer's other shareholders purchase in connection with the transactions contemplated by this Agreement;

(v) the Representative shall have delivered to the Buyer a certificate of status for Generac from the DFI dated not more than two (2) Business Days prior to the Closing Date;

(vi) the Representative shall cause, as of the Closing, the Paying Agent to pay to the Surviving Corporation by wire transfer from the portion of the Payment Fund payable to Shareholder Dawn Tabat and amount equal to the total outstanding principal and interest payable by Dawn Tabat to Generac as of the Closing Date pursuant to the Promissory Note executed by Dawn Tabat and payable to Generac dated December 31, 2005;

(vii) Buyer shall have been provided with evidence, in form and substance reasonably satisfactory to the Buyer, of the termination of all agreements and arrangements between Generac and the Representative and its Affiliates (including, without limitation, all shareholder agreements between or among Generac and one or more Shareholders pursuant to one or more Termination Agreements).

(viii) the Representative shall have delivered to the Buyer a certificate to the effect that each of the conditions specified above in §8(a)(i)-(vii) is satisfied in all respects;

(ix) if required by Law in lieu of withholding a portion of the Merger Consideration, each Shareholder shall have delivered to the Buyer an affidavit in customary form certifying that such Shareholder is not a "foreign person" under Section 1445 of the Code;

(x) each Title Policy and such customary affidavits or certifications as are reasonably required by the Title Company in connection with the deletion of/or insurance over the printed exceptions for matters arising subsequent to the effective date of the corresponding Title Commitment but prior to recording of the insured instrument (other than Permitted Liens), mechanics liens, broker liens, judgments against similarly named parties, and absence of tenants, shall be delivered to the Buyer by the Title Company; and

(xi) all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Act shall have expired or otherwise been terminated.

The Buyer and the Merger Sub may waive any condition specified in this §8(a) in writing at or prior to the Closing.

(b) Conditions to Obligation of Generac. The obligation Generac to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in §4 above shall be true and correct in all material respects at and as of the Closing Date;

(ii) the Buyer shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(iii) the Buyer shall have paid the Paying Agent the Merger Consideration and an amount equal to the aggregate unpaid Transaction Expenses;

(iv) there shall not be any injunction, judgment, order, decree or ruling in effect preventing consummation of any of the transactions contemplated by this Agreement;

(v) the Buyer shall have delivered to the Representative a certificate of good standing for the Buyer from the Secretary of State of Delaware dated not more than two (2) Business Days prior to the Closing Date;

(vi) the Merger Sub shall have delivered to the Representative a certificate of status for the Merger Sub from the DFI dated not more than two (2) Business Days prior to the Closing Date;

(vii) the Buyer and the Merger Sub shall have delivered to the Representative a certificate to the effect that each of the conditions specified above in §8(b)(i)-(vi) is satisfied in all respects;

(viii) The Representative shall have received an opinion from an independent third party selected by the Representative, in form and substance acceptable to the Representative, setting forth the following conclusions: [a] immediately prior to the closing of the transactions contemplated by this Agreement, Generac was not insolvent and [b] after giving effect to the transactions contemplated by this Agreement and all of the financings and other transactions contemplated in connection herewith, the Surviving Corporation [i] will not be rendered insolvent, [ii] will not be left with unreasonably small assets or capital in relation to its existing or contemplated business, and [iii] did not incur or should not have reasonably believed that it would incur, debts beyond its ability to pay as such debts mature or become due. For purposes of this §8(b)(viii), "insolvent" shall have the meanings assigned to such term in 11 U.S.C. §101 et. seq. and Wisconsin Statutes Chapter 242; and

(ix) all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Act shall have expired or otherwise been terminated.

The Representative may waive any condition specified in this §8(b) in writing at or prior to the Closing.

9. Termination.

(a) Termination of Agreement. Certain of the Parties may terminate this Agreement as provided below:

(i) the Buyer and Generac may terminate this Agreement by mutual written consent at any time prior to the Closing;

(ii) the Buyer may terminate this Agreement by giving written notice to Generac at any time prior to the Closing in the event Generac has given the Buyer any notice pursuant to §5(h)(i) or §5(h)(ii) above and pursuant to which Buyer has reasonably determined that the development that is the subject of the notice (individually or taken with all other notices received under §5(h)(i) or §5(h)(ii)) has had, or is reasonably likely to have, a Material Adverse Effect, and the same has continued without cure until the first to occur of (x) December 31, 2006 and (y) the 30th day after receipt by Buyer of such notice;

(iii) the Buyer may terminate this Agreement by giving written notice to the Representative at any time prior to the Closing (A) in the event that Generac has breached any material representation, warranty or covenant contained in this Agreement (other than the representations and warranties in §3(e)-(t) above) in any material respect,

the Buyer has notified Generac of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach or (B) if the Closing shall not have occurred on or before December 31, 2006, by reason of the failure of any condition precedent under §8(a) hereof (unless the failure results primarily from the Buyer itself breaching any representation, warranty or covenant contained in the Agreement); and

(iv) Generac and the Representative may terminate this Agreement by giving written notice to the Buyer at any time prior to the Closing (A) in the event the Buyer has breached any material representation, warranty or covenant contained in this Agreement in any material respect, the Representative has notified the Buyer of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach or (B) if the Closing shall not have occurred on or before December 31, 2006, by reason of the failure of any condition precedent under §8(b) hereof (unless the failure results primarily from Generac breaching any representation, warranty or covenant contained in this Agreement).

(b) Effect of Termination. If any Party terminates this Agreement pursuant to §9(a) above, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to the other Party (except for any liability of any Party then in breach); *provided, however,* that the confidentiality provisions contained in the Confidentiality Agreement shall survive in accordance with the terms thereof and the provisions of § 9(c) and § 10 shall continue in full force and effect.

(c) Procedure Upon Termination. If this Agreement is terminated as provided herein, each party shall redeliver all documents, workpapers and other material of the other party relating to the transactions contemplated hereby whether so obtained before or after execution hereof, to the party furnishing the same. If this Agreement is terminated pursuant to §9 (a)(i) or (ii), no party hereto shall have any liability or obligation to the other party to this Agreement as a result of such termination. If this Agreement is terminated pursuant to §9 (a)(iii) or (iv), the non-breaching party shall be entitled to recover its costs, fees and expenses which are incurred in connection with the negotiation of the transactions contemplated by this Agreement, up to a maximum amount of $2,500,000. In the event that a condition precedent to its obligations is not satisfied, nothing contained herein shall be deemed to require any party to terminate this Agreement, rather than to waive such condition precedent and proceed with the transactions contemplated hereby or permit the other party additional time to attempt to satisfy such condition precedent.

10. Miscellaneous.

(a) Press Releases and Public Announcements. No Party shall issue any press release or public announcement relating to the subject matter of this Agreement prior to the Closing without the prior written approval of the other Party; *provided, however,* that any Party may make any public disclosure it believes in good faith, based upon the advice of counsel, is required by applicable law (in which case the disclosing Party shall use its reasonable best efforts to advise the other Party prior to making the disclosure); and *provided, further*, that nothing in this § 10(a) shall in any way limit the ability of Buyer or Merger Sub to disclose the terms of this Agreement in connection with its obtaining financing of the type referred to in §4(e). The

Parties agree to prepare and issue mutually acceptable press releases on or promptly after the Closing announcing the transactions contemplated hereby.

(b) Third-Party Beneficiaries. Except as contemplated by §6(f) above, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

(c) Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter hereof, other than the Confidentiality Agreement, which shall remain in full force and effect.

(d) Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the Buyer and the Representative; *provided, however,* that, unless expressly prohibited hereunder, the Buyer may (i) assign any or all of its rights and interests hereunder to one or more of its Affiliates and (ii) designate one or more of its Affiliates to perform its obligations hereunder (in any or all of which cases the Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder).

(e) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(f) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given if personally delivered or is sent by registered or certified mail, return receipt requested, postage prepaid, or by reputable overnight courier and addressed to the intended recipient as set forth below:

If to Generac:

Generac Power Systems, Inc.
P.O. Box 295
Waukesha, WI 53187
Attention: William W. Treffert
Chief Executive Officer
Facsimile: (262) 544-4851

With a copy to (which shall not constitute notice):

Reinhart Boerner Van Deuren s.c.
1000 North Water Street, Suite 2100
Milwaukee, WI 53201-2965
Attention: Richard A. Van Deuren
John L. Schliesmann
Facsimile: (414) 298-8097

If to the Shareholders or the Representative:

Robert D. Kern, as Representative
W305 S4273 Brookhill Road
Waukesha, WI 53189
Facsimile:

With a copy to (which shall not constitute notice to the Shareholders or the Representative):

Reinhart Boerner Van Deuren s.c.
1000 North Water Street, Suite 2100
Milwaukee, WI 53201-2965
Attention: Richard A. Van Deuren
John L. Schliesmann
Facsimile: (414) 298-8097

If to the Buyer or Merger Sub:

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

With a copy to (which shall not constitute notice to the Buyer):

Weil, Gotshal & Manges LLP
767 Fifth Avenue

New York, New York 10153
Attention: David M. Blittner
Facsimile: (212) 310-8007

Any Party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address set forth above using any other means (including messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

(h) Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Wisconsin (*i.e.*, without giving effect to any choice or conflict of law provision or rule (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). Each of the Parties hereby (i) irrevocably submits to the non-exclusive jurisdiction of any state or federal court sitting in the State of Wisconsin in any action, suit or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceeding may be heard and determined in any such court, (ii) waives, and agrees not to assert in any such suit, action or proceeding, any claim that (A) it is not personally subject to the jurisdiction of such court or of any other court to which proceedings in such court may be appealed, (B) such suit, action or proceeding is brought in an inconvenient forum or (C) the venue of such suit, action or proceeding is improper, (iii) expressly waives any requirement for the posting of a bond by the party bringing such suit, action or proceeding and (iv) consents to process being served in any such suit, action or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices hereunder, and agrees that such services shall constitute good and sufficient service of process and notice thereof. Nothing in this §10(h) shall affect or limit any right to serve process in any other manner permitted by law.

(i) Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Generac, the Buyer and the Representative on behalf of the Shareholders. No waiver by any such Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(j) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(k) Survival. All of the representations, warranties and agreements contained herein or in any certificate, instrument or other document delivered pursuant hereto, shall terminate as of the Closing and be of no further force or effect, except that the agreements set forth in §§6 and 7 hereof shall survive the Closing and continue in full force and effect. No Party shall have any right or claim with respect to any breach of any representation and warranty contained herein and no Party shall have any liabilities whatsoever (for indemnification or otherwise) with respect to any such representation and warranty after the Closing.

(l) Expenses. Except as otherwise provided herein, each of the Buyer, the Merger Sub, the Shareholders, and Generac will bear its own costs and expenses (including legal, accounting, and investment banking fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby. All transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement, shall be paid by the Buyer

when due, and the Buyer will, at its own expense, file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges, and, if required by applicable Law, the Parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation.

(m) Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

(n) Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

(o) Disclosure Schedule. The inclusion of information in the Disclosure Schedule shall not be construed as an admission that such information is material to Generac. In addition, matters reflected in the Disclosure Schedule are not necessarily limited to matters required by this Agreement to be reflected in the Disclosure Schedule. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature.

11. Definitions.

(a) Specific Definitions. As used in this Agreement, the following terms have the meanings set forth or referenced below:

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act.

"Agreement" means this Agreement and Plan of Merger (as may be amended from time to time in accordance with the terms of §10(i) hereof).

"Articles of Merger" has the meaning set forth in §1(c) above.

"Authorized Action" has the meaning set forth in §7(c) above.

"Business Day" means any day other than Saturday, Sunday or a day on which banks in the City of New York, New York are authorized or required by Law to close.

"Buyer" has the meaning set forth in the preface above.

"Cash" means the aggregate amount of cash and cash equivalents (including marketable securities and short term investments and checks received by Generac prior to the Closing Date) of Generac on hand or on deposit as shown in Generac's accounting records which is immediately available for use by Generac, less any escrowed amounts or other restricted cash balances and less the amounts of any unpaid checks, drafts, wire transfers issued on or prior to the Effective Time (to the extent not theretofore deducted from the cash on hand or otherwise included in Debt), determined in accordance with GAAP applied on a basis consistent with the preparation of the Financial Statements, using the accounting principles, practices, estimation

techniques and policies, evaluation rules and procedures, methods and basses and management judgments adopted in preparing the Financial Statements (without giving effect to the consummation of the Merger).

"Certificates" has the meaning set forth in §2(c)(ii) above.

"Closing" has the meaning set forth in §1(b) above.

"Closing Date" has the meaning set forth in §1(b) above.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Stock" has the meaning set forth in Recital A above.

"Confidentiality Agreement" has the meaning set forth in §5(g) above.

"D&O Cap" has the meaning set forth in §6(f)(iii) above.

"Debt" means all outstanding indebtedness (determined in accordance with GAAP) owed by Generac, including, without limitation, overdrafts, drawings under lines of credit, accrued and unpaid interest, outstanding letters of credit, capitalized lease financings, obligations in respect of payment of deferred purchase price and guarantees.

"Debt Payoff Letters" has the meaning set forth in § 5(p) above.

"DFI" has the meaning set forth in §1(c) above.

"Disclosure Schedule" has the meaning set forth in §3 above.

"Effective Time" has the meaning set forth in §1(c) above.

"Employee Pension Benefit Plan" has the meaning set forth in ERISA §3(2).

"Employee Welfare Benefit Plan" has the meaning set forth in ERISA §3(1).

"Environmental Claims" means any and all administrative or judicial actions, suits, claims, liens, demands, proceedings or notices of noncompliance or violation by any person (i) seeking damages or other relief or alleging potential liability arising out of, based on or resulting from: (A) the presence, or release into the environment, of any Hazardous Substance at any location, whether or not owned by Generac; or (B) circumstances forming the basis of any violation of any Environmental Law, or (ii) seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the presence or Release of any Hazardous Substances.

"Environmental Laws" means all Laws in effect on the date of this Agreement and relating to the environment and to the protection of natural resources and human health and safety with respect to exposure to Hazardous Substances, including Releases or threatened Releases of Hazardous Substances.

"Environmental Liabilities" means all liabilities, obligations, responsibilities, remedial actions, losses, damages, costs and expenses, fines and penalties incurred as a result of any Environmental Claim.

"Environmental Permits" means all permits, licenses, registrations, and governmental approvals and authorizations required under Environmental Laws.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Financial Statements" has the meaning set forth in §3(f) above.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Generac" has the meaning set forth in the preface above.

"Hart-Scott-Rodino Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Hazardous Substances" means any materials, substances or wastes which are regulated, classified, defined or otherwise characterized as "hazardous," "restricted," "toxic," "dangerous," a "pollutant," a "contaminant," or words of similar meaning and effect under any Environmental Law, including petroleum and its by-products, asbestos and polychlorinated biphenyls.

"Income Tax" and "Income Taxes" mean any Tax imposed on, or measured by, net income.

"Income Tax Return" means any return, declaration, report, claim for refund or information return or statement relating to Income Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Indemnified Party" and "Indemnified Parties" have the meanings set forth in §6(f)(i) above.

"Intellectual Property" means all patents, patent applications, patent disclosures and inventions; trademarks, service marks, trade dress, logos, trade names, corporate names and Internet domain names, together with all goodwill associated therewith (including all translations, adaptations, derivations and combinations of the foregoing); copyrights and copyrightable works; and registrations, applications and renewals for any of the foregoing.

"Knowledge" means, with respect to Generac, the actual knowledge of Robert D. Kern, William W. Treffert, Dawn A. Tabat, Aaron P. Jagdfeld, Gary Lato, Kevin Anderson and, solely for purposes of §3(s), James Frye.

"Law" means any federal, state, local, domestic or foreign statute or law, including common law, or ordinance, rule, regulation, code, enactment or other statutory or legislative provision.

"Leased Real Property" has the meaning set forth in §3(l)(ii) above.

"Leases" means all leases, subleases, licenses, concessions and other agreements pursuant to which Generac holds any Leased Real Property.

"Letter of Transmittal" has the meaning set forth in §2(c)(ii) above.

"Material Adverse Effect" means, with respect to Generac, any event, circumstance, development, effect or change that is materially adverse to the business, results of operations or financial condition of Generac taken as a whole; provided that none of the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: (i) any adverse change, event, development, circumstance or effect that, with respect to clauses [a], [c], [d] and [e] does not materially and disproportionately negatively impact or affect Generac, its assets, or its businesses (taken as a whole) and that arise from or relate to each of the following: [a] general business or economic conditions, including such conditions related to the business of Generac, [b] national or international political conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, [c] financial, banking, or securities markets, [d] changes in United States generally accepted accounting principles, [e] changes in laws, rules, regulations, orders, or other binding directives issued by any governmental entity, or [f] the taking of any action contemplated by this Agreement and the other agreements contemplated hereby; (ii) any existing event, occurrence or circumstance identified in reasonably specific detail in the Disclosure Schedule as of the date hereof; or (iii) any adverse change in or effect on the business of Generac that is cured by Generac before the earlier of [a] the Closing Date and [b] the date on which this Agreement is terminated pursuant to §9 hereof.

"Merger" has the meaning set forth in Recital D above.

"Merger Consideration" has the meaning set forth in §2(a) above.

"Merger Sub" has the meaning set forth in the preface above.

"Merger Sub Common Stock" has the meaning set forth in §2(b)(ii) above.

"Most Recent Balance Sheet" means the balance sheet contained within the Most Recent Financial Statements.

"Most Recent Financial Statements" has the meaning set forth in §3(f) above.

"Most Recent Fiscal Month End" has the meaning set forth in §3(f) above.

"Most Recent Fiscal Year End" has the meaning set forth in §3(f) above.

"Nonresident Shareholder" has the meaning set forth in §6(d)(viii) above.

"Nonvoting Common Shares" has the meaning set forth in Recital B above.

"Nonvoting Common Stock" has the meaning set forth in Recital A above.

"Off-Site Facility" means any facility which is not presently, and never has been, owned, leased or occupied by Generac.

"Ordinary Course of Business" means the ordinary course of business of Generac, consistent with past custom and practice.

"Organizational Documents" means, with respect to any Person, such Person's articles or certificate of incorporation and by-laws, certificate of formation and limited liability company agreement or operating agreement, trust agreement or other organizational documents, as applicable.

"Owned Real Property" has the meaning set forth in §3(l)(i) above.

"Party" and "Parties" have the meanings set forth in the preface above.

"Paying Agent" has the meaning set forth in §2(c)(i) above.

"Payment Fund" has the meaning set forth in §2(c)(i) above.

"Per Share Merger Consideration" has the meaning set forth in §2(b)(i) above.

"Permitted Liens" means (i) mechanic's, materialmen's and similar liens, (ii) liens for Taxes not yet due and payable or for Taxes that the taxpayer is contesting in good faith through appropriate proceedings and for which adequate reserves have been posted in such taxpayer's financial statements, (iii) zoning, building codes and other land use laws regulating the use or occupancy of Owned Real Property or the activities conducted thereon which are imposed by any governmental authority having jurisdiction over such Owned Real Property, (iv) easements, covenants, conditions, restrictions and other similar matters affecting title to Owned Real Property and other title defects which do not materially impair the use or occupancy of Owned Real Property or the operation of the business of Generac, (v) purchase money liens and liens securing rental payments under capital lease arrangements, (vi) liens, with respect to Owned Real Property, for any financing secured by such Owned Real Property which is an obligation of Generac which will not be paid off at or prior to the Closing, and (vii) other immaterial liens which do not adversely affect the use or operation of the property to which such liens relate.

"Person" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity (or any department, agency or political subdivision thereof).

"Plans" has the meaning set forth in §3(r)(i) above.

"Reinvesting Management Group" means, collectively, William W. Treffert, Dawn A. Tabat, Aaron P. Jagdfeld, Gary Lato and such other persons as shall be acceptable to the Buyer.

"Release" means any release, spill, emission, leaking, injection, deposit, disposal, discharge, dispersal, or migration into the atmosphere, soil, surface water, groundwater or property.

"Representative" has the meaning set forth in the preface above and in §7(a) above.

"Representative's Escrow" has the meaning set forth in §2(c)(i) above.

"Section 338(h)(10) Taxes" means any Taxes incurred by Generac as a result of, arising out of, or relating to the election under section 338(h)(10) of the Code pursuant to Section 6(d)(v) of this Agreement.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Security Interest" means any mortgage, pledge, lien, encumbrance or other security interest, other than Permitted Liens.

"Shareholder" and "Shareholders" have the meanings set forth in Recital C above.

"Shareholders' Agreements" means the agreements listed on Schedule 11.

"Shares" has the meaning set forth in Recital B above.

"Special Meeting" has the meaning set forth in §5(m) above.

"Straddle Period" has the meaning set forth in §6(d)(i) above.

"Subsidiary" means any corporation, limited liability company, partnership or other entity with respect to which a specified Person (or a Subsidiary thereof) owns, directly or indirectly, a majority of the common stock or equity interests or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors or managers, as the case may be.

"Surviving Corporation" has the meaning set forth in §1(a) above.

"Surviving Corporation Common Stock" has the meaning set forth in §2(b)(ii) above.

"Tax" or "Taxes" mean (i) all federal, state, local, foreign, and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, customs, duties or other taxes of any kind whatsoever, together with interest and any penalties, additions to tax or additional amounts with respect thereto, (ii) any liability for payment of amounts described in clause (i) whether as a result of transferee liability (where such transferee status arose prior to the Closing Date), of being a member of an affiliated, consolidated, combined or unitary group for any period beginning prior to the Closing Date, whether as a result of Treasury Regulation section 1.1502-6 or otherwise, and (iii) any liability

for the payment of amounts described in clauses (i) or (ii) as a result of any tax sharing, tax indemnity or tax allocation agreement entered into prior to the Closing Date.

"Tax Returns" means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Termination Agreements" means one or more termination agreements, in form and substance reasonably acceptable to the Buyer, pursuant to which each Shareholder (i) acknowledges and clarifies that (A) such Shareholder's receipt of the Merger Consideration payable to such Shareholder is the only consideration to which it is entitled in connection with the Merger, and (B) from the after the Closing, Generac shall have no further obligation to make any payments (including advances in respect of taxes) to such Shareholder under the Shareholders' Agreements or other similar agreements to which such Shareholder and Generac are parties, and (ii) releases Generac from all obligations arising under the Shareholders' Agreements or other similar agreements to which Generac and such Shareholder are parties.

"Title Commitment" means a commitment from the Title Company for an owner's policy of title insurance with respect to each parcel of Owned Real Property.

"Title Company" means Chicago Title Insurance Company.

"Title Policy" means an owner's policy (or policies) of title insurance with respect to each parcel of Owned Real Property, effective as of Closing, issued in accordance with the applicable Title Commitment.

"Transaction Expenses" means the fees of Goldman Sachs & Co. and Wells Fargo Securities, LLC and other fees from professional service firms incurred by or charged to Generac, and all other fees, expenses and payment obligations incurred, charged to or for which Generac is obligated, in connection with the negotiation, preparation or execution of this Agreement or the consummation of the transactions contemplated hereby including, without limitation, (a) the fees and expenses of counsel, advisors, consultants, appraisers, investment bankers and accountants (other than any such fees or expenses of Deloitte & Touche LLP, Reinhart Boerner Van Deuren s.c. or Environmental & Development Solutions, Inc., to the extent paid on or prior to June 30, 2006), (b) all broker's and finder's fees, (c) all sale, deferred compensation, "stay-bonus", change-of-control, retention or similar bonuses on payments paid or payable in connection with the transactions contemplated herein (including, without limitation, payments under the existing Employment and Deferred Compensation Agreements referred to in item 2 of § 3(h) of the Disclosure Schedule), (d) all fees and expenses associated with obtaining necessary or appropriate waivers, consents or approvals of any third parties on behalf of Generac (other than any fees payable in connection with any filing made under the Hart-Scott-Rodino Act), and (e) and any and all breakage fees or other costs and expenses in connection with the repayment of any Debt in connection with the Closing and the consummation of the transactions contemplated by this Agreement; *provided, however*, that in no event shall any amounts paid or required to be paid to satisfy and discharge the liabilities and obligations of Generac under the Amended and Restated Equity Appreciation Share Plan be deemed to constitute Transaction Expenses.

"Treasury Regulations" means the regulations promulgated under the Code.

"Voting Common Shares" has the meaning set forth in the preface above.

"Voting Common Stock" has the meaning set forth in the preface above.

"Wisconsin Law" means the Wisconsin Business Corporation Law.

"Wisconsin Withholding" has the meaning set forth in §6(d)(viii).

"Withholding Amount" has the meaning set forth in §6(d)(viii).

"Withholding Due Date" has the meaning set forth in §6(d)(viii).

"Withholding Notice" has the meaning set forth in §6(d)(viii).

(b) Other Terms. Other terms may be defined elsewhere in the text or this Agreement and, unless otherwise indicated, shall have such meaning indicated throughout this Agreement.

(c) Other Definitional Provisions.

(i) The words "hereof," "herein," 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.

(ii) The terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa.

(iii) The term "including" shall mean "including, without limitation."

(iv) The terms "dollars" and "$" shall mean United States dollars.

[Signature page follows.]

* * * * *

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement and Plan of Merger as of the date first above written.

Generac: GENERAC POWER SYSTEMS, INC.

/s/ Robert D. Kern
Robert D. Kern, Chairman of the Board

Buyer: GPS CCMP ACQUISITION CORP.

By [Illegible]

Its

Merger Sub: GPS CCMP MERGER CORP.

By [Illegible]

Its

Representative: /s/ Robert D. Kern
Robert D. Kern, as Representative

/s/ William W. Treffert
William W. Treffert, as Alternative Representative

Exhibit 2.2

AMENDMENT TO
AGREEMENT AND PLAN OF MERGER

THIS AMENDMENT TO AGREEMENT AND PLAN OF MERGER is made as of November 9, 2006 (this "Amendment"), by and among GENERAC POWER SYSTEMS, INC., a Wisconsin corporation ("Generac"), GPS CCMP ACQUISITION CORP., a Delaware corporation ("Buyer"), GPS CCMP MERGER CORP., a Wisconsin corporation ("Merger Sub"), and WILLIAM W. TREFFERT, as Representative ("Representative").

RECITAL

The parties hereto are all of the parties to an Agreement and Plan of Merger dated September 13, 2006 by and among Generac, Buyer, Merger Sub and Representative (the "Merger Agreement"), and desire to amend the Merger Agreement as set forth below.

AGREEMENTS

In consideration of the promises and the mutual agreements herein contained, the parties hereto agree as follows:

1. The last sentence of §1(c) of the Merger Agreement is amended and restated in its entirety to read as follows:

   The Merger shall become effective (the "Effective Time") as provided in the Articles of Merger filed with the DFI, which shall be in the form required by Wisconsin Law and otherwise conform to the requirements of Wisconsin Law.

2. The first sentence of §1(f) of the Merger Agreement is amended and restated in its entirety to read as follows:

   On the Closing Date, except for William W. Treffert, Dawn A. Tabat and Aaron P. Jagdfeld, the officers and directors listed on §1(f) of the Disclosure Schedule shall resign, effective as of the Effective Time, from their respective position(s) with Generac set forth on §1(f) of the Disclosure Schedule.

3. §8(a)(vi) of the Merger Agreement is amended and restated in its entirety to read as follows:

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   on or before the Closing Date, Shareholder Dawn A. Tabat shall have paid and fully satisfied the total outstanding principal and interest payable by Dawn Tabat to Generac pursuant to the Promissory Note executed by Dawn Tabat and payable to Generac dated December 31, 2005;

4. The opening phrase of §5(m) of the Merger Agreement is amended and restated to read "On or prior to the Closing Date," instead of "Prior to the Closing Date,".

5. Except as specifically set forth in this Amendment the provisions of the Merger Agreement shall not be amended and shall remain in full force and effect.

6. All capitalized terms in this Amendment not defined herein shall have the meanings set forth in the Merger Agreement.

7. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument. This Agreement may be executed and/or delivered by facsimile. Signatures and/or copies of this Agreement executed and/or delivered by facsimile shall be deemed to be originals for purposes of creating a valid and binding contract.

[Signatures on following page.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement and Plan of Merger as of the date first above written.

Generac: GENERAC POWER SYSTEMS, INC.

/s/ William W. Treffert
William W. Treffert, Chief Executive Officer

Buyer: GPS CCMP ACQUISITION CORP.

By [Illegible]

Its _____

Merger Sub: GPS CCMP MERGER CORP.

By [Illegible]

Its _____

Representative: /s/ William W. Treffert
William W. Treffert, as Representative

GPS CCMP ACQUISITION CORP.

2006 MANAGEMENT EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

RESTRICTED STOCK AGREEMENT (this "***Agreement***") made as December 27, 2007 (the "***Effective Date***"), by and between GPS CCMP Acquisition Corp., a Delaware corporation (the "***Company***"), and Clement Feng (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;

NOW, THEREFORE, the parties hereto agree as follows:

1. Purchase and Sale of Restricted Shares.

(a) Upon execution of this Agreement and the Joinder Agreement, in the form attached hereto as **Exhibit D** (the "***Joinder Agreement***"), to the Shareholders' Agreement, dated as of November 10, 2006, by and among the Company 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 **389.579916** 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 November 10, 2006, based on the appraisal report of Corporate Valuation Advisors was the Class A Purchase Price, and that such price represents the fair market value of each share of Class A Common Stock on the Effective Date. The Executive, in its 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 the 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 its 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 it 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. **194.789958** 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
December 27, 2008	25%
December 27, 2009	50%
December 27, 2010	75%
December 27, 2011	100%

(ii) Acceleration upon Change of Control. Upon the occurrence of a Change of Control prior to February 15, 2011, 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 the Effective Date, Time Vesting Shares that would otherwise have been become vested within twelve months immediately following the date of such death or Disability shall vest as of the date of such death or Disability.

(iv) Cessation of Vesting. Subject to the effect of paragraph (iii) above, the vesting of all Time Vesting Shares shall cease upon the date of employee's termination of employment with the Company.

(c) Performance-Based Vesting.

(i) General. In accordance with Section 4(c)(ii) through (iv), **194.789958** 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 the 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 the 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 the 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 Permitted Transferee of the Executive) and all of the Executive's rights, or the rights of 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 entered into as of November 10, 2006 (as amended from time to time), 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 November 10, 2006.

"***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. "**Disability**" shall have a correlative meaning.

"***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 November 10, 2006, 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 Executive shall execute and deliver the Non-Competition and a Joinder 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, the Joinder Agreement 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 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 the Executive 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 he 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 or 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.

THE COMPANY

GPS CCMP ACQUISITION CORP.

By: /s/ Aaron P. Jagdfeld
Name: Aaron P. Jagdfeld
Title President

THE EXECUTIVE:

/s/ Clement Feng
CLEMENT FENG

EXHIBIT A

ELECTION TO INCLUDE STOCK IN GROSS INCOME PURSUANT TO SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned purchased **389.579916** shares of Class A Common Stock, par value $0.01 per share (the "***Class A Common Stock***"), of GPS CCMP Acquisition Corp. (the "***Company***") pursuant to a Restricted Stock Agreement (the "***Restricted Stock Agreement***") dated as of December 27, 2007 (the "***Effective Date***") between the Company and the undersigned. Under certain circumstances, the Company has the right to repurchase the Class A Common Stock from the undersigned (or from the holder of the Class A Common Stock, if different from the undersigned) upon the occurrence of certain events as described in the Restricted Stock Agreement on the terms set forth in the Shareholders' Agreement, dated as of November 10, 2006, among the Company, the Executive and certain other parties thereto. Hence, the Class A Common Stock is subject to a substantial risk of forfeiture and is nontransferable to other than family members (within the meaning of Treasury Regulation §1.83-3(d)). The undersigned desires to make an election under Section 83(b) of the Internal Revenue Code of 1986, as amended ("***Code***") to have the Class A Common Stock taxed at the time the undersigned purchased the Class A Common Stock.

Therefore, pursuant to Code §83(b) and Treasury Regulation §1.83-2 promulgated thereunder, the undersigned hereby makes an election, with respect to the Class A Common Stock, to report as taxable income for the undersigned's taxable year ended December 31, 2007 the excess (if any) of the Class A Common Stock's fair market value on the Effective Date, over the purchase price thereof.

The following information is supplied in accordance with Treasury Regulation §1.83-2(e):

1. The name, address and social security number of the undersigned:

CLEMENT FENG

Social Security Number:

2. A description of the property with respect to which the election is being made: **389.579916** shares of Class A Nonvoting Common Stock, par value $0.01 per share, of GPS CCMP Acquisition Corp.

3. The date on which the property was transferred: December 27, 2007. The taxable year for which such election is made: the undersigned's taxable year ending December 31, 2007.

4. The restrictions to which the property is subject:

The Class A Common Stock may not be transferred and are subject to repurchase under the terms of an agreement between the taxpayer and the Company.

5. The fair market value on December 27, 2007, of the property with respect to which the election is being made, determined without regard to any lapse restrictions is $**132,987.00**.

6. The amount paid for such property: $**132,987.00**.

7. A copy of this election has been furnished to the person for whom the services are performed: Secretary of the Company pursuant to Treasury Regulation §1.83-2(e)(7), and a copy has been furnished to Generac Power Systems, Inc.

This election is being sent to the Internal Revenue Service office with which the undersigned files his return. In addition, a copy of this election will be submitted with the income tax return of the undersigned for the taxable year in which the Class A Common Stock was purchased.

Dated: _____ _____
CLEMENT FENG

EXHIBIT B

CONFIDENTIAL INVESTMENT QUALIFICATION QUESTIONNAIRE

GPS CCMP ACQUISITION CORP.
A Delaware corporation (the "**Company**")

SPECIAL INSTRUCTIONS

In order to establish the availability under federal and state securities laws of an exemption from registration or qualification requirements for the proposed issuance of Shares, you are required to represent and warrant, and by executing and delivering this questionnaire will be deemed to have represented and warranted, that the information stated herein is true, accurate and complete to the best of your knowledge and belief, and may be relied on by the Company. Further, by executing and delivering this questionnaire you agree to notify the Company and supply corrective information promptly if, prior to the consummation of your payment of the Purchase Price in exchange for the Shares, any such information becomes inaccurate or incomplete. Your execution of this questionnaire does not constitute any indication of your intent to subscribe for the Shares.

A subscriber who is a natural person must complete each Question except for 2 and 5.

A subscriber that is an entity other than a trust must complete each Question except for 3 and 5.

A subscriber that is a trust must complete each Question except for 3.

GENERAL INFORMATION

1. ALL SUBSCRIBERS.

a. Name(s) of prospective investor(s): **CLEMENT FENG**

b. Address:

c. Telephone Number:

2. SUBSCRIBERS THAT ARE ENTITIES.

a. Type of entity:

o Trust

o Corporation

o Partnership

Other:

b. State and date of legal formation:

c. Nature of Business:

d. Was the entity organized for the specific purpose of acquiring the Shares pursuant to the Management Subscription and Stock Purchase Agreement?

Yes o

No o

e. Federal tax identification number:

3. SUBSCRIBERS WHO ARE INDIVIDUALS.

a. State where registered to vote:

b. Social Security Number:

c. Please state the subscriber's education and degrees earned:

Degree	School	Year

d. Current occupation (if retired, describe last occupation):

Employer:

Nature of Business:

Position:

Business Address:

Telephone Number:

4. Accreditation. Does the subscriber satisfy one or more of the following accredited investor requirements? Contact the Company if none of the following is applicable.

Investor is:

o A natural person whose net worth (or joint net worth with my spouse) is in excess of $1,000,000 as of the date hereof.

o A natural person whose income in each of the prior two years was, and whose income in the current year is reasonably expected to be in excess of $200,000 or whose joint income with my spouse in each of the prior two years was, and is reasonably expected to be in the current year in excess of $300,000.

o A director or officer of the Company.

o A trust with total assets in excess of $5,000,000, not formed for the specific purpose of investing in the Shares of GPS CCMP Acquisition Corp., whose purchases are directed by a sophisticated person, who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Shares of GPS CCMP Acquisition Corp.

o A "bank", "savings and loan association", or "insurance company" as defined in the Securities Act of 1933.

o A broker/dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

o An investment company registered under, or a "business development company" as defined in Section 2(a)(48) of the Investment Company Act of 1940.

o A Small Business Investment Company licensed by the U.S. Small Business Administration under the Small Business Investment Act of 1958.

o A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees and having total assets in excess of $5,000,000.

o An "employee benefit plan" as defined in the Employee Retirement Income Security Act of 1974 (a "Plan") which has total assets in excess of $5,000,000.

o A Plan whose investment decisions, including the decision to subscribe for the Shares of GPS CCMP Acquisition Corp., are made solely by (i) a "plan fiduciary" as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, which includes a bank, a savings and loan association, an insurance company or a registered investment adviser, or (ii) an "accredited investor" as defined under Rule 501(a) of the Securities Act of 1933.

o A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

o Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, corporation, Massachusetts or similar business Trust, or partnership, not formed for the specific purpose of investing in the Shares and having total assets in excess of $5,000,000.

o Any entity in which all of the equity owners meet one of the above descriptions.

5. Trusts.

Does the trust meet the following tests:

a. Has total assets in excess of $5,000,000?

Yes o No o

b. Was formed for the purpose of the investment in the Shares in this Contribution?

Yes o No o

c. Are the purchases by the Trust directed by a sophisticated investor who, alone or with his, her or its subscriber representative, understands the merits and risks of the investment in the Shares?

Yes o No o

[THE REMAINDER OF THIS PAGE IS BLANK]

INDIVIDUAL(S) SIGN HERE:

_____
(Signature)

CLEMENT FENG

_____

_____
(Address)

Social Security Number: _____

Spouse of Subscriber:

_____
(Signature)

Social Security Number: _____

ENTITIES SIGN HERE:

_____
(Print Name of Organization)

By: _____

_____
(Signature)

_____
(Print Name and Title)

_____
(Address)

Federal ID Number: _____

_____
(Address)

Exhibit C

CONFIDENTIALITY, NON-COMPETITION AND INTELLECTUAL PROPERTY AGREEMENT (this "***Non-Competition Agreement***"), dated as of December 27, 2007 (the "***Effective Date***"), by and between GPS CCMP ACQUISITION CORP. (together with its successors, assigns and affiliates, the "***Company***") and Clement Feng ("***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 his 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 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 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 at his 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:
Title:

EXECUTIVE:

_____

Name: Clement Feng

EXHIBIT D

JOINDER AGREEMENT

This Joinder Agreement (this "***Joinder Agreement***") is made as of the date written below by the undersigned (the "***Joining Party***") in accordance with the Shareholders' Agreement dated as of November 10, 2006 (the "***Shareholders' Agreement***") among GPS CCMP ACQUISITION CORP., CCMP CAPITAL INVESTORS II, L.P., CCMP CAPITAL INVESTORS (CAYMAN) II, L.P. ASIA OPPORTUNITY FUND II, L.P., AOF II EMPLOYEE CO-INVEST FUND, L.P., CCMP GENERAC CO-INVEST, L.P. and certain other persons named therein. Capitalized terms used, but not defined, herein shall have the meaning ascribed to such terms in the Shareholders' Agreement.

The Joining Party hereby acknowledges, agrees and confirms that, by its execution of this Joinder Agreement, the Joining Party shall be deemed to be a party to and a "***Management Shareholder***" under the Shareholders' Agreement as of the date hereof and shall have all of the rights and obligations of a Management Shareholder as if it had executed the Shareholders' Agreement. The Joining Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Shareholders' Agreement. The Joining Party acknowledges that,

among the obligations of such Joining Party pursuant to the Shareholders' Agreement is the obligation to sell any or all of the Company Equity Securities acquired by such Joining Party to the Company or to one or more Third Parties in certain circumstances pursuant to Articles IV and V of the Shareholders' Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement as of the date written below.

Date: December 27, 2007

Name: Clement Feng

Address for Notices:

AGREED ON THIS [27] day of December, 2007:

GPS CCMP ACQUISITION CORP.

By:
Name:
Title:

Exhibit 10.47

Generac Power Systems, Inc.
S45 W29290 Hwy. 59
Waukesha, Wisconsin 53187

December 29, 2009

Clement Feng

RE: Position change

This letter is to confirm a change in your position to Senior Vice President - Marketing. In this new position you will continue to report to me and will remain a Named Executive Officer of Generac.

Your salary will change to $8,846.15 per bi-weekly pay period and you will continue to be eligible to participate in the Executive Incentive Compensation Plan, with a target bonus of 30% and an opportunity to earn up to 90% of your base salary annually. You will no longer be eligible for the Quarterly Bonus Program and will not be eligible for a 2009 compensation review. Your new position and salary will be effective Monday, January 4, 2010.

You will also be eligible for a one-time bonus payment of $10,000.00. The bonus will be paid within 30 days of receipt of your acknowledgement.

The Promissory Note issued December 27, 2007 shall be repaid to Generac in accordance with the terms of the letter agreement between you and Generac dated December 28, 2009 (the Note Satisfaction Letter").

You shall continue to be eligible to participate in the employee benefit programs offered by the Company as in effect from time to time.

This letter and the Note Satisfaction Letter shall constitute the entire agreement between the parties with regard to the subject matter hereof, superseding all prior understandings and agreements, whether written or oral.

Sincerely,

GENERAC POWER SYSTEMS, INC.

By: /s/ Aaron Jagdfeld
Aaron Jagdfeld

ACKNOWLEDGED and AGREED
as of the date first written above by:

/s/ Clement Feng
CLEMENT FENG

cc: Anita Marcheske

SIGNATURE PAGE TO
C FENG LETTER AGREEMENT

Exhibit 10.48

Generac Power Systems, Inc.
S45 W29290 Hwy. 59
Waukesha, Wisconsin 53187

December 28, 2009

Clement Feng

Re: Promissory Note Repayment

Reference is made to that certain Promissory Note and Pledge Agreement, dated December 27, 2007 (the "Promissory Note"), by Clement Feng ("you") in favor of Generac Power Systems, Inc. (the "Company"). All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Promissory Note.

On the date hereof, you shall (i) be entitled to a special cash bonus from the Company in the aggregate amount of $219,742.45(1) (the "Special Bonus"), from which the Company shall apply $147,337.31 to repay and discharge in full all amounts due and owing under the Promissory Note (the "Repayment"), and (ii) deliver, surrender and transfer to the Company all of the Pledged Collateral, including the Pledged Stock together with stock powers in respect thereof, duly executed in blank (the "Stock Return"). The Company shall also be entitled to deduct from payment of the Special Bonus any applicable withholding taxes. Upon the occurrence of the Repayment and the Stock Return, the Promissory Note shall be satisfied, terminated and cancelled in all respects, and you shall have no remaining obligations thereunder.

Sincerely,

GENERAC POWER SYSTEMS, INC.

By: /s/ Aaron Jagdfeld
Aaron Jagdfeld
President and Chief Executive Officer

ACKNOWLEDGED and AGREED
as of the date first written above by:

/s/ Clement Feng
CLEMENT FENG

(1) $132,987.00 principal *plus* 5.25% interest compounded annually *plus* gross up for taxes.

Exhibit 10.49

GENERAC POWER SYSTEMS, INC.
P.O. Box 295
Waukesha, Wisconsin 53187

September 22, 2008

Edward A. LeBlanc

Dear Ed:

This letter (the ***"Separation Agreement"***)_sets forth the terms and conditions of the executive transition and consulting arrangements you have discussed with the Board of GPS CCMP Acquisition Corp. ("Holdings"). We are pleased that you have chosen to continue working with Generac as a consultant and member of the board of directors.

1. Transition Period. Effective as of September 30, 2008 (the ***"Separation Date"***), you will resign as, and by executing the Separation Agreement, you are hereby resigning as, the Chief Executive Officer and any other officer position of Holdings and Generac Power Systems, Inc. ("Generac" of the "Company") and any subsidiary of either Holdings or Generac. For the transition period commencing the date of this letter through the Separation Date you will transition your responsibilities as Chief Executive Officer to Aaron Jagdfeld. During this transition period, you will continue to receive a salary based on an annual salary of $500,000, less payroll tax deductions required by law and payable in accordance with Generac's customary payroll practices.

2. Consulting Position. Commencing with the Separation Date and continuing for a period of 12 months thereafter, you will be a consultant to Holdings and Generac. During this period, you will spend up to one week a month working with Generac on activities mutually agreed upon by the Board, Aaron Jagdfeld, and you. You will remain a member of the board of directors of Generac, Holdings and Generac Acquisition Corp.; it being understood that the shareholders of Holdings have the right to elect and appoint directors. This consulting arrangement may by renewed by mutual agreement on an annual basis after the expiration of the initial consulting term referred to above. During such time as you are a consultant to the Company, you shall not be entitled to additional compensation for your service in any capacity to Holdings or Generac or any of their subsidiaries, or as a director of any such entities.

3. Equity Arrangements. Pursuant to that certain letter, dated October 23, 2007, between the Company and you regarding your employment as Chief Executive Officer of Generac (the "Employment Letter"), it was contemplated: (1) the purchase by you of shares of class A common stock and (2) the loan to you of funds to purchase 100 shares of class B voting common stock of GPS CCMP Acquisition Corp. As you know, neither of these transactions has been consummated and you are hereby agreeing to forfeit and waive any right to these equity arrangements and that Section 3 of the Employment Letter is terminated in all respects.

However, you have purchased for cash a total of 20.9075 shares of class B voting common stock of Holdings in two transactions (February 2007 and June 2008), and will retain these shares.

4. Severance. Subject to your execution and the effectiveness of the release attached hereto as Exhibit A hereto (the ***"Release of Claims"***), in addition to any salary payments and payments for unused vacation time owing for or through the final payroll period through the Separation Date, you shall receive the following payments and benefits for the periods indicated, less any payroll deductions required by law, which shall be in lieu of any other payments or benefits (including vacation or other paid leave time) to which you otherwise might be entitled:

   a. payment of an amount equal to $150,000 annually, less payroll tax deductions required by law, payable in accordance with the standard payroll practices of the Company. All other benefits, perquisites or allowances will terminate effective the Separation Date; provided the Company will reimburse your reasonable expenses for travel and accommodation related to your position as consultant to the Company and you will be entitled to reimbursement for any outstanding expenses for which you are entitled to reimbursement under the Employment Letter. During such time as you are a consultant to the Company, you shall not be entitled to additional compensation for your service in any capacity to Holdings or Generac or any of their subsidiaries, or as a director of any such entities;

   b. the Company shall maintain Continued Benefits for the continued benefit of yourself, your spouse and your dependants for a period of 19 months commencing on the Separation Date (the ***"Continued Benefits Period"***); and

   c. following the Continued Benefits Period, you shall be entitled to full COBRA rights; provided, however, if you elect to utilize rights under COBRA after the Separation Date, you shall be responsible for all premiums in respect thereof, as permitted by law.

5. Conditions. As a consultant to the Company, you hereby agree to abide by the Company's policies and procedures which may be implemented from time to time.

6. Not an Employment Agreement. You acknowledge that effective as of the Separation Date and during the period in which you are providing consulting services to the Company hereunder, you will be an independent contractor, and not an employee, of the Company. This letter is not intended to and does not constitute an employment agreement between you and the Company or any of its affiliates, and does not create an obligation by the Company or its affiliates to employ or to continue employ you for any period.

7. Miscellaneous. This letter constitutes the complete understanding between us with respect to your resignation as our Chief Executive Officer and your provision of consulting services and supersedes any other prior written or oral agreements or understandings between us (including the Employment Letter); it being understood that the Employment Letter shall remain in effect until the Separation Date. This Separation Agreement may be executed in one or more

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counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

To confirm that this letter accurately reflects our understanding, please sign the enclosed copy of this Separation Agreement in the space below.

Sincerely,

GENERAC POWER SYSTEMS, INC.

By: /s/ Aaron P. Jagdfeld
Name: Aaron P. Jagdfeld
Title: C.E.O.

GPS CCMP ACOUISITION CORP.

By: [ILLEGIBLE]
Name:
Title:

ACCEPTED AND AGREED
this 22nd day of September, 2008

/s/ Edward A. Leblanc
EDWARD A. LEBLANC

Exhibit A

RELEASE OF CLAIMS

A release is required as a condition for receiving the benefits described in Section 3 of the Separation Agreement, dated as of September 22, 2008, by and among GENERAC POWER SYSTEMS, INC. (the ***"Company"***) and Edward A. LeBlanc (***"Executive***); thus, by executing this release (***"Release"***), you have advised us that you hold no claims against the Company, its predecessors, successors or assigns, affiliates, shareholders or members (including, without limitation, GPS CCMP ACQUISITION CORP. and GENERAC ACQUISITION CORP.) and each of their respective officers, directors, agents and employees (collectively, the ***"Releasees"***), and by execution of this Release you agree to waive and release any such claims, except relating to any compensation, severance pay and benefits described in.

You understand and agree that this Release will extend to all claims, demands, liabilities and causes of action of every kind, nature and description whatsoever, whether known, unknown or suspected to exist, which you ever had or may now have against the Releasees in your capacity as an employee of the Company, GPS CCMP Acquisition Corp. and Generac Acquisition Corp., including, without limitation, any claims, demands, liabilities and causes of action arising from your employment with the Releasees and the termination of that employment, including any claims for severance or vacation pay, business expenses, and/or pursuant to any federal, state, county, or local employment laws, regulations, executive orders, or other requirements, including, but not limited to, Title VII of the 1964 Civil Rights Act, the 1866 Civil Rights Act, the Age Discrimination in Employment Act as amended by the Older Workers Benefit Protection Act, the Americans with Disabilities Act, the Civil Rights Act of 1991, the Workers Adjustment and Retraining Notification Act and any other local, state or federal fair employment laws, and any contract or tort claims.

It is further understood and agreed that you are waiving any right to initiate an action in state or federal court by you or on your behalf alleging discrimination on the basis of race, sex, religion, national origin, age, disability, marital status, or any other protected status or involving any contract or tort claims based on your termination from the Company, GPS CCMP Acquisition Corp. and Generac Acquisition Corp. It is also acknowledged that your termination is not in any way related to any work-related injury.

Based on executing this Release, it is further understood and agreed that you covenant not to sue to challenge the enforceability of this Release. It also is understood and agreed that the remedy at law for breach of the Separation Agreement and/or this Release shall be inadequate, and the Company shall be entitled to injunctive relief in respect thereof.

Your ability to receive payments and benefits under the terms of the Separation Agreement will remain open for a 21-day period after your Termination Date to give you an opportunity to consider the effect of this Release. At your option, you may elect to execute this Release on an earlier date. Additionally, you have seven days after the date you execute this Release to revoke it. As a result, this Release will not be effective until eight days after you

execute it. We also want to advise you of your right to consult with legal counsel prior to executing a copy of this Release.

Finally, this is to expressly acknowledge:

- You understand that you are not waiving any claims or rights that may arise after the date you execute this Release.
- You understand and agree that the compensation and benefits described in the Separation Agreement offer you consideration greater than that to which you would otherwise be entitled.

I hereby state that I have carefully read this Release and that I am signing this Release knowingly and voluntarily with the full intent of releasing the Releases from any and all claims, except as set forth herein. Further, if signed prior to the completion of the 21 day review period, this is to acknowledge that I knowingly and voluntarily signed this Release on an earlier date.

	/s/ Edward A. Leblanc
Date September 22, 2008	EDWARD A. LEBLANC

Exhibit 10.50

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made and entered into as of , 20 between Generac Holdings Inc., a Delaware corporation (the "Company"), and ("Indemnitee"). Capitalized terms not defined elsewhere in this Agreement are used as defined in Section 13.

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors or officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The certificate of incorporation of the Company (as amended, the "Charter") requires indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("DGCL"). The Charter and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Charter of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

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WHEREAS, Indemnitee does not regard the protection available under the Company's Charter and insurance as adequate in the present circumstances, and may not be willing to serve as a director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified; and

WHEREAS, Indemnitee has certain rights to indemnification and/or insurance provided by CCMP Capital Advisors, LLC ("CCMP") which Indemnitee and CCMP intends to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided herein, with the Company's acknowledgement and agreement to the foregoing being a material condition to Indemnitee's willingness to serve on the Board.

NOW, THEREFORE, in consideration of Indemnitee's agreement to serve as a director from and after the date hereof, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section l(a) if, by reason of his Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him, or on his behalf, in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of his Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee, or on Indemnitee's behalf, in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or

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otherwise, in any Proceeding, he shall be indemnified to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section 1(c) and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

2. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7 hereof) to be unlawful.

3. Contribution.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not, without the Indemnitee's prior written consent, enter into any such settlement of any action, suit or proceeding (in whole or in part) unless such settlement (i) provides for a full and final release of all claims asserted against Indemnitee and (ii) does not impose any Expense, judgment, fine, penalty or limitation on Indemnitee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative

benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which the Law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

4. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness, or is made (or asked to) respond to discovery requests, in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

5. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free.

6. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a) hereof, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods, which shall be at the election of the board: (1) by a majority vote of the disinterested directors, even though less than a quorum, (2) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum, (3) if there are no disinterested directors, or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, or (4) if so directed by the Board of Directors, by the stockholders of the Company; provided, however, that if a Change in Control has occurred, the determination with respect to Indemnitee's entitlement to indemnification shall be made by Independent Counsel. For purposes hereof, disinterested directors are those members of the board of directors of the Company who are not parties to the action, suit or proceeding in respect of which indemnification is sought by Indemnitee.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected as provided in this Section 6(c). If a Change in Control has not occurred, the Independent Counsel shall be selected by the Board of Directors (including a vote of a majority of the Disinterested Directors if obtainable), and the Company shall give written notice to the Indemnitee advising him of the identity of the Independent Counsel so selected. Indemnitee may, within 10 days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If a Change in Control

has occurred, the Independent Counsel shall be selected by the Indemnitee (unless the Indemnitee shall request that such selection be made by the Board of Directors, in which event the preceding sentence shall apply), and approved by the Board of Directors (which approval shall not be unreasonably withheld). If (i) an Independent Counsel is to make the determination of entitlement pursuant to this Section 6, and (ii) within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by Indemnitee to the Company's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 6(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 6(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(e) Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 6(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under this Section 6 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the

requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 6(f) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 6(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board of Directors or the Disinterested Directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat.

(g) Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to

Indemnitee and reasonably necessary to such determination. Any Independent Counsel, member of the Board of Directors or stockholder of the Company shall act reasonably and in good faith in making a determination regarding Indemnitee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(h) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(i) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not

opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 6 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(b) of this Agreement within 90 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification, contribution or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Except as set forth herein, the provisions of Delaware law (without regard to its conflict of law rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 6(b). In any judicial proceeding or arbitration commenced pursuant to this Section 7, Indemnitee shall be presumed to be entitled to indemnification under this Agreement and the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 6(b) of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 7, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 5 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of his rights under, or to recover damages for breach of, this Agreement, or

to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on his behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 13 of this Agreement) actually and reasonably incurred by him in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefore) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

8. Non-Exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification and to receive advancement of expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the By-laws, any agreement, a vote of stockholders, a resolution of directors or otherwise, of the Company. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Certificate of Incorporation, By-laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company shall obtain and maintain in effect during the entire period for which the Company is obligated to indemnify Indemnitee under this Agreement, one

or more policies of insurance with reputable insurance companies to provide the directors of the Company with coverage for losses from wrongful acts and omissions and to ensure the Company's performance of its indemnification obligations under this Agreement. Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such officer or director under such policy or policies. In all such insurance policies, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee with the same rights and benefits as are accorded to the most favorably insured of the Company's directors and officers. At the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by CCMP and certain affiliates that, directly or indirectly, (i) are controlled by, (ii) control or (iii) are under common control with, CCMP (collectively, the "Fund Indemnitors"). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Certificate of Incorporation or Bylaws of the Company (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms of this Section 8(d).

(d) Except as provided in Section 8(c) above, in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee (other than against the Fund Indemnitors), who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) Except as provided in Section 8(c) above, the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(f) Except as provided in Section 8(c) above, the Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

9. Exception to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; provided, that the foregoing shall not affect the rights of Indemnitee or the Fund Indemnitors set forth in Section 8(c) above; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law; or

(c) for reimbursement to the Company of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company in each case as required under the Exchange Act; or

(d) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Company has joined in or the Board of Directors of the Company authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, or (iii) the Proceeding is one to enforce Indemnitee's rights under this Agreement.

10. Non-Disclosure of Payments. Except as expressly required by the securities laws of the United States of America, neither party shall disclose any payments under this Agreement unless prior approval of the other party is obtained. If any payment information must be disclosed, the Company shall afford the Indemnitee an opportunity to review all such disclosures and, if requested, to explain in such statement any mitigating circumstances regarding the events to be reported.

11. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue upon the later of (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director of the Company or a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise which Indemnitee served at the request

of the Company; or (b) one (1) year after the final termination of any Proceeding (including any rights of appeal thereto) in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any Proceeding commenced by Indemnitee pursuant to Section 7 of this Agreement relating thereto (including any rights of appeal of any Section 7 Proceeding. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

12. Security. To the extent requested by Indemnitee and approved by the Board of Directors of the Company, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

13. Definitions. For purposes of this Agreement:

(a) "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) *Acquisition of Stock by Third Party.* Any Person, other than CCMP and its affiliates and other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifty (50%) or more of the combined voting power of the Company's then outstanding securities;

(ii) *Change in Board of Directors*. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Section 13(a)(i), 13(a)(iii) or 13(a)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a least a majority of the members of the Board;

(iii) *Corporate Transactions*. The effective date of a merger or consolidation of the Company with any other entity,

other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity; and

(iv) *Liquidation.* The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement or series of agreements for the sale or disposition by the Company of all or substantially all of the Company's assets, or, if such approval is not required, the decision by the Board to proceed with such a liquidation, sale, or disposition in one transaction or a series of related transactions.

(b) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(c) "Corporate Status" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company, any direct or indirect subsidiary of the Company, or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving at the request of the Company.

(d) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "Enterprise" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary.

(f) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(g) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on

Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(h) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(i) "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(j) "Proceeding" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of the fact that Indemnitee is or was a director of the Company, by reason of any action taken by him or of any inaction on his part while acting as a director of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other Enterprise; in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his rights under this Agreement.

14. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality, and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed

to the fullest extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable laws.

15. Enforcement and Binding Effect.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) Without limiting any of the rights of Indemnitee under the Charter or Bylaws of the Company as they may be amended from time to time, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) The indemnification and advancement of expenses provided by, or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise at the Company's request, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(d) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company to expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(e) The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not he precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other

undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of such a bond or undertaking.

16. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. Notice By Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

18. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

(a) To Indemnitee at the address set forth below Indemnitee signature hereto.

(b) To the Company at:

Generac Holdings Inc.
S45 W29290 Hwy. 59
Waukesha, WI 53187
Attention: Chief Executive Officer

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

21. Usage of Pronouns. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate.

22. Governing Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) generally and unconditionally consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum. The foregoing consent to jurisdiction shall not constitute general consent to service of process in the state for any purpose except as provided above, and shall not be deemed to confer rights on any person other than the parties to this Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

COMPANY

By: _____
Name: _____
Title: _____

INDEMNITEE

_____
Name: _____

Address:

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made and entered into as of , 20 between Generac Holdings Inc., a Delaware corporation (the "Company"), and ("Indemnitee"). Capitalized terms not defined elsewhere in this Agreement are used as defined in Section 13.

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors or officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The certificate of incorporation of the Company (as amended, the "Charter") requires indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("DGCL"). The Charter and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Charter of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

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WHEREAS, Indemnitee does not regard the protection available under the Company's Charter and insurance as adequate in the present circumstances, and may not be willing to serve as a director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of Indemnitee's agreement to serve as a director from and after the date hereof, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(a) if, by reason of his Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him, or on his behalf, in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of his Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee, or on Indemnitee's behalf, in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with

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each successfully resolved claim, issue or matter. For purposes of this Section 1(c) and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

2. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7 hereof) to be unlawful.

3. Contribution.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not, without the Indemnitee's prior written consent, enter into any such settlement of any action, suit or proceeding (in whole or in part) unless such settlement (i) provides for a full and final release of all claims asserted against Indemnitee and (ii) does not impose any Expense, judgment, fine, penalty or limitation on Indemnitee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which the Law may require to be considered. The relative fault of the

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Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

4. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness, or is made (or asked to) respond to discovery requests, in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

5. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free.

6. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a) hereof, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods, which shall be at the election of the board: (1) by a majority vote of the disinterested directors, even though less than a quorum, (2) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum, (3) if there are no disinterested directors, or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, or (4) if so directed by the Board of Directors, by the stockholders of the Company; provided, however, that if a Change in Control has occurred, the determination with respect to Indemnitee's entitlement to indemnification shall be made by Independent Counsel. For purposes hereof, disinterested directors are those members of the board of directors of the Company who are not parties to the action, suit or proceeding in respect of which indemnification is sought by Indemnitee.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected as provided in this Section 6(c). If a Change in Control has not occurred, the Independent Counsel shall be selected by the Board of Directors (including a vote of a majority of the Disinterested Directors if obtainable), and the Company shall give written notice to the Indemnitee advising him of the identity of the Independent Counsel so selected. Indemnitee may, within 10 days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If a Change in Control has occurred, the Independent Counsel shall be selected by the Indemnitee (unless the Indemnitee shall request that such selection be made by the Board of Directors, in which event the preceding sentence shall apply), and approved by the Board of Directors (which approval shall not be unreasonably withheld). If (i) an Independent Counsel is to make the determination of entitlement pursuant to this Section 6, and (ii) within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the

Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by Indemnitee to the Company's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 6(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 6(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(e) Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 6(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under this Section 6 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in

good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 6(f) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 6(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board of Directors or the Disinterested Directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat.

(g) Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel, member of the Board of Directors or stockholder of the Company shall act reasonably and in good faith in making a determination regarding Indemnitee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(h) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(i) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 6 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii)

advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(b) of this Agreement within 90 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification, contribution or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Except as set forth herein, the provisions of Delaware law (without regard to its conflict of law rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 6(b). In any judicial proceeding or arbitration commenced pursuant to this Section 7, Indemnitee shall be presumed to be entitled to indemnification under this Agreement and the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 6(b) of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 7, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 5 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of his rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on his behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 13 of this Agreement) actually and reasonably incurred by him in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefore) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

8. Non-Exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification and to receive advancement of expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the By-laws, any agreement, a vote of stockholders, a resolution of directors or otherwise, of the Company. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Certificate of Incorporation, By-laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company shall obtain and maintain in effect during the entire period for which the Company is obligated to indemnify Indemnitee under this Agreement, one or more policies of insurance with reputable insurance companies to provide the directors of the Company with coverage for losses from wrongful acts and omissions and to ensure the Company's performance of its indemnification obligations under this Agreement. Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such officer or director under such policy or policies. In all such insurance policies, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee with the same rights and benefits as are accorded to the most favorably

insured of the Company's directors and officers. At the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee (other than against the Fund Indemnitors), who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

9. Exception to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law; or

(c) for reimbursement to the Company of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company in each case as required under the Exchange Act; or

(d) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Company has joined in or the Board of Directors of the Company authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under

applicable law, or (iii) the Proceeding is one to enforce Indemnitee's rights under this Agreement.

10. Non-Disclosure of Payments. Except as expressly required by the securities laws of the United States of America, neither party shall disclose any payments under this Agreement unless prior approval of the other party is obtained. If any payment information must be disclosed, the Company shall afford the Indemnitee an opportunity to review all such disclosures and, if requested, to explain in such statement any mitigating circumstances regarding the events to be reported.

11. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue upon the later of (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director of the Company or a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise which Indemnitee served at the request of the Company; or (b) one (1) year after the final termination of any Proceeding (including any rights of appeal thereto) in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any Proceeding commenced by Indemnitee pursuant to Section 7 of this Agreement relating thereto (including any rights of appeal of any Section 7 Proceeding. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

12. Security. To the extent requested by Indemnitee and approved by the Board of Directors of the Company, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

13. Definitions. For purposes of this Agreement:

(a) "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) *Acquisition of Stock by Third Party*. Any Person, other than CCMP and its affiliates and other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifty (50%) or more of the combined voting power of the Company's then outstanding securities;

(ii) *Change in Board of Directors*. During any period of

two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Section 13(a)(i), 13(a)(iii) or 13(a)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a least a majority of the members of the Board;

(iii) *Corporate Transactions*. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity; and

(iv) *Liquidation*. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement or series of agreements for the sale or disposition by the Company of all or substantially all of the Company's assets, or, if such approval is not required, the decision by the Board to proceed with such a liquidation, sale, or disposition in one transaction or a series of related transactions.

(b) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(c) "Corporate Status" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company, any direct or indirect subsidiary of the Company, or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving at the request of the Company.

(d) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "Enterprise" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary.

(f) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(g) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(h) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(i) "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(j) "Proceeding" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of the fact that Indemnitee is or was a director of the Company, by reason of any action taken by

him or of any inaction on his part while acting as a director of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other Enterprise; in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his rights under this Agreement.

14. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality, and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the fullest extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable laws.

15. Enforcement and Binding Effect.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) Without limiting any of the rights of Indemnitee under the Charter or Bylaws of the Company as they may be amended from time to time, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) The indemnification and advancement of expenses provided by, or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise at the Company's request, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(d) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company to expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(e) The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not he precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of such a bond or undertaking.

16. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. Notice By Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

18. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

(a) To Indemnitee at the address set forth below Indemnitee signature hereto.

(b) To the Company at:

Generac Holdings Inc.
S45 W29290 Hwy. 59
Waukesha, WI 53187
Attention: Chief Executive Officer

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

21. Usage of Pronouns. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate.

22. Governing Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) generally and unconditionally consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum. The foregoing consent to jurisdiction shall not constitute general consent to service of process in the state for any purpose except as provided above, and shall not be deemed to confer rights on any person other than the parties to this Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

COMPANY

By: _____
Name: _____
Title: _____

INDEMNITEE

_____
Name: _____

Address:

Exhibit 10.52

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made and entered into as of , 20 between Generac Holdings Inc., a Delaware corporation (the "Company"), and ("Indemnitee"). Capitalized terms not defined elsewhere in this Agreement are used as defined in Section 13.

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors or officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The certificate of incorporation of the Company (as amended, the "Charter") requires indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("DGCL"). The Charter and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Charter of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

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WHEREAS, Indemnitee does not regard the protection available under the Company's Charter and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or key employee without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of Indemnitee's agreement to serve as an officer or key employee from and after the date hereof, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(a) if, by reason of his Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him, or on his behalf, in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of his Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee, or on Indemnitee's behalf, in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with

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each successfully resolved claim, issue or matter. For purposes of this Section 1(c) and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

2. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7 hereof) to be unlawful.

3. Contribution.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not, without the Indemnitee's prior written consent, enter into any such settlement of any action, suit or proceeding (in whole or in part) unless such settlement (i) provides for a full and final release of all claims asserted against Indemnitee and (ii) does not impose any Expense, judgment, fine, penalty or limitation on Indemnitee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which the Law may require to be considered. The relative fault of the

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Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their

liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

4. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness, or is made (or asked to) respond to discovery requests, in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

5. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free.

6. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a) hereof, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods, which shall be at the election of the board: (1) by a majority vote of the disinterested directors, even though less than a quorum, (2) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum, (3) if there are no disinterested directors, or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, or (4) if so directed by the Board of Directors, by the stockholders of the Company; provided, however, that if a Change in Control has occurred, the determination with respect to Indemnitee's entitlement to indemnification shall be made by Independent Counsel. For purposes hereof, disinterested directors are those members of the board of directors of the Company who are not parties to the action, suit or proceeding in respect of which indemnification is sought by Indemnitee.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected as provided in this Section 6(c). If a Change in Control has not occurred, the Independent Counsel shall be selected by the Board of Directors (including a vote of a majority of the Disinterested Directors if obtainable), and the Company shall give written notice to the Indemnitee advising him of the identity of the Independent Counsel so selected. Indemnitee may, within 10 days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If a Change in Control has occurred, the Independent Counsel shall be selected by the Indemnitee (unless the Indemnitee shall request that such selection be made by the Board of Directors, in which event the preceding sentence shall apply), and approved by the Board of Directors (which approval shall not be unreasonably withheld). If (i) an Independent Counsel is to make the determination of entitlement pursuant to this Section 6, and (ii) within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the

Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by Indemnitee to the Company's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 6(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 6(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(e) Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 6(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under this Section 6 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in

good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 6(f) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 6(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board of Directors or the Disinterested Directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat.

(g) Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel, member of the Board of Directors or stockholder of the Company shall act reasonably and in good faith in making a determination regarding Indemnitee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(h) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(i) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 6 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii)

advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(b) of this Agreement within 90 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification, contribution or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Except as set forth herein, the provisions of Delaware law (without regard to its conflict of law rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 6(b). In any judicial proceeding or arbitration commenced pursuant to this Section 7, Indemnitee shall be presumed to be entitled to indemnification under this Agreement and the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 6(b) of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 7, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 5 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of his rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on his behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 13 of this Agreement) actually and reasonably incurred by him in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefore) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

8. Non-Exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification and to receive advancement of expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the By-laws, any agreement, a vote of stockholders, a resolution of directors or otherwise, of the Company. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Certificate of Incorporation, By-laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company shall obtain and maintain in effect during the entire period for which the Company is obligated to indemnify Indemnitee under this Agreement, one or more policies of insurance with reputable insurance companies to provide the directors of the Company with coverage for losses from wrongful acts and omissions and to ensure the Company's performance of its indemnification obligations under this Agreement. Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such officer or director under such policy or policies. In all such insurance policies, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee with the same rights and benefits as are accorded to the most favorably

insured of the Company's directors and officers. At the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee (other than against the Fund Indemnitors), who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

9. Exception to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law; or

(c) for reimbursement to the Company of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company in each case as required under the Exchange Act; or

(d) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Company has joined in or the Board of Directors of the Company authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under

applicable law, or (iii) the Proceeding is one to enforce Indemnitee's rights under this Agreement.

10. Non-Disclosure of Payments. Except as expressly required by the securities laws of the United States of America, neither party shall disclose any payments under this Agreement unless prior approval of the other party is obtained. If any payment information must be disclosed, the Company shall afford the Indemnitee an opportunity to review all such disclosures and, if requested, to explain in such statement any mitigating circumstances regarding the events to be reported.

11. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue upon the later of (a) ten (10) years after the date that Indemnitee shall have ceased to serve as an officer or key employee of the Company or a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise which Indemnitee served at the request of the Company; or (b) one (1) year after the final termination of any Proceeding (including any rights of appeal thereto) in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any Proceeding commenced by Indemnitee pursuant to Section 7 of this Agreement relating thereto (including any rights of appeal of any Section 7 Proceeding. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

12. Security. To the extent requested by Indemnitee and approved by the Board of Directors of the Company, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

13. Definitions. For purposes of this Agreement:

(a) "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) *Acquisition of Stock by Third Party*. Any Person, other than CCMP and its affiliates and other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifty (50%) or more of the combined voting power of the Company's then outstanding securities;

(ii) *Change in Board of Directors.* During any period of

two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Section 13(a)(i), 13(a)(iii) or 13(a)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a least a majority of the members of the Board;

(iii) *Corporate Transactions.* The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity; and

(iv) *Liquidation.* The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement or series of agreements for the sale or disposition by the Company of all or substantially all of the Company's assets, or, if such approval is not required, the decision by the Board to proceed with such a liquidation, sale, or disposition in one transaction or a series of related transactions.

(b) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(c) "Corporate Status" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company, any direct or indirect subsidiary of the Company, or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving at the request of the Company.

(d) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "Enterprise" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary.

(f) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(g) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(h) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(i) "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(j) "Proceeding" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of the fact that Indemnitee is or was an officer or key employee of the Company, by reason of

any action taken by him or of any inaction on his part while acting as an officer or key employee of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other Enterprise; in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his rights under this Agreement.

14. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality, and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the fullest extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable laws.

15. Enforcement and Binding Effect.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer or key employee of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer or key employee of the Company.

(b) Without limiting any of the rights of Indemnitee under the Charter or Bylaws of the Company as they may be amended from time to time, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) The indemnification and advancement of expenses provided by, or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise at the Company's request, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(d) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company to expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(e) The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not he precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of such a bond or undertaking.

16. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. Notice By Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

18. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

(a) To Indemnitee at the address set forth below Indemnitee signature hereto.

(b) To the Company at:

Generac Holdings Inc.
S45 W29290 Hwy. 59
Waukesha, WI 53187
Attention: Chief Executive Officer

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

21. Usage of Pronouns. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate.

22. Governing Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) generally and unconditionally consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum. The foregoing consent to jurisdiction shall not constitute general consent to service of process in the state for any purpose except as provided above, and shall not be deemed to confer rights on any person other than the parties to this Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

COMPANY

By: _____
Name: _____
Title: _____

INDEMNITEE

_____
Name: _____

Address:

Exhibit 10.55

EXECUTION COPY

MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT (the "***Agreement***") is entered into as of November 10, 2006, 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, the Company, through the merger of its wholly owned subsidiary, GPS CCMP Merger Corp. ("***Merger Sub***"), with and into Generac Power Systems, Inc., a Wisconsin corporation ("***Generac***"), intends to consummate its acquisition of all of the outstanding capital stock and other ownership interests of Generac (the "***Merger***") pursuant to that certain Agreement and Plan of Merger, dated September 13, 2006 (the "***Merger Agreement***"), by and among the Company, Generac and Merger Sub, effective as of November 10, 2006; and

WHEREAS, the Subscriber will receive good and valuable consideration upon the consummation of the Merger; and

WHEREAS, in connection with the execution and delivery of this Agreement, the Subscriber is entering into a Shareholders' Agreement, by and among the Company, the Subscriber and the other parties contemplated to be signatories thereto; and

WHEREAS, as a material inducement to the Company to enter into this Agreement, the Subscriber has agreed to execute and deliver to the Company a Confidentiality, Non-Competition and Intellectual Property 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

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(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, V and VI below, the closing of the purchase and sale of the Shares (the "***Closing***") shall occur simultaneously with the closing of the Merger. 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. In furtherance of the foregoing, payment of all or a portion of the Purchase Price may be effected by delivery to the Company of a letter of direction from the Subscriber, directing the Company to pay or apply all or a portion of the consideration payable to Subscriber under the Merger Agreement in satisfaction of Subscriber's obligations under this Article I.

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) the authorized and outstanding capital stock of the Company will be set forth in Schedule 2.1 and (ii) all of the 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 such capital stock is as set forth in Schedule 2.1. Except as disclosed in Schedule 2.1 except as otherwise contained in the Shareholder's Agreement (as defined below), 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. Except as set forth in the Advisory Services and Monitoring Agreement dated as of November 10, 2006, by and among the Company, Generac Acquisition Corp., Generac, CCMP Capital Advisors, LLC ("***Capital Advisors***"), CCMP Capital Asia Pte. Ltd. and CCMP Capital Asia Consulting Company Ltd., there are no fees payable by the Company to Capital Advisors or its Affiliates.

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

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bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Formation. The Company was formed solely for the purpose of engaging in the transactions contemplated by the Merger Agreement. The Company has not owned, operated or conducted any businesses or activities or incurred any liabilities other than in connection with its organization and the negotiation and execution of the Merger Agreement.

2.4 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).

2.5 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 referred to in Article VII.

(e) Independent of the additional restrictions on the transfer of Shares contained in the Shareholders' Agreement referred to in Article VII, 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

MUTUAL CONDITIONS PRECEDENT

The obligations of the Company and the Subscriber under Article I of this Agreement are subject to the fulfillment on or before the Closing of the following conditions:

6.1 Merger Agreement Closing Conditions. The closing conditions to the Merger Agreement shall have been satisfied or waived, other than closing conditions which by their nature are to be satisfied at the closing of the Merger.

6.2 Other Agreements.

(a) If, and only if, the Subscriber is purchasing shares of Class A Common Stock of the Company on the date hereof, the Company and the Subscriber shall have executed and delivered a counterpart signature page to that certain Restricted Stock Agreement to be effective as of the date of the Closing.

(b) If, and only if, the Subscriber is not purchasing shares of Class A Common Stock of the Company on the date hereof, the Company and the Subscriber shall have executed and delivered a Confidentiality, Non-Competition and Intellectual Property Agreement in the form attached as Exhibit C hereto.

ARTICLE VII

OTHER MATTERS

7.1 Shareholders' Agreement. Simultaneously with the execution of this Agreement, the Company and the Subscriber agree to enter into a Shareholders' Agreement, by and among the Company, the Subscriber and each other party contemplated to be a party thereto (the "***Shareholders' Agreement***"), substantially in the form attached hereto as Exhibit B, which Shareholders' Agreement shall be in full force and effect as of the Closing.

ARTICLE VIII

MISCELLANEOUS

8.1 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.

8.2 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 8.2, each party shall have the right to change the mailing address for future notices and communications to such party.

8.3 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.

8.4 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.

8.5 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.

8.6 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.

8.7 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.

8.8 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.

8.9 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.

8.10 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf of the Company or the Subscriber, 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company and the Subscriber have executed this Agreement as of the day and year first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title: Vice President and Assistant Secretary

Company Signature Page to the Subscription and Stock Purchase Agreement

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.

Aaron P. Jagdfeld
Name of Subscriber

Subscriber Signature: /s/ Aaron P. Jagdfeld

	AGGREGATE CLASS B COMMON SHARES	TOTAL PURCHASE PRICE
Aaron P. Jagdfeld	1446.8053	$ 14,468,053.00

Address for Notice:

Company Signature Page to the Subscription and Stock Purchase Agreement

CONFIDENTIAL INVESTMENT QUALIFICATION QUESTIONNAIRE

GPS CCMP ACQUISITION CORP.
A Delaware corporation (the "Company")

SPECIAL INSTRUCTIONS

In order to establish the availability under federal and state securities laws of an exemption from registration or qualification requirements for the proposed issuance of Shares, you are required to represent and warrant, and by executing and delivering this questionnaire will be deemed to have represented and warranted, that the information stated herein is true, accurate and complete to the best of your knowledge and belief, and may be relied on by the Company. Further, by executing and delivering this questionnaire you agree to notify the Company and supply corrective information promptly if, prior to the consummation of your payment of the Purchase Price in exchange for the Shares, any such information becomes inaccurate or incomplete. Your execution of this questionnaire does not constitute any indication of your intent to subscribe for the Shares.

A subscriber who is a natural person must complete each Question except for 2 and 5.

A subscriber that is an entity other than a trust must complete each Question except for 3 and 5.

A subscriber that is a trust must complete each Question except for 3.

GENERAL INFORMATION

1. All Subscribers.

a. Name(s) of prospective investor(s): Aaron P. Jagdfeld

b. Address:

c. Telephone Number:

2. Subscribers That Are Entities.

a. Type of entity:

o Trust

o Corporation

o Partnership

Other:

b. State and date of legal formation:

c. Nature of Business:

d. Was the entity organized for the specific purpose of acquiring the Shares pursuant to the Restricted Stock Agreement?

Yes o

No o

e. Federal tax identification number:

3. Subscribers Who Are Individuals.

a. State where registered to vote:

b. Social Security Number:

c. Please state the subscriber's education and degrees earned:

Degree	School	Year

d. Current occupation (if retired, describe last occupation):

Employer:

Nature of Business:

Position:

Business Address:

Telephone Number:

4. Accreditation. Does the subscriber satisfy one or more of the following accredited investor requirements? Contact the Company if none of the following is applicable.

Investor is:

o A natural person whose net worth (or joint net worth with my spouse) is in excess of $1,000,000 as of the date hereof.

o A natural person whose income in the prior two years was, and whose income in the current year is reasonably expected to be in excess of $200,000 or whose joint income with my spouse in the prior two years was, and is reasonably expected to be in the current year in excess of $300,000.

o A director or officer of the Company.

o A trust with total assets in excess of $5,000,000, not formed for the specific purpose of investing in the Shares of GPS CCMP Acquisition Corp., whose purchases are directed by a sophisticated person, who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Shares of GPS CCMP Acquisition Corp.

o A "bank", "savings and loan association", or "insurance company" as defined in the Securities Act of 1933.

o A broker/dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

o An investment company registered under, or a "business development company" as defined in Section 2(a)(48) of the Investment Company Act of 1940.

o A Small Business Investment Company licensed by the U.S. Small Business Administration under the Small Business Investment Act of 1958.

o A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees and having total assets in excess of $5,000,000.

o An "employee benefit plan" as defined in the Employee Retirement Income Security Act of 1974 (a "Plan") which has total assets in excess of $5,000,000.

o A Plan whose investment decisions, including the decision to subscribe for the Shares of GPS CCMP Acquisition Corp., are made solely by (i) a "plan fiduciary" as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, which includes a bank, a savings and loan association, an insurance company or a registered investment adviser, or (ii) an "accredited investor" as defined under Rule 501(a) of the Securities Act of 1933.

o A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

o Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, corporation, Massachusetts or similar business Trust, or partnership, not formed for the specific purpose of investing in the Shares and having total assets in excess of $5,000,000.

o Any entity in which all of the equity owners meet one of the above descriptions.

5. Trusts.

Does the trust meet the following tests:

a. Has total assets in excess of $5,000,000?

Yes o No o

b. Was formed for the purpose of the investment in the Shares in this Contribution?

Yes o No o

c. Are the purchases by the Trust directed by a sophisticated investor who, alone or with his, her or its subscriber representative, understands the merits and risks of the investment in the Shares?

Yes o No o

[THE REMAINDER OF THIS PAGE IS BLANK]

INDIVIDUAL(S) SIGN HERE:

(Signature)

Aaron P. Jagdfeld

(Address)

Social Security Number:

Spouse of Subscriber:

(Signature)

ENTITIES SIGN HERE:

(Print Name of Organization)

By:

(Signature)

(Print Name and Title)

(Address)

Federal ID Number:

(Address)

Social Security Number:

Exhibit 10.56

EXECUTION COPY

MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT (the "***Agreement***") is entered into as of November 10, 2006, 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, the Company, through the merger of its wholly owned subsidiary, GPS CCMP Merger Corp. ("***Merger Sub***"), with and into Generac Power Systems, Inc., a Wisconsin corporation ("***Generac***"), intends to consummate its acquisition of all of the outstanding capital stock and other ownership interests of Generac (the "***Merger***") pursuant to that certain Agreement and Plan of Merger, dated September 13, 2006 (the "***Merger Agreement***"), by and among the Company, Generac and Merger Sub, effective as of November 10, 2006; and

WHEREAS, the Subscriber will receive good and valuable consideration upon the consummation of the Merger; and

WHEREAS, in connection with the execution and delivery of this Agreement, the Subscriber is entering into a Shareholders' Agreement, by and among the Company, the Subscriber and the other parties contemplated to be signatories thereto; and

WHEREAS, as a material inducement to the Company to enter into this Agreement, the Subscriber has agreed to execute and deliver to the Company a Confidentiality, Non-Competition and Intellectual Property 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

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(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, V and VI below, the closing of the purchase and sale of the Shares (the "***Closing***") shall occur simultaneously with the closing of the Merger. 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. In furtherance of the foregoing, payment of all or a portion of the Purchase Price may be effected by delivery to the Company of a letter of direction from the Subscriber, directing the Company to pay or apply all or a portion of the consideration payable to Subscriber under the Merger Agreement in satisfaction of Subscriber's obligations under this Article I.

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) the authorized and outstanding capital stock of the Company will be set forth in Schedule 2.1 and (ii) all of the 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 such capital stock is as set forth in Schedule 2.1. Except as disclosed in Schedule 2.1 except as otherwise contained in the Shareholder's Agreement (as defined below), 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. Except as set forth in the Advisory Services and Monitoring Agreement dated as of November 10, 2006, by and among the Company, Generac Acquisition Corp., Generac, CCMP Capital Advisors, LLC ("***Capital Advisors***"), CCMP Capital Asia Pte. Ltd. and CCMP Capital Asia Consulting Company Ltd., there are no fees payable by the Company to Capital Advisors or its Affiliates.

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

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bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Formation. The Company was formed solely for the purpose of engaging in the transactions contemplated by the Merger Agreement. The Company has not owned, operated or conducted any businesses or activities or incurred any liabilities other than in connection with its organization and the negotiation and execution of the Merger Agreement.

2.4 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).

2.5 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 referred to in Article VII.

(e) Independent of the additional restrictions on the transfer of Shares contained in the Shareholders' Agreement referred to in Article VII, 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

MUTUAL CONDITIONS PRECEDENT

The obligations of the Company and the Subscriber under Article I of this Agreement are subject to the fulfillment on or before the Closing of the following conditions:

6.1 Merger Agreement Closing Conditions. The closing conditions to the Merger Agreement shall have been satisfied or waived, other than closing conditions which by their nature are to be satisfied at the closing of the Merger.

6.2 Other Agreements.

(a) If, and only if, the Subscriber is purchasing shares of Class A Common Stock of the Company on the date hereof, the Company and the Subscriber shall have executed and delivered a counterpart signature page to that certain Restricted Stock Agreement to be effective as of the date of the Closing.

(b) If, and only if, the Subscriber is not purchasing shares of Class A Common Stock of the Company on the date hereof, the Company and the Subscriber shall have executed and delivered a Confidentiality, Non-Competition and Intellectual Property Agreement in the form attached as Exhibit C hereto.

ARTICLE VII

OTHER MATTERS

7.1 Shareholders' Agreement. Simultaneously with the execution of this Agreement, the Company and the Subscriber agree to enter into a Shareholders' Agreement, by and among the Company, the Subscriber and each other party contemplated to be a party thereto (the "***Shareholders' Agreement***"), substantially in the form attached hereto as Exhibit B, which Shareholders' Agreement shall be in full force and effect as of the Closing.

ARTICLE VIII

MISCELLANEOUS

8.1 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.

8.2 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 8.2, each party shall have the right to change the mailing address for future notices and communications to such party.

8.3 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.

8.4 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.

8.5 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.

8.6 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.

8.7 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.

8.8 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.

8.9 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.

8.10 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf of the Company or the Subscriber, 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company and the Subscriber have executed this Agreement as of the day and year first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title: Vice President and Assistant Secretary

Company Signature Page to the Subscription and Stock Purchase Agreement

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.

Allen D. Gillette
Name of Subscriber

Subscriber Signature: /s/ Allen D. Gillette 09-Nov-06

	AGGREGATE CLASS B COMMON SHARES	TOTAL PURCHASE PRICE
Allen D. Gillette	6.0104	$ 60,104.00

Address for Notice:

Company Signature Page to the Subscription and Stock Purchase Agreement

CONFIDENTIAL INVESTMENT QUALIFICATION QUESTIONNAIRE

GPS CCMP ACQUISITION CORP.
A Delaware corporation (the "Company")

SPECIAL INSTRUCTIONS

In order to establish the availability under federal and state securities laws of an exemption from registration or qualification requirements for the proposed issuance of Shares, you are required to represent and warrant, and by executing and delivering this questionnaire will be deemed to have represented and warranted, that the information stated herein is true, accurate and complete to the best of your knowledge and belief, and may be relied on by the Company. Further, by executing and delivering this questionnaire you agree to notify the Company and supply corrective information promptly if, prior to the consummation of your payment of the Purchase Price in exchange for the Shares, any such information becomes inaccurate or incomplete. Your execution of this questionnaire does not constitute any indication of your intent to subscribe for the Shares.

A subscriber who is a natural person must complete each Question except for 2 and 5.

A subscriber that is an entity other than a trust must complete each Question except for 3 and 5.

A subscriber that is a trust must complete each Question except for 3.

GENERAL INFORMATION

1. All Subscribers.

a. Name(s) of prospective investor(s): Allen D. Gillette

b. Address:

c. Telephone Number:

2. Subscribers That Are Entities.

a. Type of entity:

o Trust

o Corporation

o Partnership

Other:

b. State and date of legal formation:

c. Nature of Business:

d. Was the entity organized for the specific purpose of acquiring the Shares pursuant to the Restricted Stock Agreement?

Yes o

No o

e. Federal tax identification number:

3. Subscribers Who Are Individuals.

a. State where registered to vote:

b. Social Security Number:

c. Please state the subscriber's education and degrees earned:

Degree	School	Year

d. Current occupation (if retired, describe last occupation):

Employer:

Nature of Business:

Position:

Business Address:

Telephone Number:

4. Accreditation. Does the subscriber satisfy one or more of the following accredited investor requirements? Contact the Company if none of the following is applicable.

Investor is:

o A natural person whose net worth (or joint net worth with my spouse) is in excess of $1,000,000 as of the date hereof.

o A natural person whose income in the prior two years was, and whose income in the current year is reasonably expected to be in excess of $200,000 or whose joint income with my spouse in the prior two years was, and is reasonably expected to be in the current year in excess of $300,000.

o A director or officer of the Company.

o A trust with total assets in excess of $5,000,000, not formed for the specific purpose of investing in the Shares of GPS CCMP Acquisition Corp., whose purchases are directed by a sophisticated person, who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Shares of GPS CCMP Acquisition Corp.

o A "bank", "savings and loan association", or "insurance company" as defined in the Securities Act of 1933.

o A broker/dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

o An investment company registered under, or a "business development company" as defined in Section 2 (a)(48) of the Investment Company Act of 1940.

o A Small Business Investment Company licensed by the U.S. Small Business Administration under the Small Business Investment Act of 1958.

o A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees and having total assets in excess of $5,000,000.

o An "employee benefit plan" as defined in the Employee Retirement Income Security Act of 1974 (a "Plan") which has total assets in excess of $5,000,000.

o A Plan whose investment decisions, including the decision to subscribe for the Shares of GPS CCMP Acquisition Corp., are made solely by (i) a "plan fiduciary" as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, which includes a bank, a savings and loan association, an insurance company or a registered investment adviser, or (ii) an "accredited investor" as defined under Rule 501(a) of the Securities Act of 1933.

o A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

o Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, corporation, Massachusetts or similar business Trust, or partnership, not formed for the specific purpose of investing in the Shares and having total assets in excess of $5,000,000.

o Any entity in which all of the equity owners meet one of the above descriptions.

5. Trusts.

Does the trust meet the following tests:

a. Has total assets in excess of $5,000,000?

Yes o No o

b. Was formed for the purpose of the investment in the Shares in this Contribution?

Yes o No o

c. Are the purchases by the Trust directed by a sophisticated investor who, alone or with his, her or its subscriber representative, understands the merits and risks of the investment in the Shares?

Yes o No o

[THE REMAINDER OF THIS PAGE IS BLANK]

INDIVIDUAL(S) SIGN HERE:

(Signature)

Allen d. Gillette

(Address)

Social Security Number:

Spouse of Subscriber:

(Signature)

ENTITIES SIGN HERE:

(Print Name of Organization)

By:

(Signature)

(Print Name and Title)

(Address)

Federal ID Number:

(Address)

Social Security Number:

Exhibit 10.57

EXECUTION COPY

MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT (the "***Agreement***") is entered into as of November 10, 2006, 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, the Company, through the merger of its wholly owned subsidiary, GPS CCMP Merger Corp. ("***Merger Sub***"), with and into Generac Power Systems, Inc., a Wisconsin corporation ("***Generac***"), intends to consummate its acquisition of all of the outstanding capital stock and other ownership interests of Generac (the "***Merger***") pursuant to that certain Agreement and Plan of Merger, dated September 13, 2006 (the "***Merger Agreement***"), by and among the Company, Generac and Merger Sub, effective as of November 10, 2006; and

WHEREAS, the Subscriber will receive good and valuable consideration upon the consummation of the Merger; and

WHEREAS, in connection with the execution and delivery of this Agreement, the Subscriber is entering into a Shareholders' Agreement, by and among the Company, the Subscriber and the other parties contemplated to be signatories thereto; and

WHEREAS, as a material inducement to the Company to enter into this Agreement, the Subscriber has agreed to execute and deliver to the Company a Confidentiality, Non-Competition and Intellectual Property 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

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(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, V and VI below, the closing of the purchase and sale of the Shares (the "***Closing***") shall occur simultaneously with the closing of the Merger. 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. In furtherance of the foregoing, payment of all or a portion of the Purchase Price may be effected by delivery to the Company of a letter of direction from the Subscriber, directing the Company to pay or apply all or a portion of the consideration payable to Subscriber under the Merger Agreement in satisfaction of Subscriber's obligations under this Article I.

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) the authorized and outstanding capital stock of the Company will be set forth in Schedule 2.1 and (ii) all of the 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 such capital stock is as set forth in Schedule 2.1. Except as disclosed in Schedule 2.1 except as otherwise contained in the Shareholder's Agreement (as defined below), 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. Except as set forth in the Advisory Services and Monitoring Agreement dated as of November 10, 2006, by and among the Company, Generac Acquisition Corp., Generac, CCMP Capital Advisors, LLC ("***Capital Advisors***"), CCMP Capital Asia Pte. Ltd. and CCMP Capital Asia Consulting Company Ltd., there are no fees payable by the Company to Capital Advisors or its Affiliates.

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

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bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Formation. The Company was formed solely for the purpose of engaging in the transactions contemplated by the Merger Agreement. The Company has not owned, operated or conducted any businesses or activities or incurred any liabilities other than in connection with its organization and the negotiation and execution of the Merger Agreement.

2.4 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).

2.5 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 referred to in Article VII.

(e) Independent of the additional restrictions on the transfer of Shares contained in the Shareholders' Agreement referred to in Article VII, 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

MUTUAL CONDITIONS PRECEDENT

The obligations of the Company and the Subscriber under Article I of this Agreement are subject to the fulfillment on or before the Closing of the following conditions:

6.1 Merger Agreement Closing Conditions. The closing conditions to the Merger Agreement shall have been satisfied or waived, other than closing conditions which by their nature are to be satisfied at the closing of the Merger.

6.2 Other Agreements.

(a) If, and only if, the Subscriber is purchasing shares of Class A Common Stock of the Company on the date hereof, the Company and the Subscriber shall have executed and delivered a counterpart signature page to that certain Restricted Stock Agreement to be effective as of the date of the Closing.

(b) If, and only if, the Subscriber is not purchasing shares of Class A Common Stock of the Company on the date hereof, the Company and the Subscriber shall have executed and delivered a Confidentiality, Non-Competition and Intellectual Property Agreement in the form attached as Exhibit C hereto.

ARTICLE VII

OTHER MATTERS

7.1 Shareholders' Agreement. Simultaneously with the execution of this Agreement, the Company and the Subscriber agree to enter into a Shareholders' Agreement, by and among the Company, the Subscriber and each other party contemplated to be a party thereto (the "***Shareholders' Agreement***"), substantially in the form attached hereto as Exhibit B, which Shareholders' Agreement shall be in full force and effect as of the Closing.

ARTICLE VIII

MISCELLANEOUS

8.1 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.

8.2 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 8.2, each party shall have the right to change the mailing address for future notices and communications to such party.

8.3 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.

8.4 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.

8.5 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.

8.6 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.

8.7 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.

8.8 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.

8.9 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.

8.10 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf of the Company or the Subscriber, 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company and the Subscriber have executed this Agreement as of the day and year first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title: Assistant Secretary

[COMPANY SIGNATURE PAGE TO THE SUBSCRIPTION AND STOCK PURCHASE AGREEMENT]

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.

Dawn A. Tabat
Name of Subscriber

Subscriber Signature: /s/ Dawn A. Tabat

	AGGREGATE CLASS B COMMON SHARES	TOTAL PURCHASE PRICE
Dawn A. Tabat	3869.8859	$ 38,698,859.00

Address for Notice:

Company Signature Page to the Subscription and Stock Purchase Agreement

CONFIDENTIAL INVESTMENT QUALIFICATION QUESTIONNAIRE

GPS CCMP ACQUISITION CORP.
A Delaware corporation (the "Company")

SPECIAL INSTRUCTIONS

In order to establish the availability under federal and state securities laws of an exemption from registration or qualification requirements for the proposed issuance of Shares, you are required to represent and warrant, and by executing and delivering this questionnaire will be deemed to have represented and warranted, that the information stated herein is true, accurate and complete to the best of your knowledge and belief, and may be relied on by the Company. Further, by executing and delivering this questionnaire you agree to notify the Company and supply corrective information promptly if, prior to the consummation of your payment of the Purchase Price in exchange for the Shares, any such information becomes inaccurate or incomplete. Your execution of this questionnaire does not constitute any indication of your intent to subscribe for the Shares.

A subscriber who is a natural person must complete each Question except for 2 and 5.

A subscriber that is an entity other than a trust must complete each Question except for 3 and 5.

A subscriber that is a trust must complete each Question except for 3.

GENERAL INFORMATION

1. All Subscribers.

a. Name(s) of prospective investor(s): Dawn A. Tabat

b. Address:

c. Telephone Number:

2. Subscribers That Are Entities.

a. Type of entity:

o Trust

o Corporation

o Partnership

Other:

b. State and date of legal formation:

c. Nature of Business:

d. Was the entity organized for the specific purpose of acquiring the Shares pursuant to the Restricted Stock Agreement?

Yes o

No o

e. Federal tax identification number:

3. Subscribers Who Are Individuals.

a. State where registered to vote:

b. Social Security Number:

c. Please state the subscriber's education and degrees earned:

Degree	School	Year

d. Current occupation (if retired, describe last occupation):

Employer:

Nature of Business:

Position:

Business Address:

Telephone Number:

4. Accreditation. Does the subscriber satisfy one or more of the following accredited investor requirements? Contact the Company if none of the following is applicable.

Investor is:

o A natural person whose net worth (or joint net worth with my spouse) is in excess of $1,000,000 as of the date hereof.

o A natural person whose income in the prior two years was, and whose income in the current year is reasonably expected to be in excess of $200,000 or whose joint income with my spouse in the prior two years was, and is reasonably expected to be in the current year in excess of $300,000.

o A director or officer of the Company.

o A trust with total assets in excess of $5,000,000, not formed for the specific purpose of investing in the Shares of GPS CCMP Acquisition Corp., whose purchases are directed by a sophisticated person, who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Shares of GPS CCMP Acquisition Corp.

o A "bank", "savings and loan association", or "insurance company" as defined in the Securities Act of 1933.

o A broker/dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

o An investment company registered under, or a "business development company" as defined in Section 2 (a)(48) of the Investment Company Act of 1940.

o A Small Business Investment Company licensed by the U.S. Small Business Administration under the Small Business Investment Act of 1958.

o A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees and having total assets in excess of $5,000,000.

o An "employee benefit plan" as defined in the Employee Retirement Income Security Act of 1974 (a "Plan") which has total assets in excess of $5,000,000.

o A Plan whose investment decisions, including the decision to subscribe for the Shares of GPS CCMP Acquisition Corp., are made solely by (i) a "plan fiduciary" as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, which includes a bank, a savings and loan association, an insurance company or a registered investment adviser, or (ii) an "accredited investor" as defined under Rule 501(a) of the Securities Act of 1933.

o A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

o Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, corporation, Massachusetts or similar business Trust, or partnership, not formed for the specific purpose of investing in the Shares and having total assets in excess of $5,000,000.

o Any entity in which all of the equity owners meet one of the above descriptions.

5. Trusts.

Does the trust meet the following tests:

a. Has total assets in excess of $5,000,000?

Yes o No o

b. Was formed for the purpose of the investment in the Shares in this Contribution?

Yes o No o

c. Are the purchases by the Trust directed by a sophisticated investor who, alone or with his, her or its subscriber representative, understands the merits and risks of the investment in the Shares?

Yes o No o

[THE REMAINDER OF THIS PAGE IS BLANK]

INDIVIDUAL(S) SIGN HERE:

(Signature)

Dawn A. Tabat

(Address)

Social Security Number:

Spouse of Subscriber:

(Signature)

ENTITIES SIGN HERE:

(Print Name of Organization)

By:

(Signature)

(Print Name and Title)

(Address)

Federal ID Number:

(Address)

Social Security Number:

Exhibit 10.58

EXECUTION COPY

MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT (the "***Agreement***") is entered into as of November 10, 2006, 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, the Company, through the merger of its wholly owned subsidiary, GPS CCMP Merger Corp. ("***Merger Sub***"), with and into Generac Power Systems, Inc., a Wisconsin corporation ("***Generac***"), intends to consummate its acquisition of all of the outstanding capital stock and other ownership interests of Generac (the "***Merger***") pursuant to that certain Agreement and Plan of Merger, dated September 13, 2006 (the "***Merger Agreement***"), by and among the Company, Generac and Merger Sub, effective as of November 10, 2006; and

WHEREAS, the Subscriber will receive good and valuable consideration upon the consummation of the Merger; and

WHEREAS, in connection with the execution and delivery of this Agreement, the Subscriber is entering into a Shareholders' Agreement, by and among the Company, the Subscriber and the other parties contemplated to be signatories thereto; and

WHEREAS, as a material inducement to the Company to enter into this Agreement, the Subscriber has agreed to execute and deliver to the Company a Confidentiality, Non-Competition and Intellectual Property 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

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(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, V and VI below, the closing of the purchase and sale of the Shares (the "***Closing***") shall occur simultaneously with the closing of the Merger. 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. In furtherance of the foregoing, payment of all or a portion of the Purchase Price may be effected by delivery to the Company of a letter of direction from the Subscriber, directing the Company to pay or apply all or a portion of the consideration payable to Subscriber under the Merger Agreement in satisfaction of Subscriber's obligations under this Article I.

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) the authorized and outstanding capital stock of the Company will be set forth in Schedule 2.1 and (ii) all of the 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 such capital stock is as set forth in Schedule 2.1. Except as disclosed in Schedule 2.1 except as otherwise contained in the Shareholder's Agreement (as defined below), 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. Except as set forth in the Advisory Services and Monitoring Agreement dated as of November 10, 2006, by and among the Company, Generac Acquisition Corp., Generac, CCMP Capital Advisors, LLC ("***Capital Advisors***"), CCMP Capital Asia Pte. Ltd. and CCMP Capital Asia Consulting Company Ltd., there are no fees payable by the Company to Capital Advisors or its Affiliates.

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

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bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Formation. The Company was formed solely for the purpose of engaging in the transactions contemplated by the Merger Agreement. The Company has not owned, operated or conducted any businesses or activities or incurred any liabilities other than in connection with its organization and the negotiation and execution of the Merger Agreement.

2.4 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).

2.5 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 referred to in Article VII.

(e) Independent of the additional restrictions on the transfer of Shares contained in the Shareholders' Agreement referred to in Article VII, 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

MUTUAL CONDITIONS PRECEDENT

The obligations of the Company and the Subscriber under Article I of this Agreement are subject to the fulfillment on or before the Closing of the following conditions:

6.1 Merger Agreement Closing Conditions. The closing conditions to the Merger Agreement shall have been satisfied or waived, other than closing conditions which by their nature are to be satisfied at the closing of the Merger.

6.2 Other Agreements.

(a) If, and only if, the Subscriber is purchasing shares of Class A Common Stock of the Company on the date hereof, the Company and the Subscriber shall have executed and delivered a counterpart signature page to that certain Restricted Stock Agreement to be effective as of the date of the Closing.

(b) If, and only if, the Subscriber is not purchasing shares of Class A Common Stock of the Company on the date hereof, the Company and the Subscriber shall have executed and delivered a Confidentiality, Non-Competition and Intellectual Property Agreement in the form attached as Exhibit C hereto.

ARTICLE VII

OTHER MATTERS

7.1 Shareholders' Agreement. Simultaneously with the execution of this Agreement, the Company and the Subscriber agree to enter into a Shareholders' Agreement, by and among the Company, the Subscriber and each other party contemplated to be a party thereto (the "***Shareholders' Agreement***"), substantially in the form attached hereto as Exhibit B, which Shareholders' Agreement shall be in full force and effect as of the Closing.

ARTICLE VIII

MISCELLANEOUS

8.1 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.

8.2 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 8.2, each party shall have the right to change the mailing address for future notices and communications to such party.

8.3 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.

8.4 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.

8.5 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.

8.6 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.

8.7 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.

8.8 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.

8.9 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.

8.10 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf of the Company or the Subscriber, 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.

IN WITNESS WHEREOF, the Company and the Subscriber have executed this Agreement as of the day and year first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title: Vice President and Assistant Secretary

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.

Roger F. Pascavis
Name of Subscriber

Subscriber Signature: /s/ Roger Pascavis

Roger Pascavis	11/9/06	AGGREGATE CLASS B COMMON SHARES	TOTAL PURCHASE PRICE
Roger F. Pascavis		62,0208	$ 620,208.00

Address for Notice:

CONFIDENTIAL INVESTMENT QUALIFICATION QUESTIONNAIRE

GPS CCMP ACQUISITION CORP.
A Delaware corporation (the "Company")

SPECIAL INSTRUCTIONS

In order to establish the availability under federal and state securities laws of an exemption from registration or qualification requirements for the proposed issuance of Shares, you are required to represent and warrant, and by executing and delivering this questionnaire will be deemed to have represented and warranted, that the information stated herein is true, accurate and complete to the best of your knowledge and belief, and may be relied on by the Company. Further, by executing and delivering this questionnaire you agree to notify the Company and supply corrective information promptly if, prior to the consummation of your payment of the Purchase Price in exchange for the Shares, any such information becomes inaccurate or incomplete. Your execution of this questionnaire does not constitute any indication of your intent to subscribe for the Shares.

A subscriber who is a natural person must complete each Question except for 2 and 5.

A subscriber that is an entity other than a trust must complete each Question except for 3 and 5.

A subscriber that is a trust must complete each Question except for 3.

GENERAL INFORMATION

1. All Subscribers.

a. Name(s) of prospective investor(s): Roger F. Pascavis

b. Address:

c. Telephone Number:

2. Subscribers That Are Entities.

a. Type of entity:

o Trust

o Corporation

o Partnership

Other:

b. State and date of legal formation:

c. Nature of Business:

d. Was the entity organized for the specific purpose of acquiring the Shares pursuant to the Restricted Stock Agreement?

Yes o

No o

e. Federal tax identification number:

3. Subscribers Who Are Individuals.

a. State where registered to vote:

b. Social Security Number:

c. Please state the subscriber's education and degrees earned:

Degree	School	Year

d. Current occupation (if retired, describe last occupation):

Employer:

Nature of Business:

Position:

Business Address:

Telephone Number:

4. Accreditation. Does the subscriber satisfy one or more of the following accredited investor requirements? Contact the Company if none of the following is applicable.

Investor is:

o A natural person whose net worth (or joint net worth with my spouse) is in excess of $1,000,000 as of the date hereof.

o A natural person whose income in the prior two years was, and whose income in the current year is reasonably expected to be in excess of $200,000 or whose joint income with my spouse in the prior two years was, and is reasonably expected to be in the current year in excess of $300,000.

o A director or officer of the Company.

o A trust with total assets in excess of $5,000,000, not formed for the specific purpose of investing in the Shares of GPS CCMP Acquisition Corp., whose purchases are directed by a sophisticated person, who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Shares of GPS CCMP Acquisition Corp.

o A "bank", "savings and loan association", or "insurance company" as defined in the Securities Act of 1933.

o A broker/dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

o An investment company registered under, or a "business development company" as defined in Section 2(a)(48) of the Investment Company Act of 1940.

o A Small Business Investment Company licensed by the U.S. Small Business Administration under the Small Business Investment Act of 1958.

o A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees and having total assets in excess of $5,000,000.

o An "employee benefit plan" as defined in the Employee Retirement Income Security Act of 1974 (a "Plan") which has total assets in excess of $5,000,000.

o A Plan whose investment decisions, including the decision to subscribe for the Shares of GPS CCMP Acquisition Corp., are made solely by (i) a "plan fiduciary" as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, which includes a bank, a savings and loan association, an insurance company or a registered investment adviser, or (ii) an "accredited investor" as defined under Rule 501(a) of the Securities Act of 1933.

o A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

o Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, corporation, Massachusetts or similar business Trust, or partnership, not formed for the specific purpose of investing in the Shares and having total assets in excess of $5,000,000.

o Any entity in which all of the equity owners meet one of the above descriptions.

5. Trusts.

Does the trust meet the following tests:

a. Has total assets in excess of $5,000,000?

Yes o No o

b. Was formed for the purpose of the investment in the Shares in this Contribution?

Yes o No o

c. Are the purchases by the Trust directed by a sophisticated investor who, alone or with his, her or its subscriber representative, understands the merits and risks of the investment in the Shares?

Yes o No o

[THE REMAINDER OF THIS PAGE IS BLANK]

INDIVIDUAL(S) SIGN HERE:

(Signature)

Roger F. Pascavis

(Address)

Social Security Number:

Spouse of Subscriber:

(Signature)

ENTITIES SIGN HERE:

(Print Name of Organization)

By:

(Signature)

(Print Name and Title)

(Address)

Federal ID Number:

(Address)

Social Security Number:

Exhibit 10.59

EXECUTION COPY

MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT (the "***Agreement***") is entered into as of November 10, 2006, 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, the Company, through the merger of its wholly owned subsidiary, GPS CCMP Merger Corp. ("***Merger Sub***"), with and into Generac Power Systems, Inc., a Wisconsin corporation ("***Generac***"), intends to consummate its acquisition of all of the outstanding capital stock and other ownership interests of Generac (the "***Merger***") pursuant to that certain Agreement and Plan of Merger, dated September 13, 2006 (the "***Merger Agreement***"), by and among the Company, Generac and Merger Sub, effective as of November 10, 2006; and

WHEREAS, the Subscriber will receive good and valuable consideration upon the consummation of the Merger; and

WHEREAS, in connection with the execution and delivery of this Agreement, the Subscriber is entering into a Shareholders' Agreement, by and among the Company, the Subscriber and the other parties contemplated to be signatories thereto; and

WHEREAS, as a material inducement to the Company to enter into this Agreement, the Subscriber has agreed to execute and deliver to the Company a Confidentiality, Non-Competition and Intellectual Property 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

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(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, V and VI below, the closing of the purchase and sale of the Shares (the "***Closing***") shall occur simultaneously with the closing of the Merger. 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. In furtherance of the foregoing, payment of all or a portion of the Purchase Price may be effected by delivery to the Company of a letter of direction from the Subscriber, directing the Company to pay or apply all or a portion of the consideration payable to Subscriber under the Merger Agreement in satisfaction of Subscriber's obligations under this Article I.

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) the authorized and outstanding capital stock of the Company will be set forth in Schedule 2.1 and (ii) all of the 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 such capital stock is as set forth in Schedule 2.1. Except as disclosed in Schedule 2.1 except as otherwise contained in the Shareholder's Agreement (as defined below), 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. Except as set forth in the Advisory Services and Monitoring Agreement dated as of November 10, 2006, by and among the Company, Generac Acquisition Corp., Generac, CCMP Capital Advisors, LLC ("***Capital Advisors***"), CCMP Capital Asia Pte. Ltd. and CCMP Capital Asia Consulting Company Ltd., there are no fees payable by the Company to Capital Advisors or its Affiliates.

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

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bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Formation. The Company was formed solely for the purpose of engaging in the transactions contemplated by the Merger Agreement. The Company has not owned, operated or conducted any businesses or activities or incurred any liabilities other than in connection with its organization and the negotiation and execution of the Merger Agreement.

2.4 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).

2.5 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 HI

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 referred to in Article VII.

(e) Independent of the additional restrictions on the transfer of Shares contained in the Shareholders' Agreement referred to in Article VII, 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

MUTUAL CONDITIONS PRECEDENT

The obligations of the Company and the Subscriber under Article I of this Agreement are subject to the fulfillment on or before the Closing of the following conditions:

6.1 Merger Agreement Closing Conditions. The closing conditions to the Merger Agreement shall have been satisfied or waived, other than closing conditions which by their nature are to be satisfied at the closing of the Merger.

6.2 Other Agreements.

(a) If, and only if, the Subscriber is purchasing shares of Class A Common Stock of the Company on the date hereof, the Company and the Subscriber shall have executed and delivered a counterpart signature page to that certain Restricted Stock Agreement to be effective as of the date of the Closing.

(b) If, and only if, the Subscriber is not purchasing shares of Class A Common Stock of the Company on the date hereof, the Company and the Subscriber shall have executed and delivered a Confidentiality, Non-Competition and Intellectual Property Agreement in the form attached as Exhibit C hereto.

ARTICLE VII

OTHER MATTERS

7.1 Shareholders' Agreement. Simultaneously with the execution of this Agreement, the Company and the Subscriber agree to enter into a Shareholders' Agreement, by and among the Company, the Subscriber and each other party contemplated to be a party thereto (the "***Shareholders' Agreement***"), substantially in the form attached hereto as Exhibit B, which Shareholders' Agreement shall be in full force and effect as of the Closing.

ARTICLE VIII

MISCELLANEOUS

8.1 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.

8.2 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 8.2, each party shall have the right to change the mailing address for future notices and communications to such party.

8.3 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.

8.4 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.

8.5 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.

8.6 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.

8.7 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.

8.8 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.

8.9 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.

8.10 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf of the Company or the Subscriber, 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company and the Subscriber have executed this Agreement as of the day and year first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title: Vice President and Assistant Secretary

Company Signature Page to the Subscription and Stock Purchase Agreement

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.

Roger W. Schaus, Jr.
Name of Subscriber

Subscriber Signature: /s/ Roger W. Schaus

	AGGREGATE CLASS B COMMON SHARES	TOTAL PURCHASE PRICE
Roger W. Schaus, Jr.	19.6805	$ 196,805.00

Address for Notice: 12003 [ILLEGIBLE]
Greenfield, WI 53228

Company Signature Page to the Subscription and Stock Purchase Agreement

CONFIDENTIAL INVESTMENT QUALIFICATION QUESTIONNAIRE

GPS CCMP ACQUISITION CORP.
A Delaware corporation (the "Company")

SPECIAL INSTRUCTIONS

In order to establish the availability under federal and state securities laws of an exemption from registration or qualification requirements for the proposed issuance of Shares, you are required to represent and warrant, and by executing and delivering this questionnaire will be deemed to have represented and warranted, that the information stated herein is true, accurate and complete to the best of your knowledge and belief, and may be relied on by the Company. Further, by executing and delivering this questionnaire you agree to notify the Company and supply corrective information promptly if, prior to the consummation of your payment of the Purchase Price in exchange for the Shares, any such information becomes inaccurate or incomplete. Your execution of this questionnaire does not constitute any indication of your intent to subscribe for the Shares.

A subscriber who is a natural person must complete each Question except for 2 and 5.

A subscriber that is an entity other than a trust must complete each Question except for 3 and 5.

A subscriber that is a trust must complete each Question except for 3.

GENERAL INFORMATION

1. All Subscribers.

a. Name(s) of prospective investor(s): Roger W. Schaus, Jr.

b. Address:

c. Telephone Number:

2. Subscribers That Are Entities.

a. Type of entity:

o Trust

o Corporation

o Partnership

Other:

b. State and date of legal formation:

c. Nature of Business:

d. Was the entity organized for the specific purpose of acquiring the Shares pursuant to the Restricted Stock Agreement?

Yes o

No o

e. Federal tax identification number:

3. Subscribers Who Are Individuals.

a. State where registered to vote:

b. Social Security Number:

c. Please state the subscriber's education and degrees earned:

Degree	School	Year

d. Current occupation (if retired, describe last occupation):

Employer:

Nature of Business:

Position:

Business Address:

Telephone Number:

4. Accreditation. Does the subscriber satisfy one or more of the following accredited investor requirements? Contact the Company if none of the following is applicable.

Investor is:

o A natural person whose net worth (or joint net worth with my spouse) is in excess of $1,000,000 as of the date hereof.

o A natural person whose income in the prior two years was, and whose income in the current year is reasonably expected to be in excess of $200,000 or whose joint income with my spouse in the prior two years was, and is reasonably expected to be in the current year in excess of $300,000.

o A director or officer of the Company.

o A trust with total assets in excess of $5,000,000, not formed for the specific purpose of investing in the Shares of GPS CCMP Acquisition Corp., whose purchases are directed by a sophisticated person, who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Shares of GPS CCMP Acquisition Corp.

o A "bank", "savings and loan association", or "insurance company" as defined in the Securities Act of 1933.

o A broker/dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

o An investment company registered under, or a "business development company" as defined in Section 2(a)(48) of the Investment Company Act of 1940.

o A Small Business Investment Company licensed by the U.S. Small Business Administration under the Small Business Investment Act of 1958.

o A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees and having total assets in excess of $5,000,000.

o An "employee benefit plan" as defined in the Employee Retirement Income Security Act of 1974 (a "Plan") which has total assets in excess of $5,000,000.

o A Plan whose investment decisions, including the decision to subscribe for the Shares of GPS CCMP Acquisition Corp., are made solely by (i) a "plan fiduciary" as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, which includes a bank, a savings and loan association, an insurance company or a registered investment adviser, or (ii) an "accredited investor" as defined under Rule 501(a) of the Securities Act of 1933.

o A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

o Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, corporation, Massachusetts or similar business Trust, or partnership, not formed for the specific purpose of investing in the Shares and having total assets in excess of $5,000,000.

o Any entity in which all of the equity owners meet one of the above descriptions.

5. Trusts.

Does the trust meet the following tests:

a. Has total assets in excess of $5,000,000?

Yes o No o

b. Was formed for the purpose of the investment in the Shares in this Contribution?

Yes o No o

c. Are the purchases by the Trust directed by a sophisticated investor who, alone or with his, her or its subscriber representative, understands the merits and risks of the investment in the Shares?

Yes o No o

[THE REMAINDER OF THIS PAGE IS BLANK]

INDIVIDUAL(S) SIGN HERE:

(Signature)

Roger W. Schaus, Jr.

(Address)

Social Security Number:

Spouse of Subscriber:

(Signature)

ENTITIES SIGN HERE:

(Print Name of Organization)

By:

(Signature)

(Print Name and Title)

(Address)

Federal ID Number:

(Address)

Social Security Number:

Exhibit 10.60

EXECUTION COPY

MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT (the "***Agreement***") is entered into as of November 10, 2006, by and between GPS CCMP Acquisition Corp., a Delaware corporation (the "***Company***"), and the persons or entities identified on the signature page hereto as subscribers (the "***Subscribers***").

W I T N E S S E T H :

WHEREAS, on the terms and subject to the conditions set forth herein, the Subscribers desire to subscribe for and purchase, and the Company is willing to sell to the Subscribers, 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, the Company, through the merger of its wholly owned subsidiary, GPS CCMP Merger Corp. ("***Merger Sub***"), with and into Generac Power Systems, Inc., a Wisconsin corporation ("***Generac***"), intends to consummate its acquisition of all of the outstanding capital stock and other ownership interests of Generac (the "***Merger***") pursuant to that certain Agreement and Plan of Merger, dated September 13, 2006 (the "***Merger Agreement***"), by and among the Company, Generac and Merger Sub, effective as of November 10, 2006; and

WHEREAS, the Subscribers will receive good and valuable consideration upon the consummation of the Merger; and

WHEREAS, in connection with the execution and delivery of this Agreement, the Subscribers are entering into a Shareholders' Agreement, by and among the Company, the Subscribers and the other parties contemplated to be signatories thereto; and

WHEREAS, as a material inducement to the Company to enter into this Agreement, William W. Treffert has agreed to execute and deliver to the Company a Confidentiality, Non-Competition and Intellectual Property 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, each 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 Subscribers 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 such 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 such Subscriber on the signature page hereto (the "***Purchase Price***").

1.2 Closing. Subject to Articles IV, V and VI below, the closing of the purchase and sale of the Shares (the "***Closing***") shall occur simultaneously with the closing of the Merger. 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. In furtherance of the foregoing, payment of all or a portion of the Purchase Price may be effected by delivery to the Company of a letter of direction from one or more Subscribers, directing the Company to pay or apply all or a portion of the consideration payable such Subscriber under the Merger Agreement in satisfaction of such Subscriber's obligations under this Article I.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Subscribers 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) the authorized and outstanding capital stock of the Company will be set forth in Schedule 2.1 and (ii) all of the 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 such capital stock is as set forth in Schedule 2.1. Except as disclosed in Schedule 2.1 except as otherwise contained in the Shareholder's Agreement (as defined below), 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. Except as set forth in the Advisory Services and Monitoring Agreement dated as of November 10, 2006, by and among the Company, Generac Acquisition Corp., Generac, CCMP Capital Advisors, LLC ("***Capital Advisors***"), CCMP Capital Asia Pte. Ltd. and CCMP Capital Asia Consulting Company Ltd., there are no fees payable by the Company to Capital Advisors or its Affiliates.

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 Formation. The Company was formed solely for the purpose of engaging in the transactions contemplated by the Merger Agreement. The Company has not owned, operated or conducted any businesses or activities or incurred any liabilities other than in connection with its organization and the negotiation and execution of the Merger Agreement.

2.4 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 Subscribers).

2.5 Securities Act. The sale of Shares in accordance with the terms of this Agreement (assuming the accuracy of the representations and warranties of the Subscribers 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 SUBSCRIBERS

3.1 Authorization. Each Subscriber represents and warrants that this Agreement, when executed and delivered to the Company, will constitute such 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 Subscribers in reliance upon Subscribers' representations to the Company, which by the Subscribers' acceptance hereof, each Subscriber hereby confirms, that (i) the Shares to be received by such Subscriber will be acquired by such Subscriber for investment for his or its 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 it 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 such 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, each Subscriber further represents that he or 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.

(b) Each 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 such Subscriber set forth herein.

(c) Each Subscriber represents that he or it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of his or its investment. Each Subscriber is a sophisticated investor, has relied upon independent investigations made by such Subscriber and, to the extent believed by such Subscriber to be appropriate, such Subscriber's representatives, including such Subscriber's own professional, tax and other advisors, and is making an independent decision to invest in the Shares. Each Subscriber further represents that such Subscriber has had access, during the course of the transactions contemplated hereby and prior to such 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 such Subscriber has had, during the course of the transactions contemplated hereby and prior to such 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 such Subscriber or to which such Subscriber had access, and such 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. Each 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. Each 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, each 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) Each 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. Each Subscriber must be prepared to bear the economic risk of this investment for an indefinite period of time. In particular, each Subscriber acknowledges that he or it 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. Each Subscriber represents that, in the absence of an effective registration statement covering the Shares, he or it will sell, transfer or otherwise dispose of the Shares only in a manner consistent with his or its representations set forth herein and then only in accordance with the Shareholders' Agreement referred to in Article VII.

(e) Independent of the additional restrictions on the transfer of Shares contained in the Shareholders' Agreement referred to in Article VII, each Subscriber agrees that he or it 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 it 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 such Subscriber or his or its transferee, he or it 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) Each 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. Each Subscriber acknowledges that: (i) he or it has adequate means of providing for his or its current needs and possible personal contingencies and has no need for liquidity in this investment; (ii) such Subscriber's commitment to investments which are not readily marketable is not disproportionate to such Subscriber's net worth; and (iii) such Subscriber's investment in the Shares will not cause such Subscriber's overall financial commitments to become excessive.

3.3 Legends; Stop Transfer.

(a) Each 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 Subscribers 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 Subscribers 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 each Subscriber, which questionnaire shall have responses thereto acceptable to the Company, in its reasonable discretion.

5.3 Performance. Each Subscriber shall have performed in all material respects all of such Subscriber's obligations and materially complied with each and all of such 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

MUTUAL CONDITIONS PRECEDENT

The obligations of the Company and the Subscribers under Article I of this Agreement are subject to the fulfillment on or before the Closing of the following conditions:

6.1 Merger Agreement Closing Conditions. The closing conditions to the Merger Agreement shall have been satisfied or waived, other than closing conditions which by their nature are to be satisfied at the closing of the Merger.

6.2 Other Agreements.

(a) The Company and one or more Subscribers shall have executed and delivered a counterpart signature page to that certain Restricted Stock Agreement to be effective as of the date of the Closing.

ARTICLE VII

OTHER MATTERS

7.1 Shareholders' Agreement. Simultaneously with the execution of this Agreement, the Company and each Subscriber agree to enter into a Shareholders' Agreement, by and among the Company, the Subscribers and each other party contemplated to be a party thereto (the "***Shareholders' Agreement***"), substantially in the form attached hereto as Exhibit B, which Shareholders' Agreement shall be in full force and effect as of the Closing.

ARTICLE VIII

MISCELLANEOUS

8.1 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 each 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.

8.2 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 Subscribers:	To the address set forth below their names 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 8.2, each party shall have the right to change the mailing address for future notices and communications to such party.

8.3 Costs, Expenses and Taxes. Unless otherwise agreed to by the Company, the Company and the Subscribers 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.

8.4 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.

8.5 Binding Effect; Assignment. The rights and obligations of the Subscribers 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 Subscribers, and their respective successors and permitted assigns.

8.6 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.

8.7 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.

8.8 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.

8.9 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.

8.10 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf of the Company or the Subscribers, 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company and the Subscribers have executed this Agreement as of the day and year .first written above.

GPS CCMP ACQUISITION CORP.

By: **/s/** Mark McFadden
Name: Mark McFadden
Title: Vice President and Assistant Secretary

Company Signature Page to the Subscription and Stock Purchase Agreement

MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

COUNTERPART SIGNATURE PAGE

IN WITNESS WHEREOF, the Company and the Subscribers have executed this Agreement as of the day and year first written above.

/s/ [ILLEGIBLE]
THE WILLIAM AND SELMA TREFFERT
LIVING TRUST DATED FEBRUARY 21, 1998

/s/ [ILLEGIBLE]
THE WILLIAM W. TREFFERT GRANTOR
RETAINED ANNUITY TRUST

/s/ William W. Treffert
WILLIAM W. TREFFERT

	AGGREGATE CLASS B COMMON SHARES		TOTAL PURCHASE PRICE
THE WILLIAM AND SELMA TREFFERT LIVING TRUST DATED FEBRUARY 21, 1998	1420.2079	$	14,202,079.00
THE WILLIAM W. TREFFERT GRANTOR RETAINED ANNUITY TRUST	1,500	$	15,000,000.00
WILLIAM W. TREFFERT	1,000	$	10,000,000.00

Address for Notice:

Counterpart Signature Page to the Subscription and Stock Purchase Agreement

EXHIBIT A

CONFIDENTIAL INVESTMENT QUALIFICATION QUESTIONNAIRE

GPS CCMP ACQUISITION CORP.
A Delaware corporation (the "Company")

SPECIAL INSTRUCTIONS

In order to establish the availability under federal and state securities laws of an exemption from registration or qualification requirements for the proposed issuance of Shares, you are required to represent and warrant, and by executing and delivering this questionnaire will be deemed to have represented and warranted, that the information stated herein is true, accurate and complete to the best of your knowledge and belief, and may be relied on by the Company. Further, by executing and delivering this questionnaire you agree to notify the Company and supply corrective information promptly if, prior to the consummation of your payment of the Purchase Price in exchange for the Shares, any such information becomes inaccurate or incomplete. Your execution of this questionnaire does not constitute any indication of your intent to subscribe for the Shares.

A subscriber who is a natural person must complete each Question except for 2 and 5.

A subscriber that is an entity other than a trust must complete each Question except for 3 and 5.

A subscriber that is a trust must complete each Question except for 3.

GENERAL INFORMATION

1. All Subscribers.

a. Name(s) of prospective investor(s):

b. Address:

c. Telephone Number:

2. Subscribers That Are Entities.

a. Type of entity:

o Trust

o Corporation

o Partnership

Other:

b. State and date of legal formation:

c. Nature of Business:

d. Was the entity organized for the specific purpose of acquiring the Shares pursuant to the Management Subscription and Stock Purchase Agreement?

Yes o

No o

e. Federal tax identification number:

3. Subscribers Who Are Individuals.

a. State where registered to vote:

b. Social Security Number:

c. Please state the subscriber's education and degrees earned:

Degree	School	Year

d. Current occupation (if retired, describe last occupation):

Employer:

Nature of Business:

Position:

Business Address:

Telephone Number:

4. Accreditation. Does the subscriber satisfy one or more of the following accredited investor requirements? Contact the Company if none of the following is applicable.

Investor is:

o A natural person whose net worth (or joint net worth with my spouse) is in excess of $1,000,000 as of the date hereof.

o A natural person whose income in the prior two years was, and whose income in the current year is reasonably expected to be in excess of $200,000 or whose joint income with my spouse in the prior two years was, and is reasonably expected to be in the current year in excess of $300,000.

o A director or officer of the Company.

o A trust with total assets in excess of $5,000,000, not formed for the specific purpose of investing in the Shares of GPS CCMP Acquisition Corp., whose purchases are directed by a sophisticated person, who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Shares of GPS CCMP Acquisition Corp.

o A "bank", "savings and loan association", or "insurance company" as defined in the Securities Act of 1933.

o A broker/dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

o An investment company registered under, or a "business development company" as defined in Section 2(a)(48) of the Investment Company Act of 1940.

o A Small Business Investment Company licensed by the U.S. Small Business Administration under the Small Business Investment Act of 1958.

o A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees and having total assets in excess of $5,000,000.

o An "employee benefit plan" as defined in the Employee Retirement Income Security Act of 1974 (a "Plan") which has total assets in excess of $5,000,000.

o A Plan whose investment decisions, including the decision to subscribe for the Shares of GPS CCMP Acquisition Corp., are made solely by (i) a "plan fiduciary" as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, which includes a bank, a savings and loan association, an insurance company or a registered investment adviser, or (ii) an "accredited investor" as defined under Rule 501(a) of the Securities Act of 1933.

o A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

o Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, corporation, Massachusetts or similar business Trust, or partnership, not formed for the specific purpose of investing in the Shares and having total assets in excess of $5,000,000.

o Any entity in which all of the equity owners meet one of the above descriptions.

5. Trusts.

Does the trust meet the following tests:

a. Has total assets in excess of $5,000,000?

Yes o No o

b. Was formed for the purpose of the investment in the Shares in this Contribution?

Yes o No o

c. Are the purchases by the Trust directed by a sophisticated investor who, alone or with his, her or its subscriber representative, understands the merits and risks of the investment in the Shares?

Yes o No o

[THE REMAINDER OF THIS PAGE IS BLANK]

INDIVIDUAL(S) SIGN HERE:

_____
(Signature)

_____
(Print Name)

_____
(Address)

Social Security Number: _____

Spouse of Subscriber:

_____
(Signature)

ENTITIES SIGN HERE:

_____
(Print Name of Organization)

By: _____

_____
(Signature)

_____
(Print Name and Title)

_____
(Address)

Federal ID Number: _____

_____
(Address)

Social Security Number: _____

Exhibit 10.61

EXECUTION COPY

MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT

This MANAGEMENT SUBSCRIPTION AND STOCK PURCHASE AGREEMENT (the "***Agreement***") is entered into as of November 10, 2006, 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, the Company, through the merger of its wholly owned subsidiary, GPS CCMP Merger Corp. ("***Merger Sub***"), with and into Generac Power Systems, Inc., a Wisconsin corporation ("***Generac***"), intends to consummate its acquisition of all of the outstanding capital stock and other ownership interests of Generac (the "***Merger***") pursuant to that certain Agreement and Plan of Merger, dated September 13, 2006 (the "***Merger Agreement***"), by and among the Company, Generac and Merger Sub, effective as of November 10, 2006; and

WHEREAS, the Subscriber will receive good and valuable consideration upon the consummation of the Merger; and

WHEREAS, in connection with the execution and delivery of this Agreement, the Subscriber is entering into a Shareholders' Agreement, by and among the Company, the Subscriber and the other parties contemplated to be signatories thereto; and

WHEREAS, as a material inducement to the Company to enter into this Agreement, the Subscriber has agreed to execute and deliver to the Company a Confidentiality, Non-Competition and Intellectual Property 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

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(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, V and VI below, the closing of the purchase and sale of the Shares (the "***Closing***") shall occur simultaneously with the closing of the Merger. 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. In furtherance of the foregoing, payment of all or a portion of the Purchase Price may be effected by delivery to the Company of a letter of direction from the Subscriber, directing the Company to pay or apply all or a portion of the consideration payable to Subscriber under the Merger Agreement in satisfaction of Subscriber's obligations under this Article I.

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) the authorized and outstanding capital stock of the Company will be set forth in Schedule 2.1 and (ii) all of the 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 such capital stock is as set forth in Schedule 2.1. Except as disclosed in Schedule 2.1 except as otherwise contained in the Shareholder's Agreement (as defined below), 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. Except as set forth in the Advisory Services and Monitoring Agreement dated as of November 10, 2006, by and among the Company, Generac Acquisition Corp., Generac, CCMP Capital Advisors, LLC ("***Capital Advisors***"), CCMP Capital Asia Pte. Ltd. and CCMP Capital Asia Consulting Company Ltd., there are no fees payable by the Company to Capital Advisors or its Affiliates.

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

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bankruptcy laws, insolvency laws, reorganization laws, moratorium laws or other laws affecting creditors' rights generally or by general equitable principles.

2.3 Formation. The Company was formed solely for the purpose of engaging in the transactions contemplated by the Merger Agreement. The Company has not owned, operated or conducted any businesses or activities or incurred any liabilities other than in connection with its organization and the negotiation and execution of the Merger Agreement.

2.4 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).

2.5 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 referred to in Article VII.

(e) Independent of the additional restrictions on the transfer of Shares contained in the Shareholders' Agreement referred to in Article VII, 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

MUTUAL CONDITIONS PRECEDENT

The obligations of the Company and the Subscriber under Article I of this Agreement are subject to the fulfillment on or before the Closing of the following conditions:

6.1 Merger Agreement Closing Conditions. The closing conditions to the Merger Agreement shall have been satisfied or waived, other than closing conditions which by their nature are to be satisfied at the closing of the Merger.

6.2 Other Agreements.

(a) If, and only if, the Subscriber is purchasing shares of Class A Common Stock of the Company on the date hereof, the Company and the Subscriber shall have executed and delivered a counterpart signature page to that certain Restricted Stock Agreement to be effective as of the date of the Closing.

(b) If, and only if, the Subscriber is not purchasing shares of Class A Common Stock of the Company on the date hereof, the Company and the Subscriber shall have executed and delivered a Confidentiality, Non-Competition and Intellectual Property Agreement in the form attached as Exhibit C hereto.

ARTICLE VII

OTHER MATTERS

7.1 Shareholders' Agreement. Simultaneously with the execution of this Agreement, the Company and the Subscriber agree to enter into a Shareholders' Agreement, by and among the Company, the Subscriber and each other party contemplated to be a party thereto (the "***Shareholders' Agreement***"), substantially in the form attached hereto as Exhibit B,which Shareholders' Agreement shall be in full force and effect as of the Closing.

ARTICLE VIII

MISCELLANEOUS

8.1 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.

8.2 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 8.2, each party shall have the right to change the mailing address for future notices and communications to such party.

8.3 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.

8.4 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.

8.5 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.

8.6 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.

8.7 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.

8.8 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.

8.9 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.

8.10 Survival of Agreements, Representations and Warranties. All agreements, representations and warranties contained herein or made in writing by or on behalf of the Company or the Subscriber, 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF; the Company and the Subscriber have executed this Agreement as of the day and year first written above.

GPS CCMP ACQUISITION CORP.

By: /s/ Mark McFadden
Name: Mark McFadden
Title: Vice President and Assistant Secretary

Company Signature Page to the Subscription and Stock Purchase Agreement

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.

York A. Ragen
Name of Subscriber

Subscriber Signature: /s/ York A. Ragen

	AGGREGATE CLASS B COMMON SHARES	TOTAL PURCHASE PRICE
York A. Ragen	17.3403	$ 173,403.00

Address for Notice:

Company Signature Page to the Subscription and Stock Purchase Agreement

CONFIDENTIAL INVESTMENT QUALIFICATION QUESTIONNAIRE

GPS CCMP ACQUISITION CORP.
A Delaware corporation (the "Company")

SPECIAL INSTRUCTIONS

In order to establish the availability under federal and state securities laws of an exemption from registration or qualification requirements for the proposed issuance of Shares, you are required to represent and warrant, and by executing and delivering this questionnaire will be deemed to have represented and warranted, that the information stated herein is true, accurate and complete to the best of your knowledge and belief, and may be relied on by the Company. Further, by executing and delivering this questionnaire you agree to notify the Company and supply corrective information promptly if, prior to the consummation of your payment of the Purchase Price in exchange for the Shares, any such information becomes inaccurate or incomplete. Your execution of this questionnaire does not constitute any indication of your intent to subscribe for the Shares.

A subscriber who is a natural person must complete each Question except for 2 and 5.

A subscriber that is an entity other than a trust must complete each Question except for 3 and 5.

A subscriber that is a trust must complete each Question except for 3.

GENERAL INFORMATION

1. All Subscribers.

a. Name(s) of prospective investor(s): York A. Ragen

b. Address:

c. Telephone Number:

2. Subscribers That Are Entities.

a. Type of entity:

o Trust

o Corporation

o Partnership

Other:

b. State and date of legal formation:

c. Nature of Business:

d. Was the entity organized for the specific purpose of acquiring the Shares pursuant to the Restricted Stock Agreement?

Yes o

No o

e. Federal tax identification number:

3. Subscribers Who Are Individuals.

a. State where registered to vote:

b. Social Security Number:

c. Please state the subscriber's education and degrees earned:

Degree	School	Year

d. Current occupation (if retired, describe last occupation):

Employer:

Nature of Business:

Position:

Business Address:

Telephone Number:

4. Accreditation. Does the subscriber satisfy one or more of the following accredited investor requirements? Contact the Company if none of the following is applicable.

Investor is:

o A natural person whose net worth (or joint net worth with my spouse) is in excess of $1,000,000 as of the date hereof.

o A natural person whose income in the prior two years was, and whose income in the current year is reasonably expected to be in excess of $200,000 or whose joint income with my spouse in the prior two years was, and is reasonably expected to be in the current year in excess of $300,000.

o A director or officer of the Company.

o A trust with total assets in excess of $5,000,000, not formed for the specific purpose of investing in the Shares of GPS CCMP Acquisition Corp., whose purchases are directed by a sophisticated person, who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Shares of GPS CCMP Acquisition Corp.

o A "bank", "savings and loan association", or "insurance company" as defined in the Securities Act of 1933.

o A broker/dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

o An investment company registered under, or a "business development company" as defined in Section 2(a)(48) of the Investment Company Act of 1940.

o A Small Business Investment Company licensed by the U.S. Small Business Administration under the Small Business Investment Act of 1958.

o A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees and having total assets in excess of $5,000,000.

o An "employee benefit plan" as defined in the Employee Retirement Income Security Act of 1974 (a "Plan") which has total assets in excess of $5,000,000.

o A Plan whose investment decisions, including the decision to subscribe for the Shares of GPS CCMP Acquisition Corp., are made solely by (i) a "plan fiduciary" as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, which includes a bank, a savings and loan association, an insurance company or a registered investment adviser, or (ii) an "accredited investor" as defined under Rule 501(a) of the Securities Act of 1933.

o A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

o Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, corporation, Massachusetts or similar business Trust, or partnership, not formed for the specific purpose of investing in the Shares and having total assets in excess of $5,000,000.

o Any entity in which all of the equity owners meet one of the above descriptions.

5. Trusts.

Does the trust meet the following tests:

a. Has total assets in excess of $5,000,000?

Yes o No o

b. Was formed for the purpose of the investment in the Shares in this Contribution?

Yes o No o

c. Are the purchases by the Trust directed by a sophisticated investor who, alone or with his, her or its subscriber representative, understands the merits and risks of the investment in the Shares?

Yes o No o

[THE REMAINDER OF THIS PAGE IS BLANK]

INDIVIDUAL(S) SIGN HERE:

(Signature)

York A. Ragen

(Address)

Social Security Number:

Spouse of Subscriber:

(Signature)

ENTITIES SIGN HERE:

(Print Name of Organization)

By:

(Signature)

(Print Name and Title)

(Address)

Federal ID Number:

(Address)

Social Security Number:

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. 3 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
January 11, 2010

QuickLinks

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
(212) 310-8000
FAX: (212) 310-8007

January 11, 2010

VIA EDGAR

Securities and Exchange Commission
Division of Corporate Finance
100 F Street, NE
Washington, D.C. 20549-6010
Attn: Celia A. Soehner

Re: Generac Holdings Inc.
Registration Statement on Form S-1
File No. 333-162590

Dear Ms. Soehner:

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. 3 (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 January 7, 2010. 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.

Prospectus summary, page 1

1. We note your response to prior comment 3; however, it is unclear how the supplemental response you have provided, which lacks qualitative or quantitative information, is supportive of your market share disclosure. Accordingly, we reissue prior comment 3.

As discussed with the Staff, the Company has revised the disclosure on page 1 to eliminate the possible unintended implication that the Company has the leading market share. In addition, the Company has supplementally provided the Staff with the updated Frost & Sullivan report, dated November 2009, received by the Company subsequent to filing the last amendment to the Registration Statement showing that the Company is among the leaders in each of the residential, industrial and commercial end markets. The Company confirms that the updated Frost & Sullivan report is the latest report available, the report is publicly available for a fee, the Company has not paid for the compilation of the data in the report, the report was not prepared for use in the Registration Statement and no consents are required because the report is publicly available.

2. We note your response to prior comment 4. It remains unclear how the information you provided supports your disclosure that you are one of the lowest-cost producers in the industry. If the basis of your statements is limited to the information provided to us, please relocate the disclosure to a section of your document where you can provide sufficient additional disclosure for investors to evaluate your claims.

As discussed with the Staff, the Company has revised the disclosure on page 3 to eliminate the statement that the Company's costs are lower than its competitors.

Risk factors, page 15

3. Please include a separate risk factor that explains your inability to evaluate the effect of price increases as mentioned in your response to prior comment 24.

The Company has revised the disclosure on page 24 to include a risk factor that explains the Company's inability to evaluate the specific effect of price increases.

Dilution, page 36

4. We note your response to prior comment 16 and the supplemental information provided showing the pro forma impact of both the conversion of your Series A convertible preferred stock and Class B convertible voting common stock and the sale of your common equity in the offering. Based on the information provided, it appears that there is an impact on net tangible book value per share of the Corporate Reorganization, since the Series A convertible preferred stock and Class B convertible voting common stock are not included in equity as of September 30, 2009. Therefore, it does not appear that you are disclosing the amount of the increase in the net tangible book value per share attributable to cash payments made by the purchasers

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of the shares being offered. Refer to Item 506 of Regulation S-K. Please revise as necessary.

As discussed with the Staff, the Company has revised the disclosure on page 39 to separately illustrate the impact on net tangible book value per share of the Corporate Reorganization and the offering.

5. Please refer to prior comment 18. Please also disclose that the number of shares is subject to adjustment, as well as referring to the additional information in MD&A. Tell us about your consideration of providing a range of pro forma results since the amounts are subject to change.

As discussed with the Staff, the Company has revised the disclosure on page 39 to include a reference to the fact that the number of shares issuable upon conversion of existing shares is subject to adjustment. With respect to the Staff's suggestion that the Company provide a range of pro forma results in this section, the Company has concluded that such a presentation would not be helpful. The Company has reached this conclusion because while the number of shares of Class A Common Stock to be issued to the Company's Class B stockholders and the Company's Series A Preferred stockholders in connection with the Class B Conversion and the Series A Preferred Conversion may change relative to each other from increases or decreases in the initial offering price, the absolute aggregate number of shares of common stock to be issued to existing holders as a result of the Corporate Reorganization and the relationship between the number of shares to be issued to existing shareholders and the number of shares to be issued to new investors in the offering will not change, due to the impact of the reverse stock split. The Company has revised the disclosure on page 49 to make this clear, and the Company has added similar disclosure to page 6 of the Summary.

Corporate reorganization, page 45

6. Regarding your disclosure in response to prior comments 20-22:

- **Please state clearly the purpose that the disclosed formulae are intended to achieve.**
- **Please tell us (1) the amount that the number of shares to be issued upon conversion will increase on each day and (2) how you intend to ensure that the numbers you use to fill in the blanks in your document are sufficient for investors to evaluate the potential impact of the conversion.**

The Company has revised the disclosure on pages 47 to 48 to clearly state the purpose of the disclosed per share conversion rate.

The Company has revised the disclosure on page 48 to show how the number of shares issuable upon Series A Preferred conversion will increase each day assuming a set offering date and price.

The Company believes that the numbers it will use to fill in the blanks (which the Company will complete in the filing in which it includes the price range) will be sufficient for investors to evaluate the potential impact of the conversion because, as discussed above in the response to Comment No. 5, the absolute aggregate number of shares of common stock to be issued to existing holders as a result of the Corporate Reorganization will not change, and the percentage of the Company's outstanding common stock to be acquired by purchasers of common stock in connection with the offering will be a function solely of the total number of shares of common stock to be issued in this offering.

Covenant compliance, page 63

7. We note your response to prior comment 25. Please update your disclosure regarding Generac Power Systems' current leverage ratio, as appropriate. Please also apply this comment to the risk factor that appears at the bottom of page 26.

As discussed with the Staff, the Company respectfully advises the Staff that the ratio as of September 30, 2009 is the latest calculation available. The Company is not required to provide its lenders with a compliance certificate under its senior secured credit facilities for the fiscal quarter ended December 31, 2009 until 110 days after the fiscal year end. The Company cannot produce this certificate until it has completed the preparation of its 2009 fiscal year-end audited financial statements, which are not yet available, and until it has determined Covenant EBITDA, which is derived form such financial statements.

The Company has revised the risk factor on page 29 to more fully describe the leverage ratios contained in the Company's senior secured credit facilities.

History, page 84

8. From your response to prior comment 28, it is unclear whether Briggs & Stratton or other entities have the right to use the Generac name, have used that name, or are continuing to use that name. Also, if another entity can or does use your name, please provide us your analysis of the materiality of the related risk with a view toward disclosure in your document.

The Company has revised the disclosure on page 86 to discuss the materiality of the risk associated with a third party's right to use the

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"Generac Portable Products" trademark. In addition, the Company has supplementally provided the Staff with the license agreement entered into with the Beacon Group described in the Registration Statement. Although a third party currently has the right to use the trademark, given that the trademark is not currently being used by any third parties, and given the limited scope of the license and the protections provided by the license agreement, the Company does not believe the license will have a material impact on its future results or operations, and therefore has not filed the license agreement as an exhibit to the Registration Statement.

Our products, page 84

9. While we note your revised disclosure in response to prior comment 29, it appears from your disclosure elsewhere in your prospectus that you have not addressed separately each class of similar products or services. For example, we note from your disclosure under "Our company" on page 1 that you design and manufacture "automatic, stationary standby and portable generators," which appear to represent classes of product that differ from the disclosure you have provided at the bottom of page 84. Therefore, we reissue prior comment 29.

As discussed with the Staff, the Company has revised the disclosure on page 1 and elsewhere in the Registration Statement to clarify that "automatic, stationary standby generators" and "portable generators" are not separate classes of products. The Company's residential generator products, which include installed standby and portable generators, are in the same class of products because they have a similar range of power output and have the same primary customer usage: standby power for homes. The Company's industrial and commercial generator products are in the same class of products as they have a similar range of power output and have the same primary customer usage: continuity of power for businesses and municipal users.

Role of the compensation committee, page 98

10. Please expand your revised disclosure in response to prior comment 31 to clarify, if true, that the compensation committee does not know the identities of the individual companies that are included in the databases to which you refer in this section.

The Company has revised the disclosure on page 102 to clarify that the compensation committee does not know the identities of the individual companies that are included in the databases maintained by the independent consulting companies the Company uses.

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11. Please specify how the committee defines "comparable" and "reasonable." Clarify whether the compensation paid satisfies this definition of "reasonable."

The Company has revised the disclosure on page 102 to clarify how the compensation committee defines the term "reasonable" and to confirm that the compensation paid satisfies the Company's definition of "reasonable." The Company has also revised the disclosure on page 102 to clarify that the aggregated data with respect to industrial machinery and equipment manufacturing companies consists of a data group of large and small companies, which is adjusted to eliminate the impact of company size for the information presented.

Executive compensation, page 103

12. Please update your disclosure regarding executive compensation for the fiscal year ended December 31, 2009.

As discussed with the Staff, the Company has updated the disclosure in this section regarding executive compensation for the fiscal year ended December 31, 2009 to the extent such information is available as it completes its fiscal year-end financial statements. In addition, as discussed with the Staff, information regarding Mr. LeBlanc has been removed because he was not a named executive officer during 2009.

Summary compensation table, page 103

13. We note your response to prior comment 34; however, it is unclear why the compensation you have disclosed as "All other compensation" is not properly reportable in column (e) of the table required by Regulation S-K Item 402(c) with appropriate explanatory footnote disclosure. Note that the introduction to Item 402(c)(2)(ix), which you cite in your response for excluding the information from column (e), states that it applies only to compensation that you "could not properly report in any other column." Please advise or revise.

The Company has revised the disclosure on page 106 to report the amortization of expense resulting from the purchase of restricted shares of Class A Common Stock by named executive officers at a discount from the fair market value in column (e) of the table. In addition, the Company has included an explanatory footnote.

Vesting of restricted shares under the 2006 Equity Incentive Plan, page 108

14. Please tell us why you have not included tabular disclosure pursuant to Regulation S-K Item 402(f), given exhibit 10.42.

The Company has revised the disclosure on page 107 to include tabular disclosure of the outstanding equity awards at the fiscal year-end of 2009.

Certain relationships and related-person transactions, page 110

15. We note the last sentence of your response to prior comment 38; however, if you did not disclose information that was required to be included in previous versions of your filing, calculating the period that the disclosure must cover based on the date of a subsequent amendment does not provide a basis for failing to correct an omission in a prior version of your filing. Please revise accordingly, including specific information regarding each related person's involvement in the November 2006 transaction mentioned on page 113.

The Company has revised the disclosure on page 119 to include specific information regarding each related person's involvement in the November 2006 transaction mentioned in the Registration Statement. Please note that the value attributable to the purchase of the Company's executives' shares of stock in the CCMP Transactions has not been included in reliance of Instruction 7(c) to Regulation S-K Item 404(a).

Preemptive rights, page 112

16. We note your reference to deletions in response to prior comment 40. If the transactions involving related persons satisfied obligations under a preemptive rights or other agreement to which you were a party, it is unclear why you believe the deletions are appropriate and how you believe you have described the transactions fully as required by Rule 408. Please advise or revise.

The Company has revised the disclosure on page 117 to replace the previously deleted information regarding the transfer of stock to a member of the board of directors. All other transactions related to the preemptive rights provision of the Shareholders Agreement are described under "Certain relationships and related person transactions—Issuance of securities—Preemptive rights."

Description of capital stock, page 117

17. Your disclosure may not be qualified by reference to statutes. Please revise accordingly.

The Company has revised the disclosure on page 123 to delete the qualifying reference.

Corporate opportunities, page 120

18. With a view toward clarified disclosure, please tell us why the deemed notice and consent mentioned in the last sentence is required. Please tell us how you will comply with applicable proxy rules regarding the consent.

The Company has revised the disclosure on page 126 to delete the references to notice and consent, as such references will not be contained in the Company's certificate of incorporation and is not required by Delaware law.

Item 15. Recent sales of unregistered securities, page II-3

19. Please disclose the substance of your response to prior comment 49 in this section.

The Company has revised the disclosure on pages II-3 to II-4 to include a discussion regarding why the September 2009 transaction is exempt from registration under the Securities Act, as provided in the Company's response to prior comment 49.

Item 16. Exhibits and financial statement schedules, page II-4

20. We are unable to agree with your response to prior comment 50. 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 has filed as exhibits 2.1 and 2.2 the acquisition and reorganization agreement and amendment mentioned in the Registration Statement, in accordance with Regulation S-K Item 601(b)(2).

21. We note your response to prior comment 51; however, it appears that you have omitted Schedule 4.5 from exhibit 10.5.1 and Exhibits A-D from exhibit 10.42. Please advise, or re-file as appropriate.

The Company has filed Exhibits A-D from exhibit 10.42. Although Schedule 4.5 appears in the table of contents of exhibit 10.5.1, this was due to an error in drafting the original agreement itself and this exhibit does not exist.

22. Please tell us where you have filed as an exhibit the annual performance bonus plan that is mentioned on page 101.

The Company has revised the exhibit list to include exhibit 10.62, the Company's Annual Bonus Plan. The Company will file the plan with its next amendment to the Registration Statement.

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
