

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 10-K
(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED] FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number 1-12804
MOBILE MINI, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware 86-0748362
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

1834 West 3rd Street
Tempe, Arizona 85281
(Address of Principal Executive Offices)

(480) 894-6311
(Registrant's Telephone Number)

Securities Registered Under Section 12(g) of the Exchange Act:

Title of Class	Name of Each Exchange on Which Registered
Common Stock, \$.01 par value	Nasdaq Stock Market
Preferred Share Purchase Rights	

Indicate by checkmark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes[X] No[]

Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.[]

The aggregate market value on February 18, 2000 of the voting stock owned by non-affiliates of the registrant was approximately \$162,875,000 (calculated by excluding all shares held by executive officers, directors and non-institutional holders of five percent or more of the voting power of the registrant, without conceding that such persons are "affiliates" of the registrant for purposes of the federal securities laws).

As of February 18, 2000, there were outstanding 11,440,856 shares of the issuer's common stock, par value \$.01.

Documents incorporated by reference: Portions of the Proxy Statement for the Registrant's 2000 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Form 10-K to the extent stated herein. Certain Exhibits are incorporated in Item 14 of this Report by reference to other reports and registration statements of the Registrant which have been filed with the Securities and Exchange Commission. Exhibit Index is at page 44.

PART I

Except for historical information, the following description of Mobile Mini's

business contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those set forth in these forward-looking statements as a result of a number of factors, including those set forth below in Item 1 in this report under the heading "Factors That May Affect Future Operating Results."

ITEM 1. DESCRIPTION OF BUSINESS.

GENERAL

We are the nation's largest provider of portable storage solutions through a lease fleet of over 37,000 storage units. We have 19 branch offices in 11 states. Our products provide attractive, accessible temporary storage for a diversified customer base of over 36,000 customers, including Wal-Mart, Motorola, Frito Lay, Holiday Inns, Target, numerous municipalities and the Department of Defense. These customers use our products for excess inventory, construction site storage, records and document storage and a host of other applications. We obtain our portable storage units by purchasing used ocean-going containers (ISOs), which we refurbish and modify, by manufacturing our own units and by acquiring lease fleets from others. We offer a wide range of products in varying lengths and widths with an assortment of differentiated features such as our patented security systems, multiple doors, electrical wiring and shelving. In addition to our leasing operations, we sell new and used portable storage units and provide other ancillary services.

In 1996, we initiated a strategy of focusing on leasing rather than selling portable storage units. We have been expanding our lease fleet since that time. We believe that leasing our units is a more attractive business opportunity for the following reasons:

- Our leases have an average life exceeding 19 months and produce predictable, recurring revenues.
- Our average rental rates recover the cost of our investment within an average of 26 months.
- Our portable storage units have useful lives exceeding 20 years with residual values estimated at 70%.
- Leasing provides us incremental operating margins of approximately 60% once the fixed costs of the branch have been covered.

As a result of our shift to a leasing focus, we have successfully increased our size, recurring revenue stream and profitability. Since 1996, our lease fleet has increased 228.3%, our annual leasing revenue has increased 244.7% to \$53.3 million and our operating income has increased 376.8% to \$21.9 million. Additionally, we have increased our operating margin from 11.4% in 1995 to 32.8% in 1999. We plan to continue to focus on the leasing of our portable storage units to an increasing customer base through an expanding branch network.

INDUSTRY OVERVIEW

The storage industry consists of two principal segments, fixed self-storage and portable storage.

The fixed self-storage segment consists of permanent structures away from customers' locations. Fixed self-storage is used primarily by consumers to temporarily store excess household goods. According to the Self Storage Almanac, the fixed self-storage market exceeds \$10 billion per year. This segment is highly fragmented but includes several large national companies such as Public Storage and Shurgard Storage Centers.

The portable storage segment is different from the fixed self-storage segment because it brings the storage solution to the customer's own location and addresses the need for temporary secure storage with immediate access. The

advantages of portable storage include convenience, immediate accessibility, price and higher security. In contrast to fixed self-storage, the portable storage segment is primarily used by businesses. This segment is highly fragmented with no national participants. Although there are no published estimates of the size of the portable storage segment, we believe there is increasing market awareness of the advantages of

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portable storage. We believe, therefore, that there is substantial potential to increase the size of the portable storage segment. Refurbished ISO shipping containers and over-the-road trailers are the primary products used to provide portable storage.

In 1999, approximately 81% of our leasing customers were businesses, approximately 12% were consumers and approximately 7% were government, institutional and other.

We also service the mobile office industry with a proprietary line of steel structures with ground accessibility. This industry provides temporary office space and is estimated to exceed \$2 billion. We also recently introduced records storage units which are specifically designed for efficient storage of business records, are insulated and are equipped with fans and lighting. These units provide portable, secure records storage. This industry is experiencing significant growth as businesses continue to generate substantial paper records that must be kept for extended periods.

COMPETITIVE STRENGTHS

We attribute our success in the portable storage business to the following competitive strengths:

Market Leadership. We are the nation's largest lessor of portable storage units. We have a lease fleet of over 37,000 portable storage units and are the largest provider of portable storage solutions in a majority of our markets. We believe we have created name recognition and brand awareness, and that "Mobile Mini" is associated with high quality portable storage products and superior service. We have achieved significant growth in new markets by capturing market share from competitors and by creating demand among businesses and consumers who were previously unaware of the availability of our products to meet their storage needs.

Superior, Differentiated Products. We offer a broad range of portable storage products in varying lengths and widths to better meet our customers' temporary storage needs. Our manufacturing and refurbishing capabilities enable us to offer products that our competitors are unable to match. Most competitors offer only standard eight foot wide ISO shipping containers in 20, 40, or 45 foot lengths. Our portable storage units range in size from five to 48 feet in length and eight to 10.5 feet in width. Our manufactured 10-foot wide units, introduced in 1998, provide 40% more useable storage space than the standard eight-foot wide ISO shipping containers offered by our competitors. Our products also have patented locking systems, multiple door options, and electrical wiring, shelving and other customized features.

Customer Service Focus. We believe that the portable storage business is highly service intensive and essentially local. We have trained our sales force to focus on all aspects of customer service from the sales call onward. We differentiate ourselves by providing flexible lease terms and timely delivery of units. Our sales people work out of our branch locations rather than from our headquarters. This allows them to interact directly with customers, better understand local market needs and develop each market in response to those needs. We conduct on-going training programs for our sales force to assure high levels of customer service and awareness of local market competitive conditions. Our customized software system increases our responsiveness to customer inquiries and enables us to efficiently monitor our sales force's performance. As a result of this customer service focus, we enjoy high levels of repeat business and word-of-mouth referrals.

Diverse Customer Base. During 1999, we served more than 36,000 customers across a wide range of industries including retailers, wholesales, commercial businesses, contractors, consumers, governmental agencies and hospitals and schools. No customer accounted for more than 5% of our 1999 lease revenues. The top ten customers accounted for only 10% of our lease revenues. We believe that our diverse customer base reduces our susceptibility to economic downturns in our markets or in any of the industries in which our customers operate. Customer diversity also demonstrates the broad application of our products and the opportunity for us to create future demand.

Customized Management Information Systems. We have made substantial investments in our management information system as part of our effort to optimize fleet utilization, improve financial performance and provide customer data used to target markets for additional revenue opportunities. Our MIS systems enable us to carefully monitor the size, mix, utilization and rental rates of our lease fleet by branch on a daily basis. We have maintained the average annual utilization rate of our lease fleet above 86% over the last three years while growing the size of the lease fleet by 172.5% to over 37,000 units. Our systems also capture relevant customer

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demographic and usage information which we use to target new customers within our existing and new markets. Our headquarters and each branch are linked through a PC-based wide area network that provides real-time transaction processing and detailed reports on a branch by branch basis.

Flexibility Afforded By Manufacturing Capability. We design and manufacture our own portable storage units and also refurbish and modify used ISO shipping containers. This capability allows us to offer a wide range of products to meet our customers' needs, charge premium lease rates and gain market share from our competitors that have more limited product offerings. Our manufacturing capability also provides us with an alternative source of supply to support our growth and to utilize whenever prices increase for used ISO shipping containers.

GROWTH STRATEGY

We intend to pursue the following growth strategy:

Focus on Core Portable Storage Leasing Business. We intend to continue to focus on growing our core leasing business because it provides predictable, recurring revenue and high margins. We believe there is substantial demand for our portable storage units throughout the United States. For example, in the Los Angeles area, our largest market and a market we entered in 1989, we have increased the number of portable storage units in our lease fleet from approximately 4,200 units at the end of 1996 to nearly 8,000 units at the end of 1999. Our focus on leasing has allowed us to achieve annual growth rates of 43.9% in leasing revenues and 66.4% in operating income over the past three years.

Increase Penetration in Existing Markets. We intend to continue to focus on increasing the number of portable storage units leased from our existing branches to both new and repeat customers. We will attempt to create new demand for leased units in all of our markets. We have historically been able to generate strong internal growth within our existing markets. From 1996 through 1999, excluding the effect of acquisitions, we generated compounded annual leasing revenue increases of 31.5% in the markets where we operated for more than one year. We achieved high levels of internal growth by increasing awareness of our products through our targeted marketing programs and advertising while rapidly expanding our lease fleet.

Accelerate Branch Expansion. We believe our branch model can be introduced to multiple markets throughout the United States and intend to pursue this opportunity. We have identified many markets in the United States where we believe demand for portable storage units is underdeveloped. These markets are

currently being served by small, fragmented industry competitors. In 1998, we began our expansion strategy by entering four new markets, three by acquisition and one by start-up. In 1999, we entered seven new markets, six by acquisition and one by start-up. Whenever feasible, we enter a new market by acquiring the storage units and leases of an operating business in order to generate immediate revenue to cover overhead. Where there are not quality acquisitions available to us, we plan to enter targeted markets through start-up branches.

Develop New Products. We attempt to develop new products and new applications for our products through an active research and development effort. For example, in 1998 we introduced a 10-foot wide storage unit that has proven to be a popular product with our customers. In 1999 we completed the design of a records storage unit which provides highly secure, on-site easily accessible storage. We market this unit as a records storage solution for semi-active records. We believe our design and manufacturing capabilities increase our ability to service our customers' needs and the demand for our portable storage solutions.

PRODUCTS

We provide a broad range of portable storage products to our customers to meet their varying needs. Our product types and their features are as follows:

Portable Storage Products

- Refurbished and Modified Storage Units. We purchase used ISO shipping containers from leasing companies or brokers. These containers are eight feet wide, 8'6" to 9'6" high and 20, 40 or 45 feet long. After acquiring an ISO container, we

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refurbish and modify it. Refurbishment typically involves cleaning, removing rust and dents, repairing floors and sidewalls, painting, adding our signs and installing new doors and our patented locking system. Modification typically involves splitting containers into 5, 10, 15, 20 or 25 foot lengths.

- Manufactured Storage Units. We manufacture portable storage units for our lease fleet and for sale. We do this at our manufacturing facility in Maricopa, Arizona. We can manufacture units up to 12 feet wide and 50 feet long and can add doors, windows, locks and other customized features. Typically, we manufacture "knock-down" units which we ship to our branches and assemble there. This method of shipment is less expensive than shipping fully assembled storage units.
- Records Storage Units. In 1999 we completed the design of a proprietary portable records storage unit that we are now marketing. Our units enable customers to store their records at their location for easy access or at one of our facilities. Our units are 10.5 feet wide and are available in 12, 23 and 34 foot lengths. They feature high security doors and locks, electrical wiring, shelving, folding work tables and air filtration systems. We believe our product is a cost-effective alternative to mass warehouse storage and provides fire and water damage protection.
- Mobile Offices. We manufacture mobile office units that range from 10 to 40 feet in length. We offer mobile office units in various configurations, including office and storage combination units that provide a 10 or 15-foot office with the remaining area available for storage. Office units are equipped with electrical wiring, heating and air conditioning units, phone jacks, carpet and/or tile, proprietary doors and windows with security bars. We believe the advantages of our manufactured office units include ground accessibility and their high security, all-steel design.

We purchase used ISO shipping containers and refurbish and modify them at our facilities in Arizona, California and Texas. We also manufacture new portable storage units at our Arizona facility. We believe we are able to purchase used

ISO shipping containers at competitive prices because of our volume purchases. In 1999, excluding our acquisitions, we purchased and refurbished about 4,200 used ISO shipping containers and manufactured approximately 4,100 portable storage units and mobile offices. The used ISO shipping containers we purchase are typically about 10 to 12 years old. We believe our portable storage units and mobile offices have useful lives of at least 20 years if properly maintained, with residual values of over 70% of their original cost.

LEASE TERMS

Our leases have an average initial term of 8.1 months and provide for the term to continue at the same rental rate on a month-to-month basis until the customer cancels the lease. The average duration of our leases has been 19 months. Our average monthly rental rate was \$119 in 1999. Most of our portable storage units rent for \$60 to \$165 per billing cycle, although large custom-designed units may rent for as much as \$300 per billing cycle. Our mobile offices typically rent for \$110 to \$235 per billing cycle. The average utilization of our lease fleet was 85.6% in 1999 and 87.0% in 1998. Each lease provides that the customer is responsible for the cost of delivery at lease inception and pickup at lease termination. The leases also specify that the customer is responsible for any damage done to the unit beyond ordinary wear and tear. Our customers may purchase a damage waiver from us. This provides us with an additional source of revenue. For the past 3 years, our cost to repair and maintain our portable storage units has averaged 1.9% of our lease revenues. Repainting the outside of storage units is the most frequent maintenance item.

BRANCH OPERATIONS

We locate our branches primarily in larger cities in regions with attractive demographics and strong growth prospects. Within each market, we have located our branches in areas that allow for easy delivery of portable storage units to our customers. We also seek locations that are very visible from high traffic roads as an effective way to advertise our products and our name.

Each branch has a Branch Manager who has overall supervisory responsibility for all activities of the branch. Branch Managers report to one of our six Regional Managers. Incentive bonuses based upon branch performance are a substantial portion of the compensation for both Branch and Regional Managers.

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Each branch has its own sales force, a transportation department that delivers and picks up portable storage units from customers, and an office manager. Each branch has delivery trucks and forklifts to load, transport and unload units and a storage yard staff responsible for unloading and stacking units. Units are stored by stacking them three high to maximize usable ground area. Each branch also has a fleet maintenance department to maintain the branch's trucks, forklifts and other equipment. Our larger branches provide on-site storage of portable storage units leased to customers.

The following table shows information about our branches:

LOCATION -----	FUNCTIONS -----	SIZE ----	YEAR ESTABLISHED -----
Phoenix, Arizona	Leasing, on-site storage, sales	10 acres	1983
Tucson, Arizona	Leasing, on-site storage, sales	5 acres	1986
Los Angeles, California	Leasing, on-site storage, sales, refurbishment and assembly	15 acres	1988
San Diego, California	Leasing, on-site storage, sales	5 acres	1994
Dallas, Texas	Leasing, on-site storage, sales, refurbishment and assembly	17 acres	1994
Houston, Texas	Leasing, on-site storage, sales, refurbishment and assembly	7 acres	1994

San Antonio, Texas	Leasing, on-site storage, sales	3 acres	1995
Austin, Texas	Leasing, on-site storage, sales	5 acres	1995
Las Vegas, Nevada	Leasing and sales	1 acre	1998
Oklahoma City, Oklahoma	Leasing and sales	6 acres	1998
Albuquerque, New Mexico	Leasing and sales	2 acres	1998
Denver, Colorado	Leasing and sales	4 acres	1998
Tulsa, Oklahoma	Leasing and sales	1 acre	1999
Colorado Springs, Colorado	Leasing and sales	1 acre	1999
New Orleans, Louisiana	Leasing and sales	3 acres	1999
Memphis, Tennessee	Leasing and sales	3 acres	1999
Salt Lake City, Utah	Leasing, on-site storage, sales	2 acres	1999
Chicago, Illinois	Leasing and sales	2 acres	1999
Knoxville, Tennessee	Leasing and sales	3 acres	1999

SALES AND MARKETING

We have approximately 100 people at our branches and 8 management people at our headquarters involved in sales and marketing on a full-time basis. We believe that by locating our sales and marketing staff in our branches, they are better able to understand the portable storage needs of our customers and provide the high levels of customer service.

Our sales and marketing force provides information about our products to prospective customers by handling inbound calls and by initiating cold calls. We have on-going training programs for our sales and marketing force covering all aspects of leasing and customer service. Our branches are connected to one another and to headquarters through our network processing system. This enables the sales and marketing staff to share leads and other information and permits the headquarters staff to monitor and review sales and leasing productivity on a branch by branch basis. Our sales and marketing force is compensated primarily on a

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commission basis. We restructured our commission program in 1996 when we changed our focus to leasing rather than selling portable storage units.

We advertise our products in the yellow pages and use a targeted direct mail program. In 1999, we mailed over 6 million product brochures to customers and prospective customers. These brochures describe our products and the advantages of our portable storage solutions.

CUSTOMERS

During 1999, more than 36,000 customers leased our portable storage units, compared to about 28,000 in 1998. Our customer base is diverse and consists of businesses in a broad range of industries. During 1999, our largest customer accounted for only 4.4% of our leasing revenues.

We target customers who have long-term or seasonal storage needs. Customers use our portable storage units for a wide range of purposes. The following provides an overview of our customers and how they use our portable storage units: Retail, including drug, grocery, shopping and strip mall stores, hotels, restaurants, dry cleaners and service stations, 34%; Construction, including general, electrical, plumbing and mechanical contractors, landscapers and companies who build residential homes, 33%; Consumers, including homeowners for home storage or moving related storage, 12%; Commercial, including companies that do not sell to the general public, distributors, trucking and utility companies, 14%; Government and Institutions, including federal, state, county and local agencies, military, reservations, hospitals and educational facilities, 6%; and Other, including farming, agriculture, finance and insurance, real estate brokers and film production, 1%. Our retail and wholesale customers in 1999 included Walmart(R), Kmart(R), Target(R) and Frito Lay(R). We believe our construction customer base is characterized by a wide variety of

contractors who are associated with original construction and capital improvements in the commercial, institutional, residential and industrial sectors.

MANUFACTURING

We build new portable storage units, mobile offices and custom-designed structures at our Maricopa, Arizona manufacturing plant. We also refurbish and modify used ISO shipping containers at this plant. Our workers cut and shape steel for new units and then weld and paint them. These workers also install custom features. We have about 300 manufacturing workers in this plant. Company wide, we manufactured and refurbished about 8,300 portable storage units in 1999. Many of our manufactured portable storage units are "knock down" units which we ship to our branches for final assembly. We can ship up to twelve, 20-foot containers on a single flat-bed trailer. In comparison, only two to three assembled 20-foot ISO shipping containers can be shipped on a flat-bed trailer. Shipping units to our branches prior to final assembly reduces our cost of transporting units to our branches. We believe we can expand the capacity of our Maricopa plant at a relatively low capital cost.

We purchase raw materials such as steel, vinyl, wood, glass and paint, which we use in our manufacturing and refurbishing operations. We have multiple sources of supply. We typically buy these raw materials on an as needed basis; we do not currently have long-term contracts with vendors for the supply of these raw materials.

Our manufacturing capacity serves to protect us to some extent from price increases for used ISO shipping containers. Used ISO shipping containers vary in price from time to time based on market demand, which is related to the volume of shipping of containerized freight. Should the price of used ISO shipping containers increase substantially, we are able to increase our manufacturing volume and reduce the number of used containers we buy and refurbish.

MANAGEMENT INFORMATION SYSTEMS; FLEET MANAGEMENT

We use a customized management information system for lease fleet management and our targeted sales and marketing efforts. This system consists of a wide-area network that connects our headquarters and all of our branches. Headquarters and each branch can enter data into the system and access data on a real-time basis. Our system generates weekly management reports by branch of leasing volume, fleet utilization, lease rates and fleet movement as well as monthly profit and loss statements by branch and company wide. These reports allow management to monitor each branch's performance on a daily, weekly and monthly basis. We track each portable storage unit by its serial number. Lease fleet and sales information is entered in the system daily at the branch

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level and verified through periodic physical inventories by branch employees. Branch salespeople use the system to track customer leads and other sales data and to obtain information about current and prospective customers.

COMPETITION

In all of the markets where we operate, we face competition from several local companies and usually one or two regional competitors. Our competitors include lessors of portable storage units, used over-the-road trailers and other structures used for temporary storage. To a lesser degree, we also compete with fixed self-storage facilities, such as U-Haul, Public Storage, Shurgard Storage Centers, and various smaller competitors. We compete primarily in terms of security, convenience, product quality, availability, customer service and price. Some of our competitors have less debt, greater market share and greater financial resources and pricing flexibility than we do. Sometimes, a competitor will lower its lease rates in one of our markets to try to gain market share. This may require us to reduce our lease rates as well, which could reduce our

profitability in those markets.

In addition to competition for customers, we face competition in purchasing used ISO shipping containers. Several types of businesses purchase used ISO shipping containers, including various freight transportation companies, freight forwarders and commercial and retail storage companies. If the number of available containers for sale decreases, container prices could increase substantially. This could increase our expenses and reduce our earnings.

Competition in our markets could increase in the future. New competitors may enter our markets and may have greater marketing and financial resources than we do. This may allow them to gain market share at our expense. Increased competition may cause us to lower lease rates and reduce profit margins.

EMPLOYEES

As of February 18, 2000, we had about 1,000 full-time employees. Our employees are represented by the following major categories:

Management	49
Administrative	175
Sales	98
Manufacturing	460
Drivers and Storage Unit Handling	218

Our employees are not represented by a labor union and we consider our relations with our employees to be good.

FACTORS THAT MAY AFFECT FUTURE OPERATING RESULTS

Our business involves a high degree of risk and there are numerous factors that may affect our future operating results including those factors discussed below. If any of the following risks and uncertainties actually occur, our business, results of operations and financial condition could be materially adversely affected.

This report also contains forward-looking statements that involve risks and uncertainties. Discussions in this report concerning forward-looking statements are under the headings "Factors That May Affect Future Operating Results," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors, including the factors described below.

Risks of Managing Our Growth

Our future performance will depend in large part on our ability to manage our planned growth. Our anticipated future growth could strain our managerial, human and other resources while we try to integrate the operations of our acquisitions and new branches and adjust to operating in new markets. To successfully manage this growth, we must continue to improve our operating, financial and

other internal procedures and controls and add employees. We also must effectively motivate, train and manage our employees. We cannot be sure that we can assimilate future acquisitions and new branches into our operations. If we do not manage our growth effectively, some of our acquisitions and new branches may fail and we may decide to close unprofitable locations. Closures would

likely result in additional expenses which would cause our operating results to suffer.

Our Company Operates With a High Amount of Debt

Our operations are very capital intensive and we operate with a high amount of debt relative to our size. Typically, we borrow 80% to 90% of the cost of a finished portable storage product. We have a credit facility with a group of banks. Under the credit facility, we can borrow up to \$120 million on a revolving loan basis, which means that amounts repaid may be reborrowed. As of February 18, 2000, we had borrowed approximately \$74.4 million under our credit facility, and had \$33.5 million available for further borrowing based upon the agreement's borrowing base formula. Our amount of debt makes us more vulnerable in the event of a downturn in the general economy or in the industries we serve. In addition, amounts we borrow under our credit facility bear interest at a variable rate. Because these rates change with prevailing interest rates, higher prevailing interest rates would increase the amount of interest we have to pay on our debt. This could have a material adverse effect on profitability and our ability to grow as quickly as we are planning.

Under our credit facility, maximum permissible borrowings are limited by the appraised value of our lease fleet. In the event our lease fleet were to be appraised at a lower value, this would adversely affect our borrowing ability and therefore our liquidity.

Under our credit facility, we must comply with a variety of covenants and restrictions. These include minimum tangible net worth, operating income, and storage unit utilization rate requirements. The terms of our credit facility also limit our capital expenditures, acquisitions, additional debt and repurchases of our common stock, and prohibit us from paying cash dividends. These covenants and restrictions could limit our ability to respond to market conditions and restrict our planned growth. In addition, if we fail to comply with these covenants and restrictions, the lenders have the right to refuse to lend us additional funds, and they may require early payment of amounts we owe them. In addition, upon default, our lenders may foreclose on most of our assets, including our portable storage unit fleet. If this happens, we may be unable to fund our operations and could not expand our leasing activities.

Additional Debt or Equity Financing Will Be Necessary to Sustain Our Growth

Our ability to grow at the rate we have grown at in the past will depend in part on our ability to obtain additional debt financing and to raise additional equity capital by issuing additional shares of our stock. We cannot be sure, however, that we will be able to obtain the necessary debt or equity financing on economically advantageous terms. Also, additional debt financing or the sale of additional equity securities may cause the market price of our common stock to decline. If we are unable to raise additional debt or equity financing on acceptable terms, we may have to curtail our growth by delaying lease fleet expansion or new branch openings.

Our Operating Results and Financial Performance May Fluctuate

Although demand from some of our customers is somewhat seasonal, our operations as a whole have not been very seasonal. Demand for leases of our portable storage units is stronger from September through December due to retailers needing to store more inventory for the holiday season. Our retail customers usually return leased units to us early in the following year. This has caused a lower utilization rate for our lease fleet during the first quarter of each year.

Our results of operations may vary significantly from period to period due to a variety of factors which affect demand for our units.

These factors include:

- general economic and industry conditions;
- availability and cost of used ISO shipping containers;
- changes in our marketing and sales expenditures;
- pricing pressures from our competitors;

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- market acceptance of our portable storage units, particularly in new markets we enter;
- the number of new branches we acquire and start-up and when do so; and
- when we introduce new products or when our competitors do so.

There Are Risks to Our Strategy

Our strategy is to grow in part through branch expansion, either by acquisitions or new branch openings. This strategy involves a number of risks, including the following:

- we may not find suitable acquisition targets or locations for new branches;
- competition for acquisition candidates could cause purchase prices to significantly increase;
- we may fail to adequately integrate the businesses we acquire into our existing business structure;
- the costs of completing an acquisition and then integrating and operating the business could be higher than we expect; and
- we may acquire a branch or start one in a new market that turns out not to have enough demand for our portable storage units to make the branch profitable.

A Slowdown in the Economy Could Reduce Leasing Demand by Some of Our Customers

In 1999, customers in the construction and retail industries accounted for a majority of our leasing and sales revenues. These industries tend to be cyclical and particularly susceptible to slowdowns in the overall economy. If an economic slowdown occurs, we are likely to experience less demand for leases and sales of our products from customers in the construction and retail sales industries. This could have a material adverse effect on our business and results of operations.

There is Uncertainty and Risk in the Supply and Price of Used ISO Containers

We purchase, refurbish and modify used ISO shipping containers as we add units to our fleet. The availability of these containers depends in part on the state of international trade and overall demand for containers in the ocean cargo shipping business. When international shipping increases, the availability of used ISO shipping containers for sale decreases, and the price of the containers that are available typically increases. Conversely, an oversupply of used ISO shipping containers may cause container prices to fall. Our competitors may then lower the lease rates on their storage units. As a result, we may need to lower our lease rates to remain competitive. This would decrease our revenues and our earnings.

Several types of businesses purchase used ISO shipping containers. These include various freight transportation companies, freight forwarders and commercial and retail storage companies. As a result, if the number of available containers for sale decreases, used ISO shipping container prices may increase substantially and we may not be able to manufacture enough new units to grow our fleet. These price increases also could increase our expenses and reduce our earnings.

The amount we can borrow under our credit facility depends in part on the value of the portable storage units in our lease fleet. If the value of our lease fleet declines, we cannot borrow as much. Therefore, we may be unable to add as many units to our fleet as we would like. Also, we are required to satisfy several covenants with our lenders that are affected by fluctuations in the value of our lease fleet. We would breach some of these covenants if the value of our lease fleet drops below specified levels.

We Face Significant Competition From a Variety of Businesses

In all of the markets where we operate, we face competition from several local companies and usually from one or two regional companies. Our competitors include lessors of storage units, used over-the-road trailers and other structures used for portable storage. To a lesser degree we also compete with conventional fixed self-storage facilities. We compete primarily in terms of security, convenience, product quality and availability, lease rates and customer service. Some of our competitors have larger lease fleets, less debt, greater market share, and greater financial resources and pricing flexibility than we do. Sometimes, a competitor

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will lower its lease rates in one of our markets to try to gain market share. This may require us to lower our lease rates as well, which could reduce our profitability in those markets.

Competition in our markets may increase in the future. New competitors may enter our markets and may have greater marketing and financial resources that we do. This may allow them to gain market share at our expense. Increased competition may cause us to lower lease rates and reduce profit margins. Prolonged price competition is likely to have a material adverse affect on our business and results of operation.

There Are Risks From Fluctuations in the Supply and Costs of Raw Materials We Use in Manufacturing

We also manufacture portable storage units. In our manufacturing process, we purchase steel, vinyl, wood, glass and other raw materials from various suppliers. We cannot be sure, however, that an adequate supply of these materials will continue to be available on terms reasonably acceptable to us. The raw materials we use are subject to price fluctuations that we cannot control. The cost of raw materials will have a significant effect on our operations and earnings. Rapid increases in material prices are difficult to pass through to customers. If we are unable to pass on these higher costs, our results of operations could decline significantly. If raw material prices decline significantly, we may have to write down our raw materials inventory values. If this happens, our results of operations and financial condition would decline.

Zoning Laws Could Restrict the Use of Our Storage Units

Most of our customers use our storage units to store their goods on their property. Officials in certain cities and towns have informed some of our customers that local zoning laws do not permit them to keep our portable storage units on their property or do not permit portable storage units unless located out of sight behind their business. If our units cannot be located in a significant number of cities and towns in our markets due to zoning laws or other regulations, our business could be adversely affected.

We Must Attract and Retain Personnel in a Highly Competitive Labor Market

Our future success will depend on our ability to attract, retain and motivate employees with various skills, as well as semi-skilled and unskilled labor for our branches and manufacturing plants. Competition for all types of employees,

including skilled and unskilled laborers, is intense. A shortage in the pool of employees could require us to increase our wage and benefits to attract and retain enough employees. An increase in our labor costs, or our inability to attract, retain and motivate employees, would likely have a material adverse effect on our business and results of operations.

We Are Subject to Governmental Regulation

We manufacture, refurbish or modify portable storage units at four locations. Our facilities are subject to regulation by several federal and state government agencies, including the Occupational Safety and Health Administration (OSHA) and the Environmental Protection Agency.

Our facilities are subject to worker safety and health laws and regulations administered by OSHA. Our employees work with metal presses, heavy materials and welding equipment, and the possibility of injury is quite high. This means that OSHA is likely to inspect our facilities from time to time. We have on-going training and safety programs designed to minimize injuries. If we were found to be out of compliance, we may have to pay fines or even reconfigure our operations at considerable cost. New OSHA regulations may be enacted in the future and could increase our cost of manufacturing and refurbishing portable storage units.

Various environmental laws and regulations may expose us to liability for past or present spills, disposals or other releases of hazardous or toxic substances or waste products. This may be the case even if we did not know about or cause the spill or contamination. We generate waste and by-products from our painting operations, potentially exposing us to liability for spills or contamination. Federal or state agencies may impose more stringent disposal regulations for paint waste and by-products. This also could increase the costs of manufacturing and refurbishing portable storage units.

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The Market Price of Our Stock Is Volatile

The market price of our common stock has fluctuated for a number of reasons, including quarterly variations in our operating results and changes in earnings estimates by analysts. The stock market in general also has experienced extreme price and volume fluctuations which have affected the stock price of many companies including ours. These fluctuations may adversely affect the market price of our common stock.

We Rely Heavily on a Few Key Employees

We are substantially dependent on the personal efforts and abilities of Richard E. Bunger, our Founder and Chairman, Steven G. Bunger, our President and Chief Executive Officer, and Lawrence Trachtenberg, our Executive Vice President and Chief Financial Officer. The loss of any of these officer or our other key employees could have a material adverse effect on our business and results of operations. We have employment agreements with Steven G. Bunger and Lawrence Trachtenberg.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995

This report contains certain statements that may be deemed to be "forward-looking statements." All statements, other than statements of historical facts, included in this report that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including, without limitation, with respect to demand for our products, competition in our industry, the continued availability of adequate financing to support our anticipated activities including our continued expansion of existing branches and expansion into new markets, the risks and uncertainties associated

with our growth and acquisition strategy, and our ability to manage our growth and integrate new acquisitions, are forward-looking statements. These statements are based on certain assumptions and, in certain cases, analyses that we have made in light of our experience and perception of historical trends, current conditions, expected future developments and other factors that we believe are appropriate in the circumstances. Such statements are subject to a number of risks or uncertainties, including the risk factors described above under "Factors That May Affect Future Operating Results," general economic and business conditions, the business opportunities that may be presented to us and pursued by us, changes in laws or regulations and other factors, many of which are beyond our control. Prospective investors and existing shareholders are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.

ITEM 2. DESCRIPTION OF PROPERTY.

We own our branch locations in Dallas, Texas, Oklahoma City, Oklahoma and a portion of our Phoenix, Arizona location. We lease all of our other branch locations. All of our major leased properties have remaining lease terms of at lease five years, and we believe that satisfactory alternative properties can be found in all of our markets if necessary.

We own our manufacturing facility in Maricopa, Arizona, approximately 30 miles south of Phoenix. This facility is nine years old and is on approximately 45 acres. The facility includes nine manufacturing buildings, totaling approximately 163,400 square feet. These buildings house our manufacturing, assembly, refurbishing, painting and vehicle maintenance operations.

We lease our corporate and administrative offices in Tempe, Arizona. These offices have 28,800 square feet of space. The lease term is through December 2000. We currently are negotiating a lease at a new location which will accommodate our recent growth and foreseeable future needs.

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ITEM 3. LEGAL PROCEEDINGS.

We are a party to routine claims incidental to our business. Most of these claims involve alleged damage to customers' property while stored in units they lease from us. We carry insurance to protect us against loss from these types of claims, subject to deductibles under the policy. We do not believe that any current litigation, individually or in the aggregate, is likely to have a material adverse effect on our business or results of operations.

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

Our annual meeting of stockholders was held on November 10, 1999, in Phoenix, Arizona. On the record date for the annual meeting, 11,370,841 shares of common stock were outstanding and eligible to be voted. A quorum was present at the annual meeting. The table below briefly describes the proposals and results from the annual meeting of stockholders.

	NUMBER OF SHARES VOTED:		
	For	Withheld	
	---	-----	
Election of Directors, each to serve a three-year term:			
Steven G. Bunger	10,060,011	4,898	
George E. Berkner	10,060,611	4,298	
	For	Against	Abstain
	---	-----	-----
Approve and adopt the Company's 1999 Stock Option Plan:	9,591,708	449,182	24,019

Ratification of appointment of Arthur Andersen LLP as the Independent Auditors for 1999:

10,055,330 5,669 3,910

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PART II

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

Our Common Stock trades on the Nasdaq National Market under the symbol "MINI". The following are the high and low sale prices for the common stock as reported by the Nasdaq Stock Market.

FISCAL YEARS 1998 AND 1999

	1998		1999	
	HIGH	LOW	HIGH	LOW
Quarter ended March 31,	\$10.500	\$5.625	\$13.563	\$11.000
Quarter ended June 30,	12.438	8.625	19.563	11.125
Quarter ended September 30,	11.125	7.250	23.375	17.750
Quarter ended December 31,	11.125	6.625	22.438	16.688

We had approximately 95 holders of record of our common stock on February 18, 2000, however, we believe we have more than 2,000 beneficial owners of our common stock.

We have never declared nor paid any cash dividends on our common stock. We do not currently expect to pay cash dividends on our common stock. Instead we will continue to use our cash resources to support the planned growth of our business. Our credit facility with our lenders does not allow us to pay cash dividends without the consent of our lenders.

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ITEM 6. SELECTED FINANCIAL DATA.

The following table shows our selected consolidated historical financial data for the stated periods. You should read this material with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements included elsewhere in this report.

	YEAR ENDED DECEMBER 31,				
	1995	1996	1997	1998	1999
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)					
CONSOLIDATED STATEMENTS OF OPERATIONS DATA:					
Revenues:					
Leasing.....	\$ 15,461	\$ 17,876	\$ 24,870	\$ 36,461	\$ 53,302
Sales.....	24,265	23,619	20,528	15,623	12,820
Other.....	458	931	685	593	531
Total revenues.....	40,184	42,426	46,083	52,677	66,653
Costs and expenses:					
Cost of sales.....	19,107	19,926	14,546	10,730	8,506
Leasing, selling and general expenses.....	15,174	15,343	20,586	25,724	32,218
Depreciation and amortization.....	1,318	1,714	2,253	2,885	4,065
Restructuring charge.....	--	700	--	--	--
Income from operations.....	4,585	4,743	8,698	13,338	21,864
Other income (expense):					
Interest income.....	14	9	4	31	48
Interest expense.....	(3,212)	(3,894)	(5,035)	(5,896)	(6,162)
Income before provision for income taxes and extraordinary item.....	1,387	858	3,667	7,473	15,750

Provision for income taxes.....	610	378	1,467	2,989	6,300
Income before extraordinary item.....	777	480	2,200	4,484	9,450
Extraordinary item, net of income tax benefit of \$322 (1996) and \$283 (1999).....	--	(410)	--	--	(424)
Preferred stock dividends.....	(1,250)	--	--	--	(22)
Net income (loss) available to common shareholders	\$ (473)	\$ 70	\$ 2,200	\$ 4,484	\$ 9,004
Net income (loss) per share:					
Basic:					
Income before extraordinary item.....	\$ (0.10)	\$ 0.07	\$ 0.33	\$ 0.57	\$ 0.93
Extraordinary item.....	--	(0.06)	--	--	(0.04)
Net Income.....	\$ (0.10)	\$ 0.01	\$ 0.33	\$ 0.57	\$ 0.89
Diluted:					
Income before extraordinary item.....	\$ (0.10)	\$ 0.07	\$ 0.32	\$ 0.53	\$ 0.89
Extraordinary item.....	--	(0.06)	--	--	(0.04)
Net Income.....	\$ (0.10)	\$ 0.01	\$ 0.32	\$ 0.53	\$ 0.85
Weighted average number of common and common share equivalents outstanding:					
Basic.....	4,835	6,738	6,752	7,840	10,153
Diluted.....	4,835	6,744	6,800	8,417	10,640
OTHER DATA:					
Lease fleet units (at year end).....	11,295	13,600	18,051	25,768	37,077
Lease fleet utilization (1).....	91.4%	89.7%	85.7%	87.0%	85.6%
Leasing revenue growth from prior year.....	61.0%	15.6%	39.1%	46.6%	46.2%
Number of branches (at year end).....	8	8	8	12	19
Operating margin.....	11.4%	11.2% (2)	18.9%	25.3%	32.8%

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CONSOLIDATED BALANCE SHEET DATA:

	YEAR ENDED DECEMBER 31,				
	1995	1996	1997	1998	1999
Lease fleet, net(3).....	\$ 23,862	\$ 32,541	\$ 49,151	\$ 76,590	\$ 121,277
Total assets.....	54,342	64,816	84,052	116,790	178,392
Total funded debt.....	28,632	40,148	54,026	71,900	78,271
Stockholders' equity.....	16,160	16,209	19,027	29,872	77,387

- (1) We calculated utilization by dividing the number of containers on lease at the end of each week during the period by the total number of portable storage units in the lease fleet at that time.
- (2) Includes \$700,000 (pre-tax) restructuring charge; 12.8% excluding the restructuring charge.
- (3) Excludes modular buildings held under capital leases which were included in this balance sheet item prior to our sale of all our modular buildings.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

OVERVIEW

Since 1996, we have transitioned to primarily leasing portable storage units from primarily selling them. This has caused the composition of our revenues and expenses to change. Leasing revenues as a percentage of our total revenues increased to 80.0% in 1999 from 69.2% in 1998, 54.0% in 1997 and 42.1% in 1996. From the end of 1996 to the end of 1999, we increased the number of portable storage units in our lease fleet from 13,600 to 37,100. This is an average annual growth rate in units of approximately 39.7%.

Our leasing revenues include all rent we receive for our portable storage units. Our sales revenues include sales of portable storage units and other structures to customers. Our other revenues consist principally of charges for the delivery of the portable storage units we sell. Our principal operating expenses are (1) cost of sales; (2) leasing, selling and general expenses; and (3) depreciation and amortization, primarily depreciation of the portable storage units in our lease fleet. Cost of sales includes both our cost to buy, refurbish and modify

used ISO shipping containers and our cost to manufacture portable storage units and other structures. Leasing, selling and general expenses include advertising and other marketing expenses, commissions and corporate overhead for both our leasing and sales activities. Annual repair and maintenance expenses on our leased units have averaged approximately 1.9% of lease revenues. We expense our repair and maintenance costs as incurred. Our portable storage units are depreciated on the straight-line method over our units' estimated useful life of 20 years, with salvage values estimated at 70% of our unit investment.

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RESULTS OF OPERATIONS

The following table shows the percentage of total revenues represented by the key items that make up our statements of operations. You should read this table and the discussion below with our financial statements.

	YEAR ENDED DECEMBER 31,		
	1997	1998	1999
	----	----	----
Revenues:			
Leasing	54.0%	69.2%	80.0%
Sales	44.5	29.7	19.2
Other	1.5	1.1	0.8
	----	----	----
Total revenues	100.0	100.0	100.0
Costs and expenses:			
Cost of sales	31.5	20.4	12.8
Leasing, selling and general expenses	44.7	48.8	48.3
Depreciation and amortization	4.9	5.5	6.1
	----	----	----
Income from operations	18.9	25.3	32.8
Other income (expense):			
Interest income	--	0.1	--
Interest expense	(10.9)	(11.2)	(9.2)
	----	----	----
Income before provision for income taxes and extraordinary item	8.0	14.2	23.6
Provision for income taxes	3.2	5.7	9.5
	----	----	----
Income before extraordinary item	4.8	8.5	14.1
Extraordinary item	--	--	(0.6)
	----	----	----
Net income	4.8%	8.5%	13.5%
	=====	=====	=====

1999 COMPARED TO 1998

Total revenues in 1999 increased by 26.5% to \$66.7 million from \$52.7 million in 1998. Leasing revenues in 1999 increased by 46.2% to \$53.3 million from \$36.5 million in 1998. These increases resulted from a 44.5% increase in the average number of portable storage units on lease and a 1.2% increase in the average rent per unit. In 1999, we opened seven new branches, six of which were through acquisitions. The new branches were in Salt Lake City, Colorado Springs, New Orleans, Memphis, Chicago, Knoxville and Tulsa. We also acquired operations in seven markets we already operated in. The branches in new markets generated an increase in units leased of 18.4% in 1999 and accounted for 11.2% of our increase in leasing revenues. Leasing revenues at branches open more than one year (excluding operations acquired from others) increased by 28.2%. Our revenues from the sale of units decreased by 17.9% to \$12.8 million in 1999 from \$15.6 million in 1998. This decrease reflects our decision in 1998 to curtail the sale of telecommunication shelters and discontinue our dealer program.

Cost of sales decreased to 66.3% of sales revenues in 1999 from 68.7% of sales revenues in 1998. During 1999, we paid less for used ISO shipping containers and also produced more portable storage units at our manufacturing plant than in 1998. These factors resulted in the higher gross margin on portable storage unit sales in 1999.

Leasing, selling and general expenses increased 25.2% to \$32.2 million in 1999 from \$25.7 million in 1998. We had higher leasing-related expenses because of the 44.5% increase in the average number of units on lease, higher commissions

because of our higher leasing volume and \$2.1 million of expenses associated with the six branches in new markets we acquired and the one branch we started in 1999. Both acquired and start up branches initially have lower profit margins until the branches' fixed operating costs are covered by higher leasing volumes.

Depreciation and amortization expenses increased by \$1.2 million to 6.1% of total revenue in 1999 from 5.5% in 1998. This increase resulted from our larger lease fleet, additional equipment needed for manufacturing and maintaining the lease fleet and other equipment added at our branches.

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Our operating margin increased to 32.8% in 1999 from 25.3% in 1998 principally because we focused on leasing rather than selling our portable storage units and because leasing, selling and general expenses decreased as a percent of leasing revenues. As a result, income from operations increased by 63.9% to \$21.9 million in 1999 from \$13.3 million in 1998.

Interest expense increased by 4.5% to \$6.2 million in 1999 from \$5.9 million in 1998 as a result of higher average debt outstanding during 1999. Interest expense as a percentage of revenues decreased to 9.2% in 1999 from 11.2% in 1998. Our average debt outstanding increased by 21.0%, due to an additional \$14.5 million of borrowings under our credit facility. We used this debt financing primarily to expand our lease fleet. The weighted average interest rate declined to 7.6% in 1999 from 8.7% in 1998, excluding amortization of debt issuance costs. Including amortization of debt issuance costs, the weighted average interest rate was 8.3% in 1999 and 9.6% in 1998.

Net income before extraordinary charges in 1999 was \$9.4 million, or \$0.89 per diluted share of common stock, compared to net income in 1998 of \$4.5 million, or \$0.53 per diluted share of common stock. During 1999 the Company recorded a \$0.04 per share extraordinary charge in connection with the early extinguishment of our \$6.9 million of Senior Subordinated Notes which were originally scheduled to mature in November 2002. Our increase in net income primarily resulted from our higher leasing revenues in 1999 and a decrease in leasing, selling and general expenses per unit on lease in 1999. Our effective tax rate was 40.0% for both 1999 and 1998. We had a 26.4% increase in the weighted average number of common and common share equivalents outstanding in 1999 primarily because of a public offering of 2.965 million shares of our common stock in May and June 1999.

1998 COMPARED TO 1997

Total revenues in 1998 increased by 14.3% to \$52.7 million from \$46.1 million in 1997. Leasing revenues in 1998 increased by 46.6% to \$36.5 million from \$24.9 million in 1997. These increases resulted from a 42.9% increase in the average number of portable storage units on lease and a 2.6% increase in the average rent per unit. In 1998, we opened four new branches, three of which were through acquisitions. The new branches were in Las Vegas, Oklahoma City, Denver and Albuquerque. These new branches accounted for 15.8% of our increase in 1998 leasing revenues. Our eight branches which operated in 1998 and 1997 accounted for 84.2% of the increase in our 1998 leasing revenues. Our revenues from the sale of portable storage units and other structures decreased by 23.9% to \$15.6 million in 1998 from \$20.5 million in 1997. This reflects our focus on leasing rather than selling portable storage units. This decrease was also caused by our decision in 1998 to curtail the sale of telecommunication shelters and discontinue our dealer program.

Cost of sales decreased to 68.7% of sales revenues in 1998 from 70.9% in 1997. During 1998, we paid less for both used ISO shipping containers and the steel we use to manufacture portable storage units. We also produced more portable storage units at our manufacturing plant in 1998 than in 1997. As a result, our fixed manufacturing expenses were allocated over more units and resulted in a higher gross margin on portable storage unit sales in 1998.

Leasing, selling and general expenses increased by \$5.1 million to 48.8% of total revenues in 1998 from 44.7% in 1997. We had higher leasing-related

expenses because of the 42.9% increase in the number of units on lease, higher commissions because of our higher leasing volume and \$1.4 million of expenses associated with the three branches we acquired and the one branch we started in 1998. Both acquired and start-up branches initially have lower profit margins until the branches' fixed operating costs are covered by higher leasing volumes. However, these expenses decreased to 70.6% of our leasing revenues in 1998 from 82.8% in 1997.

Depreciation and amortization expenses increased by \$631,000 to 5.5% of total revenues in 1998 from 4.9% in 1997. This increase resulted from our larger lease fleet, additional equipment needed for manufacturing and other equipment added at our branches.

Our operating margin increased to 25.3% of total revenues in 1998 from 18.9% in 1997 principally because we focused on leasing rather than selling portable storage units and because leasing, selling and general expenses decreased as a percentage of leasing revenues. As a result, income from operations increased by 53.4% to \$13.3 million in 1998 from \$8.7 million in 1997.

Interest expense increased by 17.1% to \$5.9 million in 1998 from \$5.0 million in 1997 because we had higher average debt outstanding during 1998. Our average debt outstanding increased by 29.0%, consisting of \$6.9 million of 12% Senior Subordinated Notes issued in October 1997 and an additional \$21.3 million of borrowings under our credit facility. We used this debt financing

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primarily to expand our lease fleet. The weighted average interest rate declined to 8.7% in 1998 from 9.5% in 1997, excluding amortization of debt issuance costs. Including amortization of debt issuance costs, the weighted average interest rate was 9.6% in 1998 and 10.6% in 1997.

We reported net income in 1998 of \$4.5 million, or \$0.53 per diluted share of common stock, compared to net income in 1997 of \$2.2 million, or \$0.32 per diluted share of common stock. These increases were primarily because of our higher leasing revenues in 1998 and the decrease in leasing, selling and general expenses as a percentage of leasing revenues in 1998. Our effective tax rate was 40.0% for both 1998 and 1997. We had a 23.8% increase in the weighted average number of common and common share equivalents outstanding in 1998 because of the exercise of warrants we had issued in 1994 and common stock issued in connection with the acquisitions completed during 1998.

LIQUIDITY AND CAPITAL RESOURCES

Our leasing and manufacturing businesses are very capital intensive. We have financed our working capital requirements through cash flows from operations, proceeds from equity and debt financings and borrowings under our credit facility.

Operating Activities. Our operations provided net cash flow of \$19.2 million in 1999, \$8.5 million in 1998 and \$6.1 million in 1997. This increasing cash flow resulted primarily from our higher net income and the impact of depreciation expense and deferred income taxes. The growth of our business, however, has required us to use more cash to support higher levels of accounts receivable and inventory.

Investing Activities. Net cash used in investing activities was \$55.7 million in 1999, \$31.2 million in 1998 and \$19.2 million in 1997. This increasing use of cash resulted primarily from higher levels of capital expenditures for lease fleet expansion and acquisitions. Capital expenditures for our lease fleet were \$30.4 million in 1999, \$23.5 million in 1998 and \$17.1 million in 1997. Capital expenditures for property, plant and equipment were \$4.7 million in 1999, \$3.8 million in 1998 and \$2.1 million in 1997. In addition, we spent \$28.6 million (including \$8 million of mandatorily redeemable preferred stock) in 1999 and \$3.9 million in 1998 for acquisitions. No acquisitions were completed in 1997.

Financing Activities. Net cash provided by financing activities was \$36.0 million in 1999, \$22.8 million in 1998 and \$13.4 million in 1997. During 1999, net cash provided by financing activities was primarily from a public offering of 2,965,000 shares of common stock. We received gross proceeds of approximately \$39.3 million from this offering. We also received approximately \$878,000 from the exercise of warrants to purchase shares of our common stock. We also borrowed an additional \$14.5 million under our credit facility. The net cash provided by financing activities was used to expand our lease fleet, finance acquisitions, and prepay our Senior Subordinated Notes. During 1998, net cash provided by financing activities was primarily from \$21.3 million of net borrowings under our credit facility and \$5.7 million of gross proceeds from the exercise of warrants to purchase shares of our common stock. The majority of warrants exercised were issued in connection with our initial public offering in 1994.

We entered into an Interest Rate Swap Agreement effective in September 1998, under which Mobile Mini is designated as the fixed rate payer at an interest rate of 5.5% per annum. Under the Swap Agreement, the Company has effectively fixed, for a three year period, the interest rate payable on \$30 million of our revolving line of credit so that the rate is based upon a spread from 5.5%, rather than a spread from the Eurodollar rate.

Since March 1996, our principal source of liquidity has been our credit facility, which currently consists of a \$120 million revolving line of credit and a \$6.0 million term loan. The interest rate under our credit facility is determined quarterly, based on our ratio of funded debt to earnings before interest, taxes, depreciation and amortization (EBITDA). During 1999, the average interest rate under our credit facility was 6.9%. As of February 18, 2000 we had \$74.4 million of outstanding borrowings under our credit facility, and \$33.5 million of additional borrowings were available.

The amount we can borrow under the revolving line of credit portion of our credit facility is based upon the level of our inventories, accounts receivable and the value of our lease fleet. The lease fleet is appraised at least annually for purposes of the credit facility. Our obligations under the credit facility are secured by a lien on substantially all of our assets, including all of our portable storage units.

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The credit facility includes a term loan due in March 2004. The term loan had an outstanding principal balance of \$5.8 million at December 31, 1999. We must make principal and interest payments monthly on the term loan.

In October 1997, we issued \$6.9 million of 12% Senior Subordinated Notes with detachable redeemable warrants to purchase 172,500 shares of our common stock at \$5.00 per share. These notes were due November 1, 2002 but could be prepaid beginning November 1, 1999 without a prepayment penalty. We redeemed the entire principal balance outstanding on November 1, 1999. Because the notes were sold with redeemable warrants, a portion of the sale price was allocated to the notes and a portion to the redeemable warrants, based on their respective fair market values. The resulting discount increased the effective interest rate on the notes, and was amortized as interest expense over the life of the notes. In connection with the early redemption of these notes, we recorded an extraordinary charge of \$424,000, net of our tax provision, in 1999.

We believe that our working capital, together with our cash flow from operations, borrowing under our credit facility and other available funding sources will be sufficient to fund our operations and controlled growth for the next 12 months. We believe that in order to maintain historical growth rates we will be required to obtain additional debt financing or raise additional equity capital by issuing additional shares of our stock. However, we cannot be sure that we can obtain the necessary debt or equity capital on acceptable terms.

SEASONALITY

During the past three years, our operation as a whole has not been very

seasonal. Demand for leases of our portable storage units is stronger from September through December because retailers need to store more inventory for the holiday season. Our retail customers usually return leased units to us early in the following year. This has caused lower utilization rates for our lease fleet and a marginal decrease in cash flow during the first quarters of the past several years.

YEAR 2000 COMPLIANCE AND EXPENDITURES

Our program to address the Year 2000 issue consisted of the following phases: inventory, assessment, correction, testing and implementation. As of December 31, 1999, all phases were completed. We did not experience any significant disruption as a result of the Year 2000 issue. Our total costs to remedy the Year 2000 issue were approximately \$26,000.

We can provide no assurance that all supplier and customer Year 2000 compliance plans were successfully completed. We are not aware of any problems with any of our suppliers, customers or third party providers that would negatively impact our operations or adversely affect our business.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We seek to reduce earnings and cash flow volatility associated with changes in interest rates through a financial arrangement intended to provide a hedge against a portion of the risks associated with such volatility. We continue to have exposure to such risks to the extent they are not hedged.

An interest rate swap agreement is the only instrument used by the Company to manage interest rate fluctuations affecting the Company's variable rate debt. The Company currently has one outstanding interest rate swap agreement covering \$30 million of our debt, under which the Company pays a fixed rate and receives a variable interest rate. The following table sets forth the scheduled maturities and the total fair value of the Company's debt portfolio:

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	At December 31,						Total at December 31, 1999	Total Fair Value at December 31, 1999
	2000	2001	2002	2003	2004	Thereafter		
Liabilities								
Fixed Rate (in 000's)	\$ 509	\$ 225	\$ 67	\$ 91	\$ --	--	\$ 882	\$ 857
Average interest rate							8.7%	
Floating rate (in 000's)	\$ 1,217	\$ 1,200	\$ 1,200	\$ 1,200	\$ 72,571	--	\$ 77,388	\$ 77,388
Average interest rate							7.5%	
Interest Rate Swaps								
Variable to fixed (in 000's)		\$ 30,000					\$ 30,000	\$ 30,000
Average pay rate							5.5%	
Average receive rate							1 mo LIBOR-BBA	

The Company enters into derivative financial arrangements only to the extent that it meets the objectives described above, and the Company does not engage in such transactions for speculative purposes. The Company's credit facility matures in 2004, including a one-year extension option. These variable rate liabilities will continue to increase due to future growth until maturity.

See Note 3 - Line of Credit in the notes to financial statements incorporated herein by reference for further description of the variable rate liability.

Management intends to renew or replace the line of credit with similar arrangements or debt prior to maturity, on terms reasonably similar to their existing terms. We, however, cannot be certain that such financing will be available or on terms acceptable to us.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Mobile Mini, Inc.:

We have audited the accompanying consolidated balance sheets of MOBILE MINI, INC. (a Delaware corporation) and subsidiaries as of December 31, 1998 and 1999, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1999. 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 auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mobile Mini, Inc. and subsidiaries as of December 31, 1998 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the index of the financial statements is presented for purposes of complying with the Securities

and Exchange Commission's rules and is not a required part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Phoenix, Arizona,
January 31, 2000.

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MOBILE MINI, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1998 AND 1999

ASSETS	1998	1999
	-----	-----
CASH AND CASH EQUIVALENTS	\$ 1,030,138	\$ 547,124
RECEIVABLES, net of allowance for doubtful accounts of \$1,085,000 and \$1,621,000, respectively	6,254,938	8,861,815
INVENTORIES	8,550,778	9,644,157
PORTABLE STORAGE UNIT LEASE FLEET, net of accumulated depreciation of \$2,584,000 and \$4,054,000, respectively	76,589,831	121,277,355
PROPERTY, PLANT AND EQUIPMENT, net	20,262,738	23,245,287
DEPOSITS AND PREPAID EXPENSES	787,426	890,142
OTHER ASSETS, net	3,314,384	13,926,606
	-----	-----
TOTAL ASSETS	\$ 116,790,233	\$ 178,392,486
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
ACCOUNTS PAYABLE	\$ 2,953,833	\$ 3,532,240
ACCRUED LIABILITIES	3,858,165	5,169,364
LINE OF CREDIT	57,183,576	71,638,064
NOTES PAYABLE	4,819,976	6,284,810
OBLIGATIONS UNDER CAPITAL LEASES	3,196,021	347,850
SUBORDINATED NOTES, net	6,700,038	--
DEFERRED INCOME TAXES	8,206,830	14,032,673
	-----	-----
TOTAL LIABILITIES	86,918,439	101,005,001
	-----	-----
COMMITMENTS AND CONTINGENCIES (NOTE 10)		
STOCKHOLDERS' EQUITY:		
Common stock: \$0.01 par value, 17,000,000 shares authorized, 7,966,863 and 11,438,356 issued and outstanding at December 31, 1998 and 1999, respectively	79,669	114,383
Additional paid-in capital	22,054,927	61,032,336
Common stock to be issued, 85,468 shares	500,000	--
Retained earnings	7,237,198	16,240,766
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	29,871,794	77,387,485
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 116,790,233	\$ 178,392,486
	=====	=====

The accompanying notes are an integral part of these consolidated balance sheets.

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MOBILE MINI, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 1997, 1998 AND 1999

BALANCE, December 31, 1997	--	67,995	16,206,166	--	2,753,231	19,027,392
Issuance of common stock (Notes 6 and 11)	--	180	183,820	--	--	184,000
Exercise of stock options	--	9	3,779	--	--	3,788
Exercise of warrants	--	11,485	5,661,162	--	--	5,672,647
Common stock to be issued, 85,468 shares	--	--	--	500,000	--	500,000
Net income	--	--	--	--	4,483,967	4,483,967
	-----	-----	-----	-----	-----	-----
BALANCE, December 31, 1998	--	79,669	22,054,927	500,000	7,237,198	29,871,794
Issuance of common stock (Notes 6 and 11)	--	29,650	36,513,398	--	--	36,543,048
Exercise of stock options	--	2,583	1,088,757	--	--	1,091,340
Exercise of warrants	--	1,626	876,109	--	--	877,735
Issuance of 85,468 shares of common stock	--	855	499,145	(500,000)	--	--
Preferred stock dividend (Preferred stock issued and redeemed in 1999)	--	--	--	--	(21,918)	(21,918)
Net income	--	--	--	--	9,025,486	9,025,486
	-----	-----	-----	-----	-----	-----
BALANCE, December 31, 1999	\$ --	\$114,383	\$61,032,336	\$ --	\$16,240,766	\$77,387,485
	-----	-----	-----	-----	-----	-----

The accompanying notes are an integral part of these consolidated statements.

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MOBILE MINI, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1997, 1998 AND 1999

	1997	1998	1999
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$2,200,396	\$4,483,967	\$9,025,486
Adjustments to reconcile income to net cash provided by operating activities:			
Extraordinary loss on early debt extinguishment, net	--	--	424,053
Provision for doubtful accounts receivable	1,104,863	983,526	1,346,054
Amortization of deferred loan costs	548,725	587,096	570,687
Amortization of warrant issuance discount	8,694	52,164	43,470
Depreciation and amortization	2,253,264	2,884,007	4,065,573
Loss (gain) on disposal of property, plant and equipment	56,247	(2,901)	68,744
Deferred income taxes	1,508,119	2,989,211	6,299,545
Changes in certain assets and liabilities, net of effect of businesses acquired:			
Increase in receivables	(2,732,485)	(937,114)	(3,065,586)
Decrease (increase) in inventories	250,066	(3,802,462)	(1,032,895)
(Increase) decrease in deposits and prepaid expenses	(155,631)	188,559	312,100
(Decrease) increase in other assets	10,746	(1,826)	212,463
Increase in accounts payable	119,305	277,199	504,846
Increase in accrued liabilities	912,634	753,416	455,128
	-----	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	6,084,943	8,454,842	19,229,668
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash paid for businesses acquired (Note 12)	--	(3,944,446)	(20,615,486)
Net purchases of portable storage unit lease fleet	(17,078,799)	(23,492,555)	(30,407,183)
Net purchases of property, plant and equipment	(2,140,205)	(3,775,359)	(4,682,561)
	-----	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(19,219,004)	(31,212,360)	(55,705,230)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net borrowings under lines of credit	9,477,069	21,300,472	14,454,488
Proceeds from issuance of notes payable	10,391,748	376,670	3,514,047
Deferred financing costs	(727,434)	(505,061)	(660,214)
Principal payments on subordinated notes	--	--	(6,900,000)
Principal payments on notes payable	(4,632,298)	(1,679,743)	(2,049,213)
Principal payments on capital lease obligations	(1,367,833)	(2,386,321)	(2,856,765)
Redemption of mandatorily redeemable preferred stock	--	--	(8,000,000)
Exercise of warrants	260,820	5,672,647	877,735
Issuance of common stock	650	3,788	37,634,388
Preferred stock dividend	--	--	(21,918)
	-----	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	13,402,722	22,782,452	35,992,548
	-----	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	268,661	24,934	(483,014)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	736,543	1,005,204	1,030,138
	-----	-----	-----
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$1,005,204	\$1,030,138	\$547,124
	-----	-----	-----
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for interest	\$4,347,025	\$5,479,214	\$5,453,406
	-----	-----	-----
Cash paid during the year for income taxes	\$66,162	\$75,045	\$93,294
	-----	-----	-----

SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES:

In 1999, the Company issued \$8 million of Mandatorily Redeemable Preferred Stock as partial payment of the purchase price of the assets of National Security Containers, LLC. The Company subsequently redeemed the entire \$8 million of preferred stock in 1999. In 1998, the Company issued 85,468 shares of the Company's common stock valued at \$500,000 as partial payment of the purchase price for Nevada Storage Containers (Las Vegas, Nevada) and issued 18,022 shares of the Company's common stock valued at \$184,000 as partial payment of the purchase price of Aspen Instant Storage (Oklahoma City, Oklahoma). In 1997, the Company issued 60,000 shares of the Company's common

stock and 15,000 warrants to purchase the Company's common stock with an aggregate value of \$357,675 as payment to the underwriter for services performed in connection with the \$6.9 million subordinated debt offering and related bridge financing (Note 6). Capital lease obligations of \$210,740 during 1998, were incurred in connection with lease agreements for equipment. The Company did not enter into any capital lease obligations during 1997 or 1999.

The accompanying notes are an integral part of these consolidated statements.

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MOBILE MINI, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1999

(1) THE COMPANY, ITS OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Special Considerations

Mobile Mini, Inc., a Delaware corporation, is a leading provider of portable storage leasing solutions. The Company designs and manufactures portable steel storage units and acquires and refurbishes used ocean-going shipping containers for lease primarily in Arizona, California, Texas, Nevada, Oklahoma, New Mexico and Colorado. In addition to its leasing operations, the Company sells new and used portable storage units and provides other ancillary services.

The Company has experienced rapid growth during the last several years with lease revenues increasing at a 43.9% compounded rate during the last three years. This growth is related to internal growth of the Company's portable storage unit lease fleet at existing locations, as well as acquisitions.

The Company believes that its current capitalization, together with borrowings available under the Credit Facility, is sufficient to permit continued growth. However, should the Company expand the rate of geographic expansion, the Company will be required to secure additional financing through additional borrowings, debt or equity offerings, or a combination of these sources. The Company believes that such financing will be available; however, there is no assurance that any such financings will be available or on terms acceptable to the Company.

The Company's ability to obtain used containers for its lease fleet is subject in large part to the availability of these containers in the market. This is in part subject to international trade issues and the demand for containers in the ocean cargo shipping business. Should there be a shortage in supply of used containers, the Company could supplement its lease fleet with new portable storage units manufactured by the Company. However, should there be an overabundance of these used containers available, it is likely that prices would fall. This could result in a reduction in the lease rates the Company could obtain from its portable storage unit leasing operations. It could also cause the appraised orderly liquidation value of the portable storage units in the lease fleet to decline. In such event, the Company's ability to finance its business through the Credit Facility would be affected as the maximum borrowing limit under that facility is based upon the appraised orderly liquidation value of the Company's portable storage unit lease fleet. In addition, under the Credit Facility, the Company is required to comply with certain covenants and restrictions as more fully discussed in Note 3. If the Company fails to comply with these covenants and restrictions, the lender has the right to refuse to lend the Company additional funds and may require early payment of amounts owed to the lender. If this happens, it would materially impact the Company's growth and ability to fund ongoing operations. Furthermore, because a substantial portion of the amount borrowed under the Credit Facility bears interest at a variable rate, a significant increase in interest rates could have a materially adverse affect on the results of operations and financial condition of the Company.

Principles of Consolidation

The consolidated financial statements include the accounts of Mobile Mini, Inc. and its wholly owned subsidiary, Mobile Mini I, Inc. (collectively the "Company"). All material intercompany transactions have been eliminated.

Revenue Recognition

The Company recognizes revenues from sales of containers upon delivery. Revenue generated under portable storage unit leases is recognized monthly when the customer is invoiced.

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Revenue under certain contracts for the manufacture of telecommunication shelters is recognized using the percentage-of-completion method primarily based on contract costs incurred to date compared with total estimated contract costs. Provision for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Costs and estimated earnings in excess of billings on uncompleted contracts is approximately \$73,000 and \$12,000 at December 31, 1998 and 1999 respectively, and are included in receivables in the accompanying consolidated balance sheets.

Revenue from portable storage unit delivery and hauling is recognized as these services are provided.

Concentration of Credit Risk

Financial instruments which potentially expose the Company to concentrations of credit risk, as defined by Statement of Financial Accounting Standards (SFAS) No. 105, consist primarily of receivables. Concentration of credit risk with respect to receivables are limited due to the large number of customers spread over a large geographic area in many industry segments. The Company's receivables related to its sales operations are generally secured by the product sold to the customer. The Company's receivables related to its leasing operations are primarily small month-to-month amounts. The Company has the right to repossess the portable storage unit, including any customer goods, for non-payment.

The Company's leasing customers by major category are presented below:

	1998	1999
	-----	-----
Retail	40%	34%
Construction	31%	33%
Consumers	15%	12%
Commercial	7%	14%
Government and Institutions	6%	6%
Other	1%	1%

Cash and Cash Equivalents

Cash and cash equivalents at December 31, 1998 includes \$415,800 (including earned interest) in an interest reserve account as required under the Indenture (see Note 6) in connection with the Company's 12% Senior Subordinated Notes. Those Notes were prepaid in November 1999, and consequently there was no corresponding amount at December 31, 1999.

Inventories

Inventories are stated at the lower of cost or market, with cost being determined under the specific identification method. Market is the lower of replacement cost or net realizable value. Inventories at December 31 consist of the following:

1998

1999

Raw materials and supplies	\$6,480,553	\$7,453,662
Work-in-process	801,338	880,885
Finished portable storage units	1,268,887	1,309,610
	-----	-----
	\$8,550,778	\$9,644,157
	=====	=====

Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided using the straight-line method over the assets' estimated useful lives. Salvage values are determined when the property is constructed or acquired and range up to 25%, depending on the nature of the asset. In the opinion of management, estimated salvage values do not cause

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 carrying values to exceed net realizable value. Normal repairs and maintenance to property, plant and equipment are expensed as incurred.

Property, plant and equipment at December 31 consist of the following:

	Estimated Useful Life In Years	1998	1999
		-----	-----
Land		\$777,668	\$777,668
Vehicles and equipment	5 to 20	15,963,099	19,397,810
Buildings and improvements	30	7,211,833	8,228,124
Office fixtures and equipment	5 to 20	3,404,320	3,964,242
		-----	-----
		27,356,920	32,367,844
Less-Accumulated depreciation		(7,094,182)	(9,122,557)
		-----	-----
		\$20,262,738	\$23,245,287
		=====	=====

Property, plant and equipment includes assets acquired under capital leases of approximately \$818,000 and \$767,000, and accumulated amortization of approximately \$165,000 and \$190,000, at December 31, 1998 and 1999, respectively.

At December 31, 1998 and 1999, a portion of property, plant and equipment was pledged as collateral for notes payable obligations and obligations under capital leases (see Notes 3, 4 and 5).

Accrued Liabilities

Included in accrued liabilities in the accompanying consolidated balance sheets are customer deposits and prepayments totaling approximately \$645,000 and \$880,000 for the years ended December 31, 1998 and 1999, respectively.

Earnings Per Share

The Company has adopted SFAS No. 128, Earnings per Share. Pursuant to SFAS No. 128, basic earnings per common share are computed by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share are determined assuming that options were exercised at the beginning of each year or at the time of issuance.

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 Below are the required disclosures pursuant to SFAS No. 128 for the years ended December 31, 1997, 1998 and 1999:

	1997	1998	1999
	-----	-----	-----
Basic earnings per share:			
Net income	\$2,200,396	\$4,483,967	\$ 9,003,568
	=====	=====	=====
Weighted average common shares	6,752,147	7,839,623	10,153,086
	-----	-----	-----
Basic earnings per share	\$0.33	\$0.57	\$0.89
	=====	=====	=====
Diluted earnings per share:			
Net income	\$2,200,396	\$4,483,967	\$ 9,003,568
	=====	=====	=====
Weighted average common shares	6,752,147	7,839,623	10,153,086
Options and warrants assumed converted	48,156	577,545	487,352
	-----	-----	-----
Weighted average common shares plus assumed conversion	6,800,303	8,417,168	10,640,438
	-----	-----	-----
Diluted earnings per share	\$0.32	\$0.53	\$0.85
	=====	=====	=====

Long-Lived Assets

The Company periodically evaluated the carrying value of long-lived assets in accordance with SFAS No. 121 Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of. Under SFAS No. 121, long-lived assets and certain identifiable intangible assets to be held and used in operations are reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss is recognized if the sum of the expected long-term undiscounted cash flows is less than the carrying amount of the long-lived assets being evaluated.

Fair Value of Financial Instruments

The estimated fair value of financial instruments has been determined by the Company using available market information and valuation methodologies. Considerable judgment is required in estimating fair values. Accordingly, the estimates may not be indicative of the amounts the Company could realize in a current market exchange.

The carrying amounts of cash and cash equivalents, receivables and accounts payable approximate fair values. The carrying amounts of the Company's borrowings under the revolving line of credit and certain variable rate notes payable instruments approximate fair value. The fair value of the Company's variable rate notes payable and revolving line of credit is estimated using discounted cash flow analyses, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements. Based on the borrowing rates currently available to the Company for bank loans with similar terms and average maturities, the fair value of fixed rate notes payable at December 31, 1999 is approximately \$857,000.

Deferred Financing Costs

Included in other assets are deferred financing costs of approximately \$2,032,000 and \$1,590,000 at December 31, 1998 and 1999, respectively. These costs of obtaining long-term financing are being amortized over the term of the related debt, using the straight-line method. The difference between amortizing the deferred financing costs using the straight-line method and amortizing such costs using the effective interest method is not material.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities

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at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Impact of Recently Issued Accounting Standards

In June 1998, SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, was issued. This statement establishes accounting and reporting

standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The statement requires that changes in the fair value of the derivative be recognized currently in earnings unless specific hedge accounting criteria are met. If specific hedge accounting criteria are met, changes in the fair value of derivatives will either be offset against the change in the fair value of the hedged assets, liabilities, or firm commitments through earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. SAFS No. 133, as amended by SFAS No. 137, is effective for fiscal years beginning after June 15, 2000. The Company expects to adopt SFAS No. 133 effective January 1, 2001. Management believes the impact of adopting SFAS No. 133 will not have any material impact on the Company's financial statements.

(2) PORTABLE STORAGE UNIT LEASE FLEET:

The Company has a portable storage unit lease fleet consisting of refurbished or manufactured containers that are leased to customers under short-term operating lease agreements with varying terms. Depreciation is provided using the straight-line method over the portable storage units estimated useful lives of 20 years with salvage values estimated at 70% of cost. In the opinion of management, estimated salvage values do not cause carrying values to exceed net realizable value. Portable storage units included in the lease fleet with an original loan value of approximately \$7.0 million at December 31, 1998 and \$101,000 at December 31, 1999, have been pledged as collateral for notes payable and obligations under capital leases. The balance of the portable storage units are pledged as collateral under the Credit Facility (see Notes 3, 4 and 5). Normal repairs and maintenance to the portable storage units are expensed as incurred.

Portable storage unit lease fleet includes assets acquired under capital leases of approximately \$6,435,000 and \$110,000, and accumulated depreciation of approximately \$361,000 and \$7,000 at December 31, 1998 and 1999, respectively.

(3) LINE OF CREDIT:

In March 1996, the Company entered into a Credit Facility. In December 1999, the Company entered into an Amended and Restated Credit Facility. Under the terms of the current Credit Facility, the Lenders have provided the Company with a \$120 million revolving line of credit and a \$6 million term loan. Borrowings under the Credit Facility are secured by substantially all of the Company's assets.

Available borrowings under the revolving line of credit are based upon the level of the Company's inventories, receivables and portable storage unit lease fleet. The portable storage unit lease fleet is appraised at least annually, and up to 90% of the lesser of cost or appraised orderly liquidation value, as defined, may be included in the borrowing base. The interest rate spread on the revolving line of credit is fixed quarterly based on the Company's ratio of funded debt to earnings before interest, taxes, depreciation and amortization. Borrowings are, at the Company's option, at either a spread from the prime or the Eurodollar rate. At December 31, 1999, the prime rate was 8.5% and the Eurodollar rate ranged from 6.1% to 6.5%. The interest rate charged under the revolving line of credit at December 31, 1999 was 8.5% for prime rate borrowings and ranged from 7.4% to 7.8% for Eurodollar borrowings. The revolving line of credit expires in March 2004, including a one-year extension option.

The revolving line of credit balance outstanding was approximately \$57.2 million and \$71.6 million at December 31, 1998 and 1999, respectively. The amount available for borrowing was approximately \$35.8 million at December 31, 1999. During 1998 and 1999, the weighted average interest rate under the line of credit was 7.67% and 6.9%, respectively, and the average balance outstanding during 1998 and 1999 was approximately \$45.1 million and \$61.7 million, respectively.

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The Company entered into an Interest Rate Swap Agreement, (the Swap Agreement) effective in September 1998, under which the Company is designated as the fixed rate payer at an interest rate of 5.5% per annum. Under the Swap Agreement, the Company has effectively fixed, for a three year period, the interest rate payable on \$30 million of its revolving line of credit so that it is based upon a spread from 5.5%, rather than a spread from the Eurodollar rate. The Company

accounts for this agreement as a hedge of an existing liability in conformance with SFAS No. 80, Accounting for Futures Contracts. Interest expense is accrued using the fixed rate identified in the Agreement. The Company's objective in entering into this transaction was to reduce the risk of interest rate fluctuations in the future. As the Company intends to continue to operate with leverage, management believed it was prudent to lock in a fixed interest rate at a time when fixed rates had significantly decreased.

The Credit Facility contains several covenants including a minimum consolidated tangible net worth requirement, a minimum fixed charge coverage ratio, a maximum ratio of debt to equity, minimum operating income levels and minimum required utilization rates. In addition, the Credit Facility contains limits on capital expenditures and the incurrence of additional debt, as well as prohibiting the payment of cash dividends.

(4) NOTES PAYABLE:

Notes payable at December 31 consist of the following:

	1998	1999
	-----	-----
Notes payable to BT Commercial Corporation, interest ranging from 1.50% over Eurodollar rate (6.125% to 6.1875% at December 31, 1999) to 0.25% over prime (8.5% at December 31, 1999), fixed monthly installments of principal plus interest, due March 2004, secured by various classes of the Company's assets	\$3,687,500	\$5,750,000
Notes payable, interest ranging from 10.5% to 11.49%, monthly installments of principal and interest, due April 2000 through May 2002, secured by equipment and vehicles	591,186	329,501
Notes payable, interest ranged from 11.49% to 12.63%, monthly installments of principal and interest, were due July 2000 through January 2001, secured by portable storage units and paid in full during 2000.	385,418	--
Notes payable to financial institution, interest rate of 6.33%, payable in fixed monthly installments due April 2000, unsecured	155,872	205,309
	-----	-----
	\$4,819,976	\$6,284,810
	=====	=====

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Future maturities under notes payable are as follows:

Years ending December 31,	
2000	\$ 1,577,132
2001	1,341,719
2002	1,232,624
2003	1,200,000
2004	933,335

	\$ 6,284,810
	=====

(5) OBLIGATIONS UNDER CAPITAL LEASES:

The Company has leased certain portable storage units and equipment under capital leases expiring through 2003 with various leasing companies. The lease agreements provide the Company with a purchase option at the end of the lease term based on an agreed upon percentage of the original cost of the portable storage units. These leases have been capitalized using interest rates ranging from approximately 6% to 14%. The leases are secured by the portable storage units and equipment under lease.

Future payments of obligations under capital leases:

Years ending December 31,

2000	\$ 170,905
2001	95,254
2002	40,836
2003	84,920

Total payments	391,915
Less: Amounts representing interest	(44,065)

	\$ 347,850
	=====

Gains from sale-leaseback transactions have been deferred and are being amortized over the estimated useful lives of the related assets. Unamortized gains at December 31, 1998 and 1999, approximated \$254,000 and \$237,000, respectively, and are reflected as a reduction in the portable storage unit lease fleet in the accompanying consolidated financial statements.

(6) EQUITY AND DEBT ISSUANCES:

In October 1997, the Company issued \$6.9 million of 12% Senior Subordinated Notes (the Notes) with a scheduled maturity date of November 1, 2002 and could be redeemed by the Company at par on or after November 1, 1999. These Notes were unsecured obligations of the Company. The Company redeemed the entire \$6.9 million principal amount outstanding plus accrued interest on November 1, 1999. The Notes were issued as part of a unit with Redeemable Warrants to purchase 172,500 shares of the Company's common stock at \$5.00 per share. Additionally, the Company issued warrants to purchase 15,000 shares of common stock to the underwriters. The Company was required to maintain an interest reserve account and to maintain in the reserve account, while any of the Notes were outstanding, an amount equal to six months interest on the Notes based on the principal amount outstanding. At December 31, 1998, the outstanding balance of the Notes was \$6.7 million, net of the remaining unamortized discount of approximately \$200,000. Because the Notes were offered as part of a unit with Redeemable Warrants, a portion of the original offering price for a unit was allocated to the Notes and a portion to the Redeemable Warrants based on their respective fair market values. The resulting discount increased the effective interest rate of the Notes and was being amortized to interest expense over the life of the Notes. In conjunction with the redemption of the Notes, the Company recorded an extraordinary charge for the remainder of the discount and certain unamortized deferred loan charges.

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In May, 1999, the Company completed a public offering of 3.1 million shares of its common stock at \$13.25 per share. Of the shares sold, 2.5 million shares were sold by the Company and 600,000 shares were sold by selling shareholders. The Company received gross proceeds of \$33.1 million. Additionally, the underwriters exercised their overallotment option to purchase an additional 465,000 shares of common stock at the public offering price, resulting in additional gross proceeds to the Company of approximately \$6.2 million.

(7) INCOME TAXES:

The Company accounts for income taxes in accordance with SFAS No. 109, Accounting for Income Taxes. SFAS No. 109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities at the tax rates in effect when these differences are expected to reverse.

The provision for income taxes at December 31, 1997, 1998 and 1999 consisted of the following:

	1997	1998	1999
	-----	-----	-----
Current	\$ --	\$ --	\$ --
Deferred	1,467,000	2,989,000	6,300,000

Total	----- \$1,467,000 =====	----- \$2,989,000 =====	----- \$6,300,000 =====
-------	-------------------------------	-------------------------------	-------------------------------

The components of the net deferred tax liability at December 31, are as follows:

	1998	1999
	-----	-----
Deferred Tax Assets (Liabilities):		
Net operating loss carryforward	\$ 8,303,000	\$ 9,728,000
Allowance for doubtful accounts	434,000	648,000
Alternative minimum tax credit	211,000	211,000
Other	307,000	715,000
Accelerated tax depreciation	(17,496,000)	(25,432,000)
Deferred (gain) expense on sale-leaseback transactions	34,000	97,000
	-----	-----
Net deferred tax liability	\$ (8,207,000)	\$ (14,033,000)
	=====	=====

A reconciliation of the federal statutory rate to the Company's effective tax rate for the years ended December 31 are as follows:

	1997	1998	1999
	----	----	----
Statutory federal rate	34%	34%	34%
State taxes, net of federal benefit	6	6	6
Other	0	0	0
	-----	-----	-----
	40%	40%	40%
	=====	=====	=====

At December 31, 1999, the Company had a federal net operating loss carryover of approximately \$24,320,000 which expires if unused in years 2008 to 2019. At December 31, 1999, the Company had an Arizona net operating loss carryover of approximately \$11,702,000 which expires if unused in years 2000 to 2004. At December 31, 1999, the Company has other insignificant net operating loss carryovers in the various states in which it operates.

As a result of stock ownership changes during the years presented, it is possible that the Company has undergone one or more changes in ownership which can limit the amount of net operating loss currently available as a deduction. Such limitation could

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result in the Company being required to pay tax currently because only a portion of the net operating loss is available. Management believes that it will fully realize its net operating loss carryforward and that a valuation reserve was not necessary at December 31, 1999.

(8) TRANSACTIONS WITH RELATED PARTIES:

The Company leases a portion of the property comprising its Phoenix location and the property comprising its Tucson location from Richard E. Bunger's five children. Mr. Bunger is an executive officer, director and founder of the Company. Annual base payments under these leases total approximately \$66,000 with an annual adjustment based on the Consumer Price Index. The term of each of these leases will expire on December 31, 2003. Additionally, the Company leases its Rialto, California facility from Mobile Mini Systems, Inc., a corporation, wholly owned by Mr. Bunger, for total annual base payments of \$204,000, with annual adjustments based on the Consumer Price Index. The Rialto lease is for a term of 15 years, expiring on December 31, 2011. Management believes the rental rates reflect the fair market value of these properties.

The Company obtains services throughout the year from Skilquest, Inc., a company engaged in sales and management support programs. Skilquest, Inc. is owned by

Carolyn Clawson, the daughter of Mr. Richard E. Bunger and sister of Steven G. Bunger. The Company made aggregate payments of approximately \$69,000 and \$85,000 to Skilquest, Inc. in 1998 and 1999, respectively, which the Company believes represented the fair market value for the services performed.

The Company acquired 20 trucks from Richard E. Bunger in October 1998. The purchase price was \$256,000, which the Company believes represented the fair market value for these assets.

During 1999, Mr. Bunger refurbished certain personally owned equipment at the Company's facility and reimbursed the Company approximately \$31,000 for labor and material used. He had an additional \$32,000 of work in process that the Company will be reimbursed upon completion. The Company believes this amount represented the fair market value for the services performed.

Mr. Bunger and the Company have entered into an agreement, dated December 30, 1999, whereby certain personally owned equipment of Mr. Bunger's, valued at approximately \$36,000, would be exchanged for certain other equipment the Company owns which is valued at the same approximate market value. Part of this exchange includes the Company owned vehicle which had been provided to Mr. Bunger.

All ongoing and future transactions with affiliates will be on terms no less favorable than could be obtained from unaffiliated parties and will be approved by a majority of the independent and disinterested directors.

(9) BENEFIT PLANS:

STOCK OPTION PLANS

In August 1994, the Company's board of directors adopted the Mobile Mini, Inc. 1994 Stock Option Plan ("the Plan"). Under the Plan, as amended in 1998, options to purchase a maximum of 1,200,000 shares of the Company's common stock may be granted. In August 1999, the Board of Directors approved the adoption and implementation of the Mobile Mini, Inc. 1999 Stock Option Plan, under which 500,000 shares of Mobile Mini's common stock are reserved for issuance upon the exercise of options which may be granted under this plan. The 1999 Plan was approved by the stockholders at the Company's annual meeting in November 1999. Under the terms of the plans, both incentive stock options ("ISOs"), which are intended to meet the requirements of Section 422 of the Internal Revenue Code, and non-qualified stock options may be granted. ISOs may be granted to the officers and key personnel of the Company. Non-qualified stock options may be granted to the Company's directors and key personnel, and to providers of various services to the Company. The purposes of the plans are to attract and retain the best available personnel for positions of substantial responsibility and to provide incentives to, and to encourage ownership of our stock by, key management and other employees. The board of directors believes that stock options are important to attract and to encourage the continued employment and service of officers and other employees by facilitating their purchase of a stock interest in Mobile Mini.

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The option exercise price for all options granted under the plans may not be less than 100% of the fair market value of our common stock on the date of grant of the option (or 110% in the case of an incentive stock option granted to an optionee beneficially owning more than 10% of the outstanding common stock). The maximum option term is ten years (or five years in the case of an incentive stock option granted to an optionee beneficially owning more than 10% of the outstanding common stock).

Payment for shares purchased under the plans may be made either in cash or, if permitted by the particular option agreement, by exchanging shares of common stock with a fair market value equal to the total option exercise price plus cash for any difference. Options may, if permitted by the particular option agreement, be exercised by directing that certificates for the shares purchased be delivered to a licensed broker as agent for the optionee, provided that the broker tenders to Mobile Mini cash or cash equivalents equal to the option exercise price.

The plans are administered by the compensation committee, which is comprised of our outside directors. They determine whether options will be granted, whether options will be ISOs or non-qualified options, which officers, key personnel and service providers will be granted options, the vesting schedule for options and

Options outstanding, beginning of year	347,000	\$3.89	552,000	\$3.80	756,150	\$ 4.66
Granted	206,500	3.64	212,750	6.87	622,250	16.53
Canceled/Expired	(1,300)	3.25	(7,700)	4.56	(14,100)	7.39
Exercised	(200)	3.25	(900)	4.21	(258,250)	4.25
Options outstanding, end of year	552,000	\$3.80	756,150	\$4.66	1,106,050	\$11.39
Options exercisable, end of year	247,050	\$3.91	393,525	\$4.22	309,425	\$ 5.97
Options available for grant, end of year	197,800		442,750		334,600	
Weighted average fair value of options granted		\$1.75		\$3.23		\$ 8.07

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Options outstanding and exercisable by price range as of December 31, 1999 are as follows:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
\$3.120 - \$4.810	299,900	6.22	\$3.662	188,700	\$3.673
\$6.125 - \$10.125	189,700	8.19	\$6.804	77,750	\$7.074
\$11.875 - \$17.656	524,950	9.69	\$15.771	33,600	\$11.875
20.875 - \$22.000	91,500	9.79	\$21.152	9,375	\$22.000

401(k) PLAN

In 1995, the Company established a contributory retirement plan (the 401(k) Plan) covering eligible employees with at least one year of service. The 401(k) Plan is designed to provide tax-deferred retirement benefits to the Company's employees in accordance with the provisions of Section 401(k) of the Internal Revenue Code.

The 401(k) Plan provides that each participant may annually contribute 2% to 15% of his or her salary, not to exceed the statutory limit. The Company may make a qualified non-elective contribution in an amount as determined by the Company. Under the terms of the 401(k) Plan, the Company may also make discretionary profit sharing contributions. Profit sharing contributions are allocated among participants based on their annual compensation. Each participant has the right to direct the investment of their funds among certain named plans. In 1998 and 1999, the Company contributed 10% of the employee contributions up to a maximum of \$500 per employee.

(10) COMMITMENTS AND CONTINGENCIES:

As discussed more fully in Note 8, the Company is obligated under noncancellable operating leases with related parties. The Company also leases its corporate offices and other properties, as well as operating equipment from third parties under noncancellable operating leases. Rent expense under these agreements was approximately \$932,000, \$1,413,000 and \$1,827,000 for the years ended December 31, 1997, 1998 and 1999, respectively. Total future commitments under all noncancellable agreements for the years ended December 31, are approximately as follows:

2000

\$ 2,350,000

2001	2,453,000
2002	2,007,000
2003	1,847,000
2004	1,392,000
Thereafter	4,286,000

	\$ 14,335,000
	=====

The Company is involved in certain legal proceedings arising in the normal course of business. In the opinion of management, the Company's potential exposure under the pending proceedings is adequately provided for in the accompanying financial statements and any adverse outcome will not have a material impact on the Company's results of operations or its financial condition.

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(11) STOCKHOLDERS' EQUITY:

REDEEMABLE WARRANTS

Redeemable Warrants to purchase 187,500 shares of the Company's common stock at \$5.00 per share (subject to adjustment as described below) were issued in connection with the issuance in November 1997 of the Senior Subordinated Notes (Note 6). A portion of the original offering price was allocated to the Notes and the Redeemable Warrants based on their relative fair values. The Redeemable Warrants first became exercisable on March 1, 1998. The expiration date of the Redeemable Warrants is November 1, 2002. After October 13, 1999, the Company has the right to redeem the Redeemable Warrants at any time after the date that the closing price of the common stock has equaled or exceeded \$8.75 per share of a period of 20 consecutive trading days. The redemption price is \$0.05 per Redeemable Warrant.

The number of shares of common stock for which a Redeemable Warrant is exercisable and the purchase price thereof are subject to adjustment from time to time upon the occurrence of certain events, including certain dividends and distributions and issuances of shares of common stock at a price below the market price. A Redeemable Warrant does not entitle the holder thereof to receive any dividends paid on common stock nor does a holder of Redeemable Warrants, as such, have any rights of a stockholder of the Company. As of December 31, 1999, 66,230 of the Redeemable Warrants had been exercised for an equal number of shares of the Company's common stock, with proceeds to the Company of approximately \$331,000.

(12) ACQUISITIONS

The Company acquired the assets of five companies during the year ended December 31, 1999. The acquisitions were accounted for as purchases in accordance with Accounting Principals Boards (APB) Opinion No. 16, and accordingly, the purchased assets were recorded at their estimated fair values at the date of acquisition. The accompanying consolidated financial statements include the operations of the acquired companies from their respective dates of acquisition.

The aggregate purchase price of the operations acquired consist of:

Cash	\$ 20,615,000
Mandatorily Redeemable Preferred Stock	8,000,000
Other acquisition costs	750,000

Total	\$ 29,365,000
	=====

The fair value of the assets purchased has been allocated as follows:

Receivables	\$	887,000
Tangible assets		18,320,000
Deposits, prepaid expenses and other assets		397,000
Goodwill		11,355,000
Assumed liabilities		(1,594,000)

Total	\$	29,365,000
		=====

Goodwill is amortized using the straight-line method over 25 years from the date of the acquisition. The Company did not make any acquisitions in 1997. Included in other assets is \$1,210,000 and \$12,227,000 of goodwill, net of accumulated amortization of \$36,000 and \$374,000 at December 31, 1998 and 1999 respectively.

In accordance with Rule 10-01 of Regulation S-X, summary pro forma data is required to be presented for material business combinations, accounted for as a purchase according to APB 16, that have occurred in the current year. The following unaudited pro forma combined financial information for the years ended December 31, 1998 and 1999 gives effect to the NSC acquisition as if it

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had been consummated January 1 of each respective year. This unaudited pro forma combined financial information does not purport to project what the Company's actual results of operations would have been for the current period or for any future period.

	Year Ended December 31, 1998		Year Ended December 31, 1999	
	Historical	Pro Forma Combined	Historical	Pro Forma Combined
	-----	-----	-----	-----
Revenue	\$ 52,676,531	\$ 59,872,992	\$ 66,653,499	\$ 69,628,636
Net income available to common shareholders	\$ 4,483,967	\$ 4,271,647	\$ 9,003,568	\$ 8,799,368
Earnings per share - basic	\$ 0.57	\$ 0.54	\$ 0.89	\$ 0.87
Earnings per share - diluted	\$ 0.53	\$ 0.51	\$ 0.85	\$ 0.83

Pro Forma adjustments include adjustments to:

- Amortize the non-competition agreement on a straight line basis over 5 years.
- Increase depreciation for the increase in the containers and decrease in the vehicles and equipment carrying value to fair value.
- Reflect the amortization of goodwill recorded in connection with the acquisition, calculated based on a 25 year life.
- Eliminate the predecessor's interest expense related to debt not assumed, and record interest expense on debt issued or assume in connection with the acquisition.
- Record the estimate tax provision associated with the pro forma adjustments for the acquisition and to record the tax provision for the acquired company which was a limited liability company for income tax purposes for all periods prior to its acquisition by the Company. The effective income tax rate used was 40%.
- Record dividends on the Series B Mandatorily Redeemable Preferred Stock

The Company has adopted SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information, effective December 31, 1998. SFAS No. 131 superseded SFAS No. 14, Financial Reporting for Segments of a Business Enterprise. The adoption of SFAS No. 131 did not affect results of operations or financial position, but did affect the disclosure of segment information.

The Company's management approach includes evaluating each segment on which operating decisions are made based on performance, results and profitability. The Company currently has one reportable segment, branch operations. The branch operations segment includes the leasing and sales of portable storage units to businesses and consumers in the general geographic area of each branch. This segment also includes the Company's manufacturing facilities which are responsible for the purchase, manufacturing and refurbishment of the Company's products for leasing, sales or equipment additions to the Company's delivery system, and its discontinued dealer program. Previously, the Company had a corporate sales segment, which related to specialty type product sales and included the telecommunications and modular division of the Company. This segment is now included in "other" as the modular program was discontinued and the Company has scaled back the sales of telecommunication units.

The accounting policies of the segments are the same as those described in Note 1. The Company evaluates performance and profitability before interest costs, depreciation, income taxes and major non-recurring transactions. The Company does not account for intersegment revenues or expenses between its divisions.

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The Company's reportable segment concentrates on the Company's core business of leasing, manufacturing, and selling portable storage and office units. Included in the branch operations segment are residual sales from the Company's dealer division that was discontinued in 1998. The operating segment has managers who meet regularly and are accountable to the chief executive officer for financial results and ongoing plans including the influence of competition.

For the Fiscal Year ended:

	Branch Operations	Other	Combined
	-----	-----	-----
December 31, 1997			
Revenues from external customers	\$ 40,555,576	\$ 5,527,047	\$ 46,082,623
Segment profit (loss) before allocated interest, depreciation and amortization and income tax expense	15,131,643	(3,959,201)	11,172,442
Allocated interest expense	4,980,955	53,901	5,034,856
Depreciation and amortization expense	2,002,123	251,141	2,253,264
Segment profit	2,109,282	91,114	2,200,396
Segment assets - lease fleet	49,150,986	--	49,150,986
Segment assets - property, plant and equipment	16,677,428	1,334,488	18,011,916
Expenditures for long-lived assets - lease fleet	17,078,799	--	17,078,799
Expenditures for long-lived assets - PPE	2,489,201	(348,996)	2,140,205
December 31, 1998			
Revenues from external customers	\$ 48,677,951	\$ 3,998,580	\$ 52,676,531
Segment profit (loss) before allocated interest, depreciation and amortization and income tax expense	22,569,007	(5,890,184)	16,678,823
Allocated interest expense	5,890,730	5,609	5,896,339
Depreciation and amortization expense	2,493,289	390,718	2,884,007
Segment profit (loss)	4,723,752	(239,785)	4,483,967
Segment assets - lease fleet	76,589,831	--	76,589,831
Segment assets - property, plant and equipment	19,211,170	1,051,567	20,262,737
Expenditures for long-lived assets - lease fleet	23,492,555	--	23,492,555
Expenditures for long-lived assets - PPE	5,122,157	(1,346,798)	3,775,359
December 31, 1999			
Revenues from external customers	\$ 65,543,455	\$ 1,110,044	\$ 66,653,499

Segment profit (loss) before allocated interest, depreciation and amortization and income tax expense	33,730,339	(7,021,208)	26,709,131
Allocated interest expense	6,161,876	--	6,161,876
Depreciation and amortization expense	3,657,155	408,418	4,065,573
Segment profit (loss)	9,149,019	(145,451)	9,003,568
Segment assets - lease fleet	121,277,355	--	121,277,355
Segment assets - property, plant and equipment	22,363,357	881,930	23,245,287
Expenditures for long-lived assets - lease fleet	30,407,183	--	30,407,183
Expenditures for long-lived assets - PPE	4,368,687	313,874	4,682,561

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

ITEM 11. EXECUTIVE COMPENSATION.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information called for by Items 10, 11, 12 and 13 is incorporated by reference to the Company's definitive Proxy Statement for the 2000 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Documents filed as part of this Report:

- (1) The financial statements required to be included in this Report are included in ITEM 8 of this Report.
- (2) The following financial statement schedule for the years ended December 31, 1997, 1998, and 1999 is submitted herewith (at page F-4):

Schedule II - Valuation and Qualifying Accounts

All other schedules have been omitted because they are not applicable or not required.
- (3) Exhibits

Number	Description	Page
3.1(5)	Amended and Restated Certificate of Incorporation of Mobile Mini, Inc.	
3.1.1(6)	Certificate of Designation, Preferences and Rights of Series C Junior Participating Preferred Stock of Mobile Mini, Inc., dated December 17, 1999.	
3.2	Amended and Restated By-laws of Mobile Mini, Inc., adopted February 14, 2000	
4.1(1)	Form of Common Stock Certificate	
4.2(2)	Agreement and Form of Warrant for Warrants issued in connection with 12% Notes.	
4.3(6)	Rights Agreement, dated as of December 9, 1999, between Mobile Mini, Inc.	

- and Norwest Bank Minnesota, NA, as Rights Agent.
- 10.3(5) Mobile Mini, Inc. Amended and Restated 1994 Stock Option Plan
 - 10.4 Mobile Mini, Inc. 1999 Stock Option Plan
 - 10.5 Amended and Restated Credit Agreement dated as of December 27, 1999 among Mobile Mini, Inc., each of the financial institutions initially a signatory thereto, together with assignees, as Lenders, and BT Commercial Corporation, as Agent.
 - 10.6(1) Lease Agreement by and between Steven G. Bunger, Michael J. Bunger, Carolyn A. Clawson, Jennifer J. Blackwell, Susan E. Bunger (collectively "Landlord") and Mobile Mini Storage Systems ("Tenant") dated January 1, 1994
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 - 10.9(1) Lease Agreement by and between Mobile Mini Systems, Inc. ("Landlord") and Mobile Mini Storage Systems ("Tenant") dated January 1, 1994

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- 10.10(3) Amendment to Lease Agreement by and between Steven G. Bunger, Michael J. Bunger, Carolyn A. Clawson, Jennifer J. Blackwell, Susan E. Bunger (collectively "Landlord") and Mobile Mini Storage Systems ("Tenant") dated August 15, 1994
- 10.11(2) Amendment to Lease Agreement by and between Steven G. Bunger, Michael J. Bunger, Carolyn A. Clawson, Jennifer J. Blackwell, Susan E. Bunger (collectively "Landlord") and Mobile Mini Storage Systems ("Tenant") dated August 15, 1994
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- 10.13(4) Amendment to Lease Agreement by and between Mobile Mini Systems, Inc., a California corporation, ("Landlord"), and the Company dated December 30, 1994
- 10.14(5) Amendment No. 2 to Lease Agreement between Mobile Mini Systems, Inc. and the Company
- 10.15(1) Patents and Patents Pending
- 10.16(1) U.S. and Canadian Trade Name and Service Mark Registration
- 11 Statement Re: Computation of Per Share Earnings
- 21(5) Subsidiaries of Mobile Mini, Inc.
- 23 Consent of Arthur Andersen LLP
- 27 Financial Data Schedule

All other exhibits are omitted as the information required is inapplicable

- (1) Incorporated by reference to the Registrant's Registration Statement on Form SB-2 (No. 33-71528-LA), as amended
 - (2) Incorporated by reference to the Registrant's Registration Statement on Form S-2 (No. 333-34413)
 - (3) Incorporated by reference from the Registrant's Form 10-QSB for the quarter ended September 30, 1994
 - (4) Incorporated by reference from the Registrant's Form 10-KSB for the fiscal year ended December 31, 1994
 - (5) Incorporated by reference to the Registrant's Report on Form 10-K for the fiscal year ended December 31, 1997
 - (6) Incorporated by reference to the Registrant's Report on Form 8-K dated December 13, 1999
- (b) Reports on Form 8-K

On December 13, 1999, Registrant filed a Report 8-K related to the adoption of a Shareholder Rights Plan

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SCHEDULE II

MOBILE MINI, INC.

VALUATION AND QUALIFYING ACCOUNTS

FOR THE YEARS ENDED DECEMBER 31, 1997, 1998 AND 1999

	1997	December 31, 1998	1999
	-----	-----	-----
Allowance for doubtful accounts:			
Balance at beginning of year	\$ 268,181	\$ 892,992	\$ 1,085,250
Provision charged to expense	1,104,863	983,526	1,346,054
Provision acquired	--	--	313,203
Write-offs	(480,052)	(791,268)	(1,123,020)
	-----	-----	-----
Balance at end of year	\$ 892,992	\$ 1,085,250	\$ 1,621,487
	=====	=====	=====

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Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MOBILE MINI INC.

Date: February 29, 2000 By: /s/Steven G. Bunger

Steven G. Bunger, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: February 29, 2000 By: /s/Steven G. Bunger

Steven G. Bunger, President, Chief Executive Officer and Director (Principal Executive Officer)

Date: February 29, 2000 By: /s/Lawrence Trachtenberg

Lawrence Trachtenberg, Executive Vice President, Chief Financial Officer and Director (Principal Financial Officer and Principal Accounting Officer)

Date: February 29, 2000 By: /s/Deborah K. Keeley

Deborah K. Keeley, Vice President and Controller (Chief Accounting Officer)

Date: February 29, 2000 By: /s/Richard E. Bunger

Richard E. Bunger, Chairman and Director

Date: February 29, 2000 By: /s/Ronald J. Marusiak

Ronald J. Marusiak, Director

Date: February 29, 2000 By: /s/George Berkner

George Berkner, Director

Date: February 29, 2000 By: /s/Stephen A McConnell

Stephen A McConnell, Director

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EXHIBIT INDEX

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the Company
10.15(1) Patents and Patents Pending
10.16(1) U.S. and Canadian Trade Name and Service Mark Registration
11 Statement Re: Computation of Per Share Earnings
21(5) Subsidiaries of Mobile Mini, Inc.
23 Consent of Arthur Andersen LLP
27 Financial Data Schedule

All other exhibits are omitted as the information required is inapplicable

- (1) Incorporated by reference to the Registrant's Registration Statement on Form SB-2 (No. 33-71528-LA), as amended
- (2) Incorporated by reference to the Registrant's Registration Statement on Form S-2 (No. 333-34413)
- (3) Incorporated by reference from the Registrant's Form 10-QSB for the quarter ended September 30, 1994
- (4) Incorporated by reference from the Registrant's Form 10-KSB for the fiscal year ended December 31, 1994
- (5) Incorporated by reference to the Registrant's Report on Form 10-K for the fiscal year ended December 31, 1997
- (6) Incorporated by reference to the Registrant's Report on Form 8-K dated December 13, 1999

CERTIFICATE OF DESIGNATION
OF
SERIES C JUNIOR PARTICIPATING PREFERRED STOCK
OF
MOBILE MINI, INC.

PURSUANT TO SECTION 151(g) OF THE GENERAL CORPORATION LAW
OF THE STATE OF DELAWARE

We, Steven G. Bunger, President and Chief Executive Officer,
and Lawrence Trachtenberg, Secretary, of Mobile Mini, Inc., a corporation
organized and existing under the General Corporation Law of the state of
Delaware (the "DGCL"), in accordance with the provisions of Section 151(g)
thereof, DO HEREBY CERTIFY:

That pursuant to the authority conferred upon the Board of
Directors by the Amended and Restated Certificate of Incorporation of the
Company, the said Board of Directors on December 9, 1999, adopted the following
resolution creating a series of One Hundred Seventy Thousand (170,000) shares of
Preferred Stock designated as Series C Junior Participating Preferred Stock:

RESOLVED, that pursuant to the authority vested in the Board
of Directors of the Company in accordance with the provisions of its Amended and
Restated Certificate of Incorporation, as amended, a series of Preferred Stock
of the company be and it hereby is created, and that the designation and amount
thereof and the powers, preferences and relative, participating, optional and
other special rights of the shares of such series, and the qualifications,
limitations or restrictions thereof are as follows:

Section 1. Designation and Amount.

There shall be a series of the Preferred Stock which shall be
designated as the "Series C Junior Participating Preferred Stock," par value
\$0.01 per share, and the number of shares constituting such series shall be
170,000. Such number of shares may be increased or decreased by resolution of
the Board of Directors; provided, that no decrease shall reduce the number of
shares of Series C Junior Participating Preferred Stock to a number less than
that of the shares then outstanding plus the number of shares issuable upon
exercise of outstanding rights, options or warrants or upon conversion of
outstanding securities issued by the Company.

Section 2. Dividends and Distributions.

(A) Subject to the rights of the holders of any shares of any
series of preferred stock of the Company ranking prior and superior to the
Series C Junior Participating Preferred Stock with respect to dividends, the
holders of shares of Series C Junior Participating Preferred Stock, in
preference to the holders of shares of Common Stock, par value \$0.01 per share
of the Company (the "Common Stock"), and of any other junior stock, shall be
entitled to receive, when, as and if declared by the Board of Directors out of
funds legally available for the purpose, quarterly dividends payable in cash on
any regular quarterly dividend payment date as shall be

established by the Board of Directors (each such date being referred to herein
as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly
Dividend Payment Date after the first issuance of a share or fraction of a share
of Series C Junior Participating Preferred Stock, in an amount per share
(rounded to the nearest cent) equal to the greater of (a) \$1.00 or (b) subject
to the provision for adjustment hereinafter set forth, 100 times the aggregate
per share amount of all cash dividends, and 100 times the aggregate per share
amount (payable in kind) of all non-cash dividends or other distributions, other

than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series C Junior Participating Preferred Stock. In the event the Company shall at any time after December 30, 1999 (the "Rights Declaration Date") declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series C Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Company shall declare a dividend or distribution on the Series C Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$1.00 per share on the Series C Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series C Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series C Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series C Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may, in accordance with applicable law, fix a record date for the determination of holders of shares of Series C Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared

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thereon, which record date shall be not more than such number of days prior to the date fixed for the payment thereof as may be allowed by applicable law.

Section 3. Voting Rights.

The holders of shares of Series C Junior Participating Preferred Stock shall have the following voting rights:

(A) Each share of Series C Junior Participating Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Company. In the event the Company shall at any time after the Rights Declaration Date declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the

number of votes to which holders of shares of Series C Junior Participating Preferred Stock were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in the Company's Amended and Restated Certificate of Incorporation or by law, the holders of shares of Series C Junior Participating Preferred Stock, the holders of shares of Common Stock, and the holders of shares of any other capital stock of the Company having general voting rights, shall vote together as one class on all matters submitted to a vote of stockholders of the Company.

(C) Except as otherwise set forth herein or in the Company's Amended and Restated Certificate of Incorporation, and except as otherwise provided by law, holders of Series C Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever dividends or distributions payable on the Series C Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series C Junior Participating Preferred Stock outstanding shall have been paid in full, the Company shall not:

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series C Junior Participating Preferred Stock;

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(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series C Junior Participating Preferred Stock, except dividends paid ratably on the Series C Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) except as permitted in Section 4(A)(iv) below, redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series C Junior Participating Preferred Stock, provided that the Company may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Company ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series C Junior Participating Preferred Stock; and

(iv) purchase or otherwise acquire for consideration any shares of Series C Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series C Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair

and equitable treatment among the respective series or classes.

(B) The Company shall not permit any subsidiary of the Company to purchase or otherwise acquire for consideration any shares of stock of the Company unless the Company could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares.

Any shares of Series C Junior Participating Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. The Company shall cause all such shares upon their cancellation to be authorized but unissued shares of Preferred Stock which may be reissued as part of a new series of Preferred Stock, subject to the conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Winding Up.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock of the Company ranking prior and superior to the Series C Junior Participating Preferred Stock with respect to liquidation, upon any liquidation (voluntary or otherwise), dissolution or winding up of the Company, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series C Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series C

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Junior Participating Preferred Stock shall have received \$100.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series C Liquidation Preference"). Following the payment of the full amount of the Series C Liquidation Preference, no additional distributions shall be made to the holders of shares of Series C Junior Participating Preferred Stock, unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series C Liquidation Preference by (ii) 100 (as appropriately adjusted as set forth in subparagraph C below to reflect such events as stock dividends, and subdivisions, combinations and consolidations with respect to the Common Stock) (such number in clause (ii) being referred to as the "Adjustment Number"). Following the payment of the full amount of the Series C Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series C Junior Participating Preferred Stock and Common Stock, respectively, holders of Series C Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Series C Junior Participating Preferred Stock and Common Stock, on a per share basis, respectively.

(B) In the event there are not sufficient assets available to permit payment in full of the Series C Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series C Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) In the event the Company shall at any time after the Rights Declaration Date declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser

number of shares of Common Stock, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc.

In case the Company shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series C Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Company shall at any time after the Rights Declaration Date declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a

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subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series C Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that are outstanding immediately prior to such event.

Section 8. Redemption.

The shares of Series C Junior Participating Preferred Stock shall not be redeemable.

Section 9. Ranking.

The Series C Junior Participating Preferred Stock shall rank junior to all other series of the Company's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Fractional Shares.

Series C Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series C Junior Participating Preferred Stock."

IN WITNESS WHEREOF, we have executed and subscribed this Certificate and do affirm the foregoing as true under the penalties of perjury this ____th day of December, 1999.

By: _____
Name: Steven G. Bunger
Title: President and Chief Executive Officer

Attest

By: _____
Name: Lawrence Trachtenberg
Title: Secretary

AMENDED AND RESTATED
 BYLAWS
 OF
 MOBILE MINI, INC.
 A DELAWARE CORPORATION

[As amended and restated through
 February 14, 2000]

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AMENDED AND RESTATED
BYLAWS
OF
MOBILE MINI, INC.
A DELAWARE CORPORATION

(as amended through, and effective on, February 14, 2000)

1. OFFICES

1.1. PRINCIPAL OFFICE. The principal office for the transaction of the business of the Corporation shall be fixed by the Board of Directors, either within or without the State of Delaware, by formal resolution. The Board of Directors shall have full power and authority from time to time to change the location of the principal office of the Corporation.

1.2. OTHER OFFICES. The Corporation may also have offices at such other places, both within or without the State of Delaware, as the Board of Directors

may from time to time determine or the business of the Corporation may require.

2. CERTIFICATE OF INCORPORATION

2.1. REFERENCES THERETO. Any reference herein made to the Certificate of Incorporation refers to the Corporation's Certificate of Incorporation and all amendments thereto as at any given time on file with the Secretary of State of the State of Delaware.

2.2. SENIORITY THEREOF. The Delaware General Corporation Law will in all respects be considered superior to the Certificate of Incorporation with any inconsistency resolved in favor of the Delaware General Corporation Law. The Delaware General Corporation Law and the Certificate of Incorporation will in all respects be considered senior and superior to these Bylaws, with any inconsistency to be resolved in favor of the Delaware General Corporation Law and the Certificate of Incorporation, and with these Bylaws to be deemed automatically amended from time to time to eliminate any such inconsistency which may then exist.

3. SEAL

3.1. FORM THEREOF. The seal of the Corporation will have inscribed thereon the name of the Corporation and the state and year of its incorporation.

3.2. USE. Except to the extent otherwise required by law or these Bylaws, the seal of the Corporation shall not be required to be affixed to any document or instrument of the Corporation in order for such document or instrument to be valid and binding upon the Corporation.

3.3. AUTHORIZATION. In the absence of the Secretary or Assistant Secretary, any officer authorized by the Board of Directors to do so may affix the seal of the Corporation to any instrument requiring a seal.

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4. MEETINGS OF STOCKHOLDERS

4.1. ANNUAL MEETINGS.

(a) The annual meeting of stockholders will be held on such day and at such time and place as the Board of Directors shall determine.

(b) The Chairman of the Board or, in his absence, the President or such other officer as the Board of Directors shall specify shall preside at the annual meeting of stockholders.

(c) At each annual meeting, the stockholders shall elect directors for the class of directors whose term is then ending and transact such other business as may be properly brought before them.

4.2. SPECIAL MEETINGS. Special meetings of the stockholders for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairman of the Board and shall be called by the Secretary at the written request, or by resolution adopted by the affirmative vote, of a majority of the Board of Directors. Such request shall state the purpose or purposes of the proposed meeting. The business which may be conducted at any such special meeting will be confined to the purpose or purposes stated in the notice thereof and to such additional matters as the chairman of such meeting may rule to be germane to such purpose or purposes.

4.3. ACTION OF STOCKHOLDERS WITHOUT A MEETING. Stockholders shall not have the power to act by means of a written consent.

4.4. NOTICE OF MEETINGS.

(a) Written notice stating the day, time and place (which may be within or without the State of Delaware) of any meeting of stockholders and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more than sixty (60) days before the day of the meeting.

(b) The Secretary of the Corporation at the direction of the person or persons calling the meeting shall deliver or give such notice by mail or by any other means permitted by the Delaware General Corporation Law (including, without limitation, personal delivery and delivery by means of electronic communication, such as telefacsimile and email) to each stockholder of record

entitled to vote at such meeting.

(c) If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his address as it appears on the stock transfer books of the Corporation. If delivered or given by any other permitted means, such notice shall be deemed delivered when dispatched by any generally accepted means of electronic communication, addressed to the stockholder at an address of or for that stockholder that is appropriate in view of the means of communication used. Personal delivery of any such notice to any officer of a corporation or association or to any member of a partnership shall constitute delivery of such notice to such corporation, association or partnership.

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(d) Whenever any notice is required to be given to any stockholder, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting unless that person is attending the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4.5. ADJOURNED MEETINGS. When a meeting is adjourned to another time or place, unless the Bylaws otherwise require, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or, if after the adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

4.6. QUORUM. A majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. All shares represented and entitled to vote on any single subject matter that may be brought before the meeting shall be counted for the purposes of determining a quorum. Only those shares entitled to vote on a particular subject matter shall be counted for the purposes of voting on that subject matter. Business may be conducted once a quorum is present and may continue until adjournment of the meeting notwithstanding the withdrawal or temporary absence of sufficient shares to reduce the number present to less than a quorum.

4.7. NOTICE OF STOCKHOLDER BUSINESS AT ANNUAL MEETINGS. At any annual meeting of stockholders, only such business shall be conducted as shall have been properly brought before the meeting. In addition to any other requirements imposed by or pursuant to law, the Certificate of Incorporation or these Bylaws, each item of business to be properly brought before an annual meeting must (a) be specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board or the persons calling the meeting pursuant to the Certificate of Incorporation; (b) be otherwise properly brought before the meeting by or at the direction of the Board; or (c) be otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the annual meeting; provided, however, that in the event less than 100 days' notice or prior public disclosure of the date of the annual meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. For purposes of these Bylaws "public disclosure" shall mean disclosure in a press release reported by the Dow Jones, Associated Press, Reuters or comparable national news service, or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act"). A stockholder's notice to the Secretary shall set forth as to each matter he or she purposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the annual meeting, (b) the name

and

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address, as they appear on the Corporation's books, of the stockholder(s) proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the proposing stockholder(s), and (d) any material interest of the proposing stockholder(s) in such business. The chairman of the annual meeting shall, if the facts warrant, determine and declare to the annual meeting that business was not properly brought before the annual meeting in accordance with the provisions of this Section; and if he or she should so determine, shall so declare to the meeting and any such business not properly brought before the annual meeting shall not be transacted. The chairman of the meeting shall have absolute authority to decide questions of compliance with the foregoing procedures, and his or her ruling thereon shall be final and conclusive. The provisions of this Section shall also govern what constitutes timely notice for purposes of Rule 14a-4(c) under the 1934 Act.

4.8. REQUISITE VOTE. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the shares entitled to vote which are present in person or represented by proxy shall decide any questions brought before such meeting, unless the question is one upon which, by express provision of law, the Certificate of Incorporation or by these Bylaws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

4.9. MANNER OF VOTING. Except as otherwise provided by the Certificate of Incorporation or by the Delaware General Corporation Law, each share of stock represented at any meeting of the stockholders shall be entitled to one vote. Except as otherwise herein provided, the recordholder of each share of stock, as determined by the name appearing on the Corporation's books, shall be the person empowered to cast the vote. Voting will be by ballot on any question as to which a ballot vote is demanded, prior to the time the voting begins, by any person entitled to vote on such question; otherwise, a voice vote will suffice. No ballot or change of vote will be accepted after the polls have been declared closed following the end of the announced time for voting. The following additional provisions shall apply to the voting of shares:

(a) Treasury Stock. Shares of its own stock belonging to this Corporation or to another corporation, if a majority of the shares entitled to vote in the elections of directors of such other corporation is held by this Corporation, shall neither be entitled to vote nor counted for quorum purposes. Nothing in this subparagraph shall be construed as limiting the right of this Corporation to vote its own stock held by it in a fiduciary capacity.

(b) Proxies.

- (1) A stockholder may vote either in person or by proxy executed in writing by the stockholder or by his duly authorized attorney-in-fact. In the event any instrument granting a proxy shall designate two or more persons to act as proxy, any of such persons present at the meeting shall have and may exercise all the powers conferred by such instrument upon all the persons so designated unless such instrument shall otherwise provide.

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- (2) No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.
- (3) A duly executed proxy shall be irrevocable if it states that

it is irrevocable and if, and only as long as, it is coupled with an interest sufficient at law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the share itself or an interest in the Corporation or other entity generally.

- (4) A proxy is not revoked by the death or incapacity of the maker unless, before the vote is counted or quorum is determined, written notice of the death or incapacity is given to the Secretary of the Corporation. A proxy may be revoked by an instrument expressly revoking it, a duly executed proxy bearing a later date, or the attendance of the person executing the proxy at the meeting and his voting of his shares personally.

(c) Corporate Stockholders.

- (1) Shares standing in the name of another corporation, a limited liability company, a partnership or other entity, domestic or foreign, may be voted by such officer, partner, member, agent or proxy as the bylaws or other similar instrument of such other corporation or other entity may prescribe or, in the absence of such provision, as the board of directors or other body of such other corporation or other entity may determine.
- (2) The Secretary of the Corporation and the election inspectors may accept the apparent authority of any officer or other signatory purporting to have authority, and the Secretary of the Corporation or the election inspectors shall have the authority (but not the duty) to require that such documents be filed with the Secretary of the Corporation in order to verify the authority and power of any such officer, partner, member, agent or proxy to vote the shares of the Corporation held by any such other corporation or other entity.

(d) Shares Held by Fiduciary.

- (1) Shares held by an administrator, executor, guardian, conservator or personal representative may be voted by him, either in person or by proxy, without a transfer of such shares into his name.
- (2) Shares standing in the name of a trustee, other than a trustee in bankruptcy, may be voted by him, either in person or by proxy, but no such trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

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- (3) Shares standing in the name of a receiver, trustee in bankruptcy or assignee for the benefit of creditors may be voted by such representative, either in person or by proxy, without the transfer thereof into his name if authority to do so is contained in an appropriate order of the court by which such receiver or trustee was appointed.
- (4) The Secretary of the Corporation or the election inspectors shall have the authority (but not the duty) to require that such documents be filed with the Secretary of the Corporation in order to verify the authority and power of any such representative or other fiduciary to vote the shares of the Corporation registered in the name of such other person.

(e) Pledged Shares. A stockholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee or unless the pledgee is specifically empowered by such

stockholder to vote the stockholder's shares.

(f) Joint Owners. If shares stand in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety or tenants by community property or otherwise, or if two or more persons have the same fiduciary relationship respecting the same shares, unless the Corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect:

- (1) If only one votes, his acts bind.
- (2) If more than one votes, the act of the majority so voting binds all.
- (3) If more than one votes, but the vote is evenly split on any particular matter, each faction may vote the shares in question proportionally.

4.10. RECORD DATE FOR STOCKHOLDERS.

(a) In order to determine the stockholders entitled to notice of or to vote at any meeting of stockholders, or entitled to give their consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights with regard to any lawful action, the Board of Directors may fix, in advance, a record date that shall not exceed sixty (60) days nor be less than ten (10) days preceding the day of such meeting or other action.

(b) The stockholders entitled to notice of or to vote at a meeting of stockholders will be determined as of the applicable record date if one has been fixed; otherwise, if no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at five o'clock in the evening Eastern time on the fifth day before the day on which notice is given and, if no other record date is fixed, the record date

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for determining stockholders entitled to express consent to corporate action in writing without a meeting shall be the time of the day on which the first written consent is provided.

4.11. VOTING RECORDS. The Secretary of the Corporation shall obtain from the transfer agent of the Corporation a complete record of the stockholders entitled to vote at any meeting of stockholders or any adjournment thereof, arranged in alphabetical order and with the address of and the number of shares held by each. Such record shall be produced at least ten (10) days prior to the meeting, shall be kept open at the time and place of the meeting or such other place as specified in the notice of the meeting, and shall be subject to the inspection of any stockholder during such ten (10) day period and during the whole time of the meeting for the purposes thereof.

4.12. ELECTION INSPECTORS.

(a) The Board of Directors, in advance of any meeting of stockholders, may appoint an election inspector or inspectors to act at such meeting (and any adjournment thereof). If an election inspector or inspectors are not so appointed, the chairman of the meeting shall make such appointment. If any person appointed as an inspector fails to appear or to act, the chairman of the meeting may appoint a substitute.

(b) If appointed, the election inspector or inspectors (acting through a majority of them if there be more than one) will determine the number of shares outstanding, the authenticity, validity and effect of proxies and the number of shares represented at the meeting in person and by proxy; they will receive and count votes, ballots and consents and announce the results thereof; they will hear and determine all challenges and questions pertaining to proxies

and voting; and, in general, they will perform such acts as may be proper to conduct elections and voting with complete fairness to all stockholders.

(c) An election inspector need not be a stockholder of the Corporation.

4.13. ORGANIZATION AND CONDUCT OF MEETINGS.

(a) Each meeting of stockholders will be called to order and thereafter chaired by the Chairman of the Board if there is one; or if there is no Chairman of the Board or if the Chairman of the Board is absent or so requests, then by the President; or if both the Chairman of the Board and the President are unavailable or if the Board of Directors so determines, then by such other officer of the Corporation or such stockholder as may be appointed by the Board of Directors.

(b) The Secretary of the Corporation will act as secretary of each meeting of stockholders; in his absence the chairman of the meeting may appoint any person (whether a stockholder or not) to act as secretary.

(c) After calling a meeting to order, the chairman thereof may require the registration of all stockholders intending to vote in person and the filing of all proxies with the election inspector or inspectors, if one or more have been appointed (or, if not, with the secretary of the meeting). After the announced time for such filing of proxies has ended, no further proxies or changes, substitutions or revocations of proxies will be accepted. If directors are to be elected,

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a tabulation of the proxies so filed will, if any person entitled to vote in such election so requests, be announced at the meeting (or adjournment thereof).

(d) Absent a showing of bad faith on his part, the chairman of the meeting will, among other things, have absolute authority to fix the period of time allowed for the registration of stockholders and the filing of proxies, determine the order of business to be conducted at such meeting, and in the absence of any regulations established by the Board of Directors pursuant to Section 12.6 of these Bylaws, establish reasonable rules for expediting the business of the meeting (including any informal, or question and answer portions thereof).

4.14. INFORMALITIES AND IRREGULARITIES. All informalities or irregularities in any call or notice of a meeting or in the areas of credentials, proxies, quorums, voting and similar matters will be deemed waived if no objection is made at the meeting.

5. BOARD OF DIRECTORS

5.1. POWERS. To the broadest extent permitted by applicable law, all corporate power shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed by, the Board of Directors. In addition to any other powers granted by the Delaware General Corporation Law, the Certificate of Incorporation and the Bylaws, it is hereby expressly declared that the directors shall have the following powers:

(a) To select and remove all the officers, agents and employees of the Corporation, to prescribe such powers and duties for them as may not be inconsistent with law, the Certificate of Incorporation or the Bylaws, and to fix their compensation.

(b) To conduct, manage and control the affairs and business of the Corporation and to make such rules and regulations therefor not inconsistent with law, the Certificate of Incorporation or the Bylaws as they may deem best.

(c) To designate any place, within or without the State of Delaware, for the holding of any meeting or meetings of stockholders, to adopt, make and use a corporate seal, to prescribe the form of certificate of stock, and to

alter the forms of such seal and such certificates to ensure that they, at all times, comply with the applicable law.

(d) To authorize the issuance of shares of stock of the Corporation from time to time upon such terms as may be lawful and in consideration of money paid, labor done or services actually rendered, debts or securities canceled, or tangible or intangible property actually received, or in the case of shares issued, as a dividend against amounts transferred from surplus to stated capital.

(e) To create and issue (whether or not in connection with the issue and sale of any stock or other securities of the Corporation) warrants, rights or options entitling the holders thereof to purchase from the Corporation any shares of any class or classes or any other securities of the Corporation for such consideration and to such persons, firms or corporations as the Board of Directors, in its sole discretion, may determine, setting aside from the authorized but unissued stock of the Corporation the requisite number of shares for issuance upon the exercise of such

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warrants, rights or options. Such warrants, rights or options shall be evidenced by such instrument or instruments as shall be approved by the Board of Directors. The terms upon which, the time or times (which may be limited or unlimited in duration) at or within which, and the price or prices at which any such shares or other securities may be purchased from the Corporation upon the exercise of any such warrant, right or option shall be such as shall be fixed and stated in a resolution or resolutions of the Board of Directors providing for the creation and issue of such warrants, rights or options.

(f) To borrow money and incur indebtedness for the purposes of the Corporation and to cause to be executed and delivered therefor in the corporate name promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities therefor.

(g) To authorize a person or persons to sign and endorse all checks, drafts or other forms for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation.

5.2. MEMBERSHIP.

(a) The business and affairs of the Corporation shall be managed by its Board of Directors, consisting of not less than three nor more than thirteen. The Board of Directors will have the power to increase or decrease its size within such limits; provided, however, that no decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

(b) Subject to and at such time as provided in the Certificate of Incorporation, the number of Board of Directors shall be divided into three (3) classes, as nearly equal in number as may be, to serve staggered three-year terms on the Board of Directors. In the case of any increase in the number of directors of the Corporation, the additional directors shall be so classified that all classes of directors shall be increased equally as nearly as may be, and the additional directors shall be elected as provided herein by the directors or by the stockholders at an annual meeting. In case of any decrease in the number of directors of the Corporation, all classes of directors shall be decreased equally as nearly as may be.

(c) Election of directors shall be conducted as provided in the Certificate of Incorporation, in these Bylaws or by applicable law. At each annual meeting, the shareholders shall elect directors to hold office until the next annual meeting of shareholders or until the end of the term for which a director was elected in accordance with the classification of directors pursuant to the Certificate of Incorporation. Each director shall hold office until his successor is elected and qualified or until his earlier resignation or removal. The directors need not be stockholders or residents of the state of

incorporation.

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5.3. NOMINATIONS OF DIRECTORS.

(a) Nominations for election to the Board of Directors of the Corporation at a meeting of stockholders may be made by the Board of Directors, or on behalf of the Board of Directors by a nominating committee appointed by the Board of Directors, or by any stockholder of the Corporation entitled to vote for the election of directors at such meeting.

(b) Such nominations, other than those made by or on behalf of the Board of Directors, shall be made by notice in writing delivered or mailed by the United States mail, postage prepaid, to the Secretary of the Corporation and received by him not less than sixty (60) days prior to any annual meeting of stockholders or such other period as may be specified in the proxy statement for the most recently concluded meeting of the stockholders.

(c) Such notice shall set forth as to each proposed nominee who is not an incumbent director (i) the name, business address, telephone number and, if known, residence address of each such nominee, (ii) the principal occupation or employment of each such nominee, (iii) the number of shares of stock of the Corporation that are beneficially owned by each such nominee and by the nominating stockholder, and (iv) any other information concerning each such nominee that must be disclosed with respect to nominees in proxy solicitations pursuant to the rules, regulations and forms then promulgated under Section 14(a) of the Securities Exchange Act of 1934.

5.4. VACANCIES.

(a) Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though not less than a quorum, or by a sole remaining director. Any director so chosen shall hold office until the next election of directors, or the next election of directors of the class of directors to which that director was elected if the Corporation shall then have a classified Board of Directors, when his successor is elected and qualified. Any newly created directorship shall be deemed a vacancy.

(b) When one or more directors shall resign from the Board of Directors, effective at a future time, a majority of the directors then in office, including those who have so resigned, shall have the power to fill such vacancy or vacancies. Such vote thereon shall take effect when such resignation or resignations become effective, and each director so chosen shall hold office as herein provided in the filling of other vacancies.

(c) If at any time, by reason of death or resignation or other cause, the Corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee, guardian or personal representative of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders.

5.5. REMOVAL OF DIRECTORS. At a meeting of the stockholders called expressly for that purpose, directors may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of directors.

5.6. MEETINGS.

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(a) Annual Meetings. An annual meeting of the directors shall be held after the adjournment of each annual meeting of stockholders at the place at

which such meeting of stockholders was held or on such other day and at such other time and place as the Board of Directors shall determine.

(b) Regular Meetings. Regular meetings other than annual meetings may be held without notice at regular intervals at such places, within or without the State of Delaware, and at such times as the Board of Directors may from time to time provide.

(c) Special Meetings. Special meetings of the Board of Directors may be held whenever and wherever (within the continental United States) called for by the Chairman of the Board, the President or the number of directors required to constitute a quorum.

(d) Manner of Participating. Members of the Board of Directors or any committee thereof may participate in any meeting, regular or special, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. The participation in a meeting so held shall constitute presence in person at such meeting.

5.7. ACTION BY DIRECTORS WITHOUT A MEETING. Any action required to be taken at a meeting of the Board of Directors, or any action that may be taken at a meeting of the Board of Directors or the Executive Committee or other committee thereof, may be taken without a meeting if all directors or committee members consent thereto in writing. Such consent shall have the same effect as an unanimous vote.

5.8. NOTICE OF MEETINGS.

(a) Regular Meetings. No notice need be given of regular meetings of the Board of Directors.

(b) Special Meetings. Written notice of the day, time and place (but not necessarily the purpose or all of the purposes) of any special meeting shall be delivered or given to each director verbally or in writing either personally, by telephone, by telefacsimile, by mail or by any other reliable means of communication. Notice to any director of such special meeting will be deemed delivered sufficiently in advance when, if mailed, the same is deposited in the United States mail, postage prepaid, at least five (5) days before the meeting day or, if by any other permitted means, the same is delivered to the director at least forty-eight (48) hours prior to the convening of the meeting.

(c) Waiver of Call or Notice. Any director may waive call or notice of any meeting (and any adjournment thereof) at any time before, during which or after it is held. Attendance of a director at any meeting will automatically evidence his waiver of call and notice of such meeting (and any adjournment thereof) unless he is attending the meeting for the express purpose of objecting to the transaction of business thereat because it has not been properly called or noticed. No call or notice of a meeting of the Board of Directors will be necessary if each of them waives the same in writing or by attendance as aforesaid.

5.9. ADJOURNED MEETINGS. Any meeting, once properly called and noticed (or as to which call and notice have been waived) and at which a quorum is formed, may be adjourned to another time and place by a majority of those in attendance. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

5.10. QUORUM. A majority of the number of directors then serving shall constitute a quorum for the transaction of business at any meeting or adjourned meeting of the Board of Directors; provided, however, that in no event shall fewer than two directors constitute a quorum unless only one director is then serving.

5.11. VOTING REQUIREMENTS. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

5.12. PRESUMPTION OF ASSENT. A director of the Corporation who is present

at a meeting of the Board of Directors or of any committee thereof at which action is taken on any corporate matter will be presumed to have assented to the action taken unless his dissent is entered in the minutes of the meeting, or he files his written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof, or he forwards such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of such meeting. A right to dissent shall not be available to a director who voted in favor of the action.

5.13. COMPENSATION. By resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors or of any committee thereof, a fixed sum for attendance at each such meeting or a stated salary as a director or committee member, or any combination of the foregoing. Directors may participate in stock option or other benefit plans of the Corporation in accordance with the terms and provisions thereof. No such payment or participation will preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

5.14. DIRECTOR CONFLICTS OF INTEREST. No contract or other transaction between the Corporation and one or more of its directors or any other business entity in which one or more of its directors is also a director or officer or is financially interested shall be either void or voidable because of such relationship or interest or because such director or directors are present at a meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies such contract or transaction or vote for such authorization, approval or ratification if:

(a) Approval by Disinterested Directors. The fact of the relationship or interest is disclosed or known to the Board of Directors or committee thereof, and the number of disinterested directors or committee members authorizing, approving or ratifying such contract or transaction is sufficient for such authorization, approval or ratification to be granted; or

(b) Approval by Stockholders. The fact of the relationship or interest is disclosed to the stockholders entitled to vote, and they authorize, approve or ratify such contract or transaction; or

(c) Fair and Reasonable. In light of circumstances known to those entitled to vote thereon at that time, the contract or transaction is fair and reasonable to the Corporation at the time the contract or transaction is authorized, approved or ratified.

6. EXECUTIVE AND OTHER COMMITTEES

6.1. CREATION. The Board of Directors may designate, by resolution adopted by an absolute majority of the full Board of Directors, two or more of its members as an Executive Committee, and may designate from among its members one or more other committees. The designation of the Executive Committee or any other committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any member thereof of any responsibility imposed by law.

6.2. POWERS. The Executive Committee, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors in the management of the business affairs of the Corporation, subject to the limitations as may be included in the resolution of the Board of Directors and the limitations set forth below. Neither the Executive Committee nor any other committee shall have the authority of the Board of Directors in reference to the following matters:

(a) The submission to the stockholders of any action that requires stockholders' authorization or approval.

(b) The filling of vacancies on the Board of Directors or on any committee of the Board of Directors.

(c) The amendment or repeal of the Bylaws or the adoption of new Bylaws.

(d) The fixing of compensation of directors for serving on the Board of Directors or on any committee thereof.

6.3. TENURE AND REMOVAL. The members of any committee shall hold office until the next annual meeting of the Board of Directors and until their successors are appointed by a new resolution of the Board of Directors. The Board of Directors, with or without cause, may dissolve any committee or remove any member thereof at any time.

6.4. VACANCIES. Any vacancies occurring by reason of death, resignation, removal, disqualification or otherwise may be filled only by the full Board of Directors.

6.5. ORGANIZATION. The members of the Executive Committee or other committee shall elect a chairman of the committee, who shall appoint a secretary of the same, and the committee shall otherwise fix its own rules or procedures that shall not be inconsistent with these Bylaws. The Executive Committee or other committee shall meet where and as provided by its rules.

6.6. QUORUM AND VOTING. A majority of the members of the Executive Committee or other committee shall constitute a quorum for the transaction of business at any meeting thereof;

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provided, however, that the affirmative vote of a majority of the members of the Executive Committee or other committee in all cases shall be necessary for the adoption of any resolution.

6.7. MINUTES. The Executive Committee and other committees shall keep regular minutes of their proceedings and the transactions of their meetings and report the same to the Board of Directors at the next meeting thereof. Such minutes shall be open to the inspection of any director upon application at the office of the Corporation during business hours.

7. OFFICERS

7.1. OFFICERS; APPOINTMENT.

(a) The officers of the Corporation shall include a President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. The Board of Directors may also appoint a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries and Assistant Treasurers and such other officers as it may from time to time deem appropriate or necessary. The Board of Directors further may appoint or delegate to any standing Audit Committee of the Board of Directors the power to appoint a Controller.

(b) The same person may hold any number of offices, except that the offices of President and Secretary shall not be held by the same person, and the offices of Controller and Treasurer or Assistant Treasurer shall not be held by the same person.

(c) All officers and agents shall have such authority and perform such duties in the management of the Corporation as may be provided in these Bylaws or as may be determined by resolution of the Board of Directors not inconsistent with these Bylaws.

7.2. REMOVAL OF OFFICERS. The Board of Directors may remove any officer or agent of the Corporation whenever, in its judgment, the best interest of the Corporation will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed; the election or appointment of an officer or agent shall not of itself create any such contract rights.

7.3. SALARIES. The salaries of the officers shall be fixed from time to time by the Board of Directors or by any committee thereof to which such authority may be delegated by the full Board of Directors. No officer shall be prevented from receiving a salary by reason of the fact that he is also a director of the Corporation.

7.4. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors at any time.

7.5. DELEGATION. The Board of Directors may, by resolution duly recorded in the minutes of the Board of Directors, delegate to the Chief Executive Officer of the Corporation the authority to fix the salaries and other compensation of any or all officers of the Corporation, except himself.

7.6. CHAIRMAN OF THE BOARD. The Board of Directors may elect a Chairman of the Board to serve as a general executive officer of the Corporation and, if specifically designated as

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such by the Board of Directors, as the Chief Executive Officer and principal executive officer of the Corporation. If elected, the Chairman will preside at all meetings of the Board of Directors and be vested with such other powers and duties as the Board of Directors may from time to time delegate to him.

7.7. PRESIDENT AND VICE PRESIDENT.

(a) The President will be the chief operating officer of the Corporation and will supervise the business and affairs of the Corporation and the performance by all of its other officers of their respective duties, subject to the control of the Board of Directors and of its Chairman, if the Chairman has been specifically designated as the Chief Executive Officer of the Corporation (failing which the President will be such Chief Executive Officer and principal executive officer).

(b) One or more Vice Presidents may be elected by the Board of Directors, each of whom, in the order designated by the Board of Directors, will be vested with all of the powers and charged with all of the duties (including those herein specifically set forth) of the President in the event of his absence or disability. Each Vice President will perform such other duties as may from time to time be delegated or assigned to him by the Chief Executive Officer, the President or the Board of Directors.

(c) Except as may otherwise be specially provided by resolution of the Board of Directors, the President or any Vice President will be a proper officer to sign on behalf of the Corporation any deed, bill of sale, assignment, option, mortgage, pledge, note, bond, evidence of indebtedness, application, consent (to service of process or otherwise), agreement, indenture or other instrument of any significant importance to the Corporation.

7.8. SECRETARY AND ASSISTANT SECRETARY.

(a) The Secretary will keep the minutes of meetings of the Board of Directors, see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, be custodian of the records of the Corporation and of its seal, and in general, perform all duties incident to his office. Except as may otherwise be specifically provided in a resolution of the Board of Directors, the Secretary will be a proper officer to impress the Corporation's seal on any instrument signed by the President or any Vice President and to attest to the same.

(b) There may be one or more Assistant Secretaries, and such persons shall perform such functions as from time to time may be assigned to them by the Board of Directors, the Chairman of the Board, the Chief Executive Officer, the President, any Vice President or the Secretary.

7.9. TREASURER AND ASSISTANT TREASURER.

(a) The Treasurer will be the principal financial officer of the Corporation and, if specifically designated by the Board of Directors, will also be the Chief Financial Officer of the Corporation. The Treasurer shall have custody of the Corporate funds and securities and will cause all money and other valuable effects to be deposited in the name and to the credit of the Corporation in such depositories, subject to withdrawal in such manner, as may be designated by

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the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and to the directors (at the regular meetings of the Board of Directors or whenever they may require) an account of all his transactions as Treasurer.

(b) There may be one or more Assistant Treasurers. Such persons shall perform such functions as from time to time may be assigned to them by the Board of Directors, the Chairman of the Board, the Chief Executive Officer, the President, any Vice President or the Treasurer. No Assistant Treasurer shall have the power or authority to collect, account for or pay over any tax imposed by any federal, state or city government.

(c) No Treasurer or Assistant Treasurer shall also serve as Controller of the Corporation. If no Controller is elected by the Board of Directors or any standing Audit Committee thereof, the Treasurer shall also serve as principal accounting officer of the Corporation.

7.10. CONTROLLER. The Controller, if elected by the Board of Directors or any standing Audit Committee thereof, will be the principal accounting officer of the Corporation and shall have charge of the Corporation's books of account, records and auditing, and generally do and perform all such other duties as pertain to such office and as may be required by the Board of Directors or the President and the Chief Executive Officer, if he be other than the President. The Controller shall not serve as Treasurer or Assistant Treasurer.

8. RESIGNATIONS

8.1. RESIGNATIONS. Any director, committee member or officer may resign from his office at any time by written notice delivered or addressed to the Corporation at its principal place of business. Any such resignation will be effective upon its receipt by the Corporation unless some later time is therein fixed, and then from that time. The acceptance of a resignation will not be required to make it effective.

9. BOOKS AND RECORDS

9.1. BOOKS AND RECORDS. The Corporation shall keep correct and complete books, records of account and minutes of the proceedings of its stockholders, Board of Directors and any committees thereof. Additionally, the Corporation shall keep at its statutory agent's office, or at its principal place of business, or at the office of its transfer agent or registrar, a record of its stockholders, giving the name and addresses of all stockholders and the number and class of the shares held by each. Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

9.2. INSPECTION. Any person who is a holder of record of shares of stock of the Corporation or of a voting trust beneficial interest therefor, upon written demand delivered to the Secretary of the Corporation or to the statutory agent for receipt of service of process, stating the purpose thereof, shall have the right to examine, in person or by agent or attorney, at any

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reasonable time or times, for any proper purpose, its relevant books and records of accounts, minutes and record of stockholders and to make copies of or extracts therefrom.

10. STOCK CERTIFICATES

10.1. FORM THEREOF. Each certificate representing stock of the Corporation will be in such form as may from time to time be approved by the Board of Directors, will be numbered and will exhibit on the face thereof the recordholder's name, the number of shares represented thereby and such other matters as are required by law to be stated thereon.

10.2. SIGNATURES AND SEAL THEREON. All certificates issued for shares of the Corporation's capital stock (whether new, re-issued or transferred) will bear the signatures of the President or any Vice President and of the Secretary or Assistant Secretary, and may bear the impression of the Corporation's corporate seal. The signatures of such officers of the Corporation and the impression of its corporate seal may be in facsimile form on any certificates which are manually countersigned by or on behalf of an independent transfer agent or registrar duly appointed by the Corporation for the shares of stock evidenced thereby. If a supply of unissued certificates bearing the facsimile signature of a person remains when that person ceases to hold the Corporate office indicated on such certificates, they may still be countersigned, registered, issued and delivered by the Corporation's transfer agent or registrar thereafter, the same as though such person had continued to hold the office indicated on such certificate.

10.3. OWNERSHIP. The Corporation will be entitled to treat the registered owner of any share as the absolute owner thereof and, accordingly, will not be bound to recognize any beneficial, equitable or other claim to or interest in such share on the part of any other person, whether or not he has notice thereof, except as may expressly be provided by statute.

10.4. TRANSFERS. Transfers of stock will be made on the books of the Corporation only at the direction of the person or persons named in the certificate thereof, or at the direction of his or their duly authorized attorney-in-fact or duly appointed personal representative, and upon the surrender of such certificate, properly endorsed to the Secretary or the duly authorized transfer agent or agents of the Corporation.

10.5. LOST CERTIFICATES. In the event of the loss, theft or destruction of any certificate representing capital stock of this Corporation or of any predecessor corporation, the Corporation may issue (or, in the case of any such stock as to which a transfer agent or registrar has been appointed, may direct such transfer agent or registrar to countersign, register and issue) a certificate in lieu of that alleged to be lost, stolen or destroyed. Said certificate may be issued upon such terms and conditions, including reasonable indemnification of the Corporation, as the Board of Directors shall reasonably require, and the Corporation may cause the same to be delivered to the owner of the stock represented thereby, provided that the owner shall have submitted such evidence showing the circumstances of the loss, theft or destruction and his ownership of the certificate as the Corporation considers satisfactory, together with any other facts that the Corporation considers pertinent.

11. REPEAL, ALTERATION OR AMENDMENT

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11.1. REPEAL, ALTERATION OR AMENDMENT. These Bylaws may be repealed, altered or amended, or substituted bylaws may be adopted at any time, only by resolution duly adopted by a majority of the full Board of Directors, subject to repeal or change by action of the stockholders.

12. MISCELLANEOUS

12.1. INDEMNIFICATION. To the broadest extent permitted by Delaware law, the Corporation shall indemnify and pay the expenses of any person who is or was made, or threatened to be made, a party to an action or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that he is or was a director, officer, employee, trustee or agent of or for the Corporation or is or was serving at the request or with the prior approval of the Corporation as a director, officer, employee, trustee or agent of another corporation, trust or enterprise against any liability asserted against him and incurred by him in any capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of these Bylaws.

12.2. DIVIDENDS. Any dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, may be declared by the Board of Directors at any regular or special meeting pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and the Delaware General Corporation Law. Before payment of any dividend, there may be set aside, out of any funds of the Corporation available for dividends, such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, for equalizing dividends, for repairing or maintaining any property of the Corporation, or for such other purposes as the Board of Directors shall think conducive to the interest of the Corporation. The Board of Directors may modify or abolish any such reserve in the manner in which it was created.

12.3. REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The President or any Vice President of this Corporation is authorized to vote, represent and exercise on behalf of this Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this Corporation. The authority herein granted to said officers to vote or represent on behalf of this Corporation any and all shares held by this Corporation in any other corporation or corporations may be exercised either by such officers in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officers, provided that the Board of Directors may from time to time confer the foregoing authority upon any other person or persons.

12.4. CONSTRUCTION AND DEFINITIONS. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the Delaware General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter; the singular number includes the plural and the plural number includes the singular; and the term "person" includes a corporation as well as a natural person.

12.5. FISCAL YEAR. The fiscal year of the Corporation shall be designated and determined by resolution of the Board of Directors from time to time.

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12.6. CONDUCT OF MEETINGS. The Board of Directors may promulgate rules and regulations and establish the rules of procedure applicable at all meetings of stockholders and the Board of Directors, or any committee thereof, and the provisions thereof are incorporated herein by reference. Absent a specific rule or regulation, the chairman of any meeting shall determine the order of business and shall have authority, in his discretion, to regulate the conduct of such meetings.

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CERTIFICATION

The undersigned, the Secretary of Mobile Mini, Inc., a Delaware corporation, hereby certifies that the foregoing Amended and Restated Bylaws of

the Corporation were duly adopted by the Board of Directors on February 14, 2000.

Lawrence Trachtenberg, Secretary

MOBILE MINI, INC.
1999 STOCK OPTION PLAN

Section 1. PURPOSE OF PLAN

The purposes of the Mobile Mini, Inc. 1999 Stock Option Plan (the "Plan") are to attract and retain the best available personnel for positions of substantial responsibility, and to provide an incentive to, and to encourage ownership of the stock of Mobile Mini, Inc. ("Company"), by its key management and other employees. Options granted under the Plan may be Incentive Stock Options within the meaning of Section 422 of the Internal Revenue Code (the "Code") or nonstatutory stock options, as determined by the Committee at the time of grant.

Section 2. STOCK SUBJECT TO THE PLAN

(a) Stock Available for Grants of Options. Subject to the provisions of Section 14, 500,000 shares of the Common Stock, par value \$.01 per share, of the Company ("Common Stock") have been allocated to the Plan and reserved for issuance upon the exercise of options granted under the Plan.

(b) Treasury Shares. The Company may, in its discretion, use shares held in the treasury under this Plan in lieu of authorized but unissued shares of Common Stock. If any option shall expire or terminate for any reason without having been exercised in full, the unpurchased shares subject thereto shall again be available for the purposes of the Plan. Any shares of Common Stock which are used as full or partial payment to the Company by an optionee of the purchase price upon exercise of the option shall again be available for the purposes of the Plan.

Section 3. ADMINISTRATION

The Plan shall be administered by the Committee referred to in Section 4 (the "Committee"). Subject to the provisions of the Plan, the Committee shall have plenary authority, in its discretion, to determine the individuals to whom, and the time or times at which, options shall be granted and the number of shares to be subject to each option. In making such determinations the Committee may take into account the nature of the services rendered by the respective individuals, their present and potential contributions to the Company's success and such other factors as the Committee, in its discretion, shall deem relevant. Subject to the express provisions of the Plan, the Committee shall also have plenary authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the options (which need not be identical) and to make all other determinations necessary or advisable for the administration of the Plan. The Committee shall have authority to determine the terms and provisions of option agreements evidencing the options granted pursuant to the Plan, which may vary from the provisions set forth in any form of option agreement adopted from time to time by the Committee or the Board of Directors. The Committee's determinations on the matters referred to in this Section 3 shall be conclusive. The Committee may, in its discretion, delegate to the Chief Executive Officer of the Company (the "CEO") the

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authority to determine the individuals to whom, and the time or times at which and terms upon which, options shall be granted and the number of shares to be subject to each option; provided, however, that the Committee may not delegate such authority to the CEO with respect to employees of the Company who are subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934.

Section 4. THE COMMITTEE

The Plan shall be administered by a committee (the "Committee") which shall at all times be constituted to comply with Rule 16b-3 under the Securities Exchange Act of 1934, or any successor Rule. Subject to the foregoing, the Compensation Committee of the Board of Directors of the Company ("Board") shall be the Committee hereunder.

Section 5. ELIGIBILITY

Options (including Incentive Stock Options) may be granted only to employees of the Company or its subsidiaries (as defined below). For the purposes of this Plan, the term "employees" does not include directors who are not also employees of the Company or a subsidiary. The term "subsidiary" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of the granting of the option, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain, or such other meaning as may be hereafter ascribed in it in Section 424 of the Code.

Notwithstanding the foregoing, options which are not Incentive Stock Options may also be granted to employees of joint ventures of the Company so long as such employees are not subject to Section 16(a) of the Securities Exchange Act of 1934 by virtue of their position with, or share holdings of, the Company. The term "joint venture" means a partnership or other business entity (other than a subsidiary) 50% or more of the profits interest of which is owned by the Company or a subsidiary.

Section 6. OPTION PRICES

The purchase price of the Common Stock under each Incentive Stock Option or other option shall not be less than 100% of the fair market value of the stock at the time of granting of the option. Such fair market value shall generally be considered to be the mean between the high and low prices of the Company's Common Stock as reported by The Nasdaq Stock Market for the day the option is granted; provided, however, that the Committee may adopt any other criterion for the determination of such fair market value as it may determine to be appropriate.

Section 7. PAYMENT OF OPTION PRICES

The purchase price is to be paid in full upon the exercise of the option, either (i) in cash, (ii) in the discretion of the Committee, by the tender to the Company of shares of the Common Stock of the Company, owned by the optionee and registered in the optionee's name,

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having a fair market value equal to the cash exercise price of the option being exercised, with the fair market value of such stock to be determined in such appropriate manner as may be provided for by the Committee or as may be required in order to comply with, or to conform to the requirements of, any applicable laws or regulations, or (iii) in the discretion of the Committee, by any combination of the payment methods specified in clauses (i) and (ii) hereof. Provided, however, that no shares of Common Stock may be tendered in exercise of an option if such shares were acquired by the optionee through the exercise of an Incentive Stock Option unless (i) such shares have been held by the optionee for at least one year and (ii) at least two years have elapsed since such Incentive Stock Option was granted. The cash proceeds of sale of stock subject to option are to be added to the general funds of the Company and used for its general corporate purposes. The shares of Common Stock of the Company received by the Company as payment of the option price are to be added to the shares of the Common Stock of the Company held in its Treasury and used for the purposes of granting options under the Plan or as the Board shall otherwise determine.

Section 8. OPTION AMOUNTS

The maximum aggregate fair market value (determined at the time an option is granted in the same manner as provided for in Section 6 hereof) of the Common Stock of the Company with respect to which Incentive Stock Options are exercisable for the first time by any optionee during any calendar year (under all plans of the Company and its subsidiaries) shall not exceed \$100,000. The maximum number of shares of Common Stock with respect to which options under the Plan may be granted to any single person during any three year period shall be 50% of all shares reserved for issuance pursuant to the Plan.

Section 9. EXERCISE OF OPTIONS

The term of each option shall be not more than ten (10) years from the date of granting thereof or such shorter period as is prescribed in Section 10 hereof. Within such limit, options will be exercisable at such time or times, and subject to such restrictions and conditions, as the Committee shall, in each instance, approve, which need not be uniform for all optionees; provided, however, that except as provided in Sections 10 and 11 hereof, no option may be exercised at any time unless the optionee is then an employee of the Company or a subsidiary or joint venture and has been so employed continuously since the granting of the option. The holder of an option shall have none of the rights of a stockholder with respect to the shares subject to option until such shares shall be issued to such holder upon the exercise of the option.

Section 10. TERMINATION OF EMPLOYMENT

The holder of any option issued hereunder must exercise the option prior to the holder's termination of employment with the Company, a subsidiary or a joint venture, except that the Committee in its absolute discretion (exercised at the time of grant or thereafter) may permit the optionee to exercise the option, to the extent that the holder was entitled to exercise it at the date of such termination of employment, at any time within three (3) months after such termination, but not after ten (10) years from the date the option was granted. If the holder of an option terminates employment on account of disability, the holder may exercise such option to the

extent the holder was entitled to exercise it at the date of such termination at any time within one (1) year of the termination of employment but not after ten (10) years from the date the option was granted. For this purpose a person shall be deemed to be disabled if he or she is permanently and totally disabled within the meaning of Section 422(c)(6) of the Code, which, as of the date hereof, means that he or she is unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a period of not less than 12 months. A person shall be considered disabled only if he or she furnishes such proof of disability as the Committee may require. Options granted under the Plan shall not be affected by any change of employment so long as the holder continues to be an employee of the Company or a subsidiary or joint venture thereof. The option agreements may contain such provisions as the Committee shall approve with reference to the effect of approved leaves of absence. Nothing in the Plan or in any option granted pursuant to the Plan shall confer on any individual any right to continue in the employ of the Company or any subsidiary or joint venture or interfere in any way with the right of the Company or any subsidiary or joint venture thereof to terminate his or her employment at any time.

Section 11. DEATH

In the event of the death of an individual to whom an option has been granted under the Plan, while he or she is employed by the Company (or a subsidiary or joint venture) or within three (3) months after termination of employment (or one (1) year in the case of the termination of employment of an option holder who is disabled as above provided) the option theretofore granted may be exercised, to the extent exercisable at the date of death, by a legatee or legatees under the option holder's last will, or by personal representatives or distributees, at any time within a period of one (1) year after death, but not after ten (10) years from the date of granting thereof, and only if and to the extent that the option was exercisable at the date of death.

Section 12. NON-TRANSFERABILITY OF OPTIONS

Each option granted under the Plan shall, by its terms, be non-transferable otherwise than by will or the laws of descent and distribution and an option may be exercised, during the lifetime of the holder thereof, only by such holder. Notwithstanding the foregoing, the Committee in its discretion

may allow options to be transferred to an optionee's "family member" as that term is defined in the General Instructions to Form S-8 as adopted from time to time by the Securities and Exchange Commission or any successor to such commission.

Section 13. SUCCESSIVE OPTION GRANTS

Successive option grants may be made to any holder of options under this Plan.

Section 14. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION OR CORPORATE ACQUISITIONS

Notwithstanding any other provisions of the Plan, the option agreements may contain such provisions as the Committee shall determine to be appropriate for the adjustment of the number and class of shares subject to each outstanding option, the option prices in the event

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of changes in the outstanding Common Stock by reason of stock dividends, recapitalizations, mergers, consolidations, spin-offs, split-offs, split-ups, combinations or exchanges of shares and the like, and, in the event of any such change in the outstanding Common Stock, the aggregate number and class of shares available under the Plan and the maximum number of shares as to which options may be granted to any individual shall be appropriately adjusted by the Committee, whose determination shall be conclusive. In the event the Company or a subsidiary enters into a transaction described in Section 424(a) of the Code with any other corporation, the Committee may grant options to employees or former employees of such corporation in substitution of options previously granted to them upon such terms and conditions as shall be necessary to qualify such grant as a substitution described in Section 424(a) of the Code.

Section 15. AMENDMENT AND TERMINATION

The Board or the Committee may at any time terminate the Plan, or make such modifications of the Plan as they shall deem advisable, provided, however, that the Board or Committee may not, without the approval by the stockholders of the Company by act of the stockholders at a meeting held for the purpose, make any modifications which, under applicable law, require such approval. No termination or amendment to the Plan may, without the consent of the optionee to whom any option shall theretofore have been granted, adversely affect the rights of such optionee under such option.

Section 16. EFFECTIVENESS OF THE PLAN

The Plan became effective upon adoption by the Board on August 17, 1999 subject, however, to its further approval by the stockholders of the Company on or before August 16, 2000.

Section 17. TIME OF GRANTING OF OPTIONS

An option grant under the Plan shall be deemed to be made on the date on which the Committee, by formal action of its members duly recorded in the records thereof, or the CEO, as the case may be, makes an award of an option to an eligible employee of the Company or one of its subsidiaries provided that such option is evidenced by a written option agreement duly executed on behalf of the Company and on behalf of the optionee within a reasonable time after the date of the Committee or CEO action.

Section 18. TERM OF PLAN

This Plan shall terminate ten (10) years after the date on which it was initially approved and adopted by the Board as set forth under Section 16 and no option shall be granted hereunder after the expiration of such ten-year period. Options outstanding at the termination of the Plan shall continue in full force and effect and shall not be affected thereby.

AMENDED AND RESTATED CREDIT AGREEMENT

among

MOBILE MINI, INC.
as Borrower,

EACH OF THE FINANCIAL INSTITUTIONS
INITIALLY A SIGNATORY HERETO,
TOGETHER WITH THOSE ASSIGNEES
PURSUANT TO SECTION 11.8 HEREOF,
as Lenders,

and

BT COMMERCIAL CORPORATION,
as Agent.

DATED AS OF DECEMBER ____, 1999

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EXHIBITS

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Exhibit K	-	Form of Letter of Credit Request
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Exhibit Q	-	Form of Confirmation and Grant of Security Interests in Patents and Patent Applications
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SCHEDULES

Schedule A	-	Closing Document List
Schedule B	-	Disclosure Schedule

THIS AMENDED AND RESTATED CREDIT AGREEMENT ("Credit Agreement") is entered into as of December ____, 1999, among MOBILE MINI, INC., a Delaware corporation (the "Borrower"), each financial institution identified on Annex I (together with its successors and assigns, a "Lender"), and BT COMMERCIAL CORPORATION acting as agent for the Lenders (the "Agent").

ARTICLE I.
DEFINITIONS

1.1 General Definitions.

Account means "Accounts" as defined in the Borrower Security Agreement.

Adjusted Eurodollar Rate means, with respect to each Interest Period for any Eurodollar Rate Loan, the rate obtained by dividing (i) the Eurodollar Rate for such Interest Period by (ii) a percentage equal to 1 minus the stated maximum rate (stated as a decimal) of all reserves, if any, required to be maintained against "Eurocurrency liabilities" as specified in Regulation D (or against any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Rate Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents).

Affiliate of a Person means another Person who directly or indirectly controls, is controlled by, is under common control with or is a director or officer of such Person. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to vote ten percent (10%) or more of the securities having ordinary voting power for the election of directors or the direct or indirect power to direct the management and policies of a business.

Agent Advances is defined in Section 2.3.

Applicable Lending Office means, with respect to each Lender, such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Loan, and such Lender's Domestic Lending Office in the case of a Prime Rate Loan.

Acquisition means (i) the acquisition by the Borrower or any of its Subsidiaries of all of the issued and outstanding capital stock or other equity interests of a Person, (ii) the acquisition by the Borrower or any of its Subsidiaries of all or substantially all of the assets of a Person or a line of business of a Person or (iii) the merger or consolidation of the Borrower or any of its Subsidiaries with a Person other than a Person that was a Subsidiary of the Borrower or such Subsidiary immediately prior to such merger.

Assignment and Assumption Agreement is defined in Section 11.8.

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Auditors means a nationally recognized firm of independent public accountants selected by the Borrower and satisfactory to the Agent in its sole discretion. For purposes of this Credit Agreement, the firm of Arthur Anderson LLP or any other of the accounting firms commonly referred to as one of the "big five" as of the Closing Date shall be deemed to be satisfactory to the Agent.

Bankruptcy Code means Title 11 of the U.S. Code (11 U.S.C. Sections 101 et seq.), as amended from time to time, and any successor statute.

Benefit Plan means a "defined benefit plan" (as defined in Section 3(35) of ERISA) for which the Borrower, any Subsidiary or any ERISA Affiliate has been an "employer" (as defined in Section 3(5) of ERISA) within the past three years.

Blocked Accounts, Blocked Account Agreements, and Block Account Bank are defined in Section 4.10.

Borrower Security Agreement means the Security Agreement executed by the Borrower in favor of the Agent pursuant to Section 5.1(a), substantially in the form of Exhibit B-1.

Borrowing means a borrowing of Revolving Loans or Term Loans of the same Type on the same day.

Borrowing Base means the sum of:

- (A) eighty-five percent (85%) of Eligible Accounts Receivable, plus
- (B) ninety percent (90%) of Eligible Container Fleet Inventory, plus
- (C) seventy percent (70%) of Eligible Trailer Fleet Inventory, plus
- (D) the lesser of (i) \$6,000,000 and (ii) the sum of (1) ninety percent (90%) of Eligible Container Inventory Held For Sale, (2) ninety percent (90%) of Eligible Work-In-Process Container Inventory (up to a maximum of \$500,000), (3) seventy-five percent (75%) of Eligible Primary Raw Materials Inventory, and (4) sixty percent (60%) of Eligible Other Raw Material Component Inventory, minus
- (E) the aggregate amount of reserves, if any, established by the Agent under Section 2.2(b).

Borrowing Base Certificate means a certificate of the Borrower concerning the Borrowing Base to be provided under Section 7.2 and substantially in the form of Exhibit E.

Business Day means any day that is not a Saturday, Sunday or a day on which commercial banks in Los Angeles are required or permitted by law to be closed. When used in connection with Eurodollar Rate Loans, this definition will also exclude any day on which

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commercial banks are not open for dealing in U.S. dollar deposits in the London (England, U.K.) interbank market.

Capital Expenditures for a period means, the sum of all expenditures capitalized for financial statement purposes in accordance with GAAP (whether payable in cash or other property or accrued as a liability), including the capitalized portion of capital leases and that portion of Investments allocable to property, plant or equipment. Capital Expenditures shall exclude new and used manufactured or remanufactured portable container inventory held for sale and proceeds of a Casualty Loss applied to the repair or replacement of the property affected by the Casualty Loss.

Cash Equivalent means either of the following, so long as the same are maintained in accounts in which the Agent has a perfected security interest: (i) securities issued, guaranteed or insured by the United States or any of its agencies and having maturities of not more than one year; and (ii) certificates of deposit having maturities of not more than one year issued by the Agent, any Lender or by a U.S. federal or state chartered commercial bank of recognized standing whose capital and unimpaired surplus is in excess of \$100,000,000 and whose short-term commercial paper rating, or that of its parent holding company, is at least A-2 or the equivalent by Standard & Poor's Corporation and at least P-2 or the equivalent by Moody's Investors Services, Inc.

Casualty Loss means (i) the loss, damage, or destruction of any asset owned or used by the Borrower or any of its Subsidiaries, (ii) the condemnation, confiscation, or other taking, in whole or in part, of any such asset, or (iii) the diminishment of such asset so as to render use for its intended purpose impracticable or unreasonable.

Certificate of Title means a certificate of title, certificate of ownership or other registration certificate issued or required to be issued for any asset under the certificate of title or similar laws of any jurisdiction.

Change of Control means either: (a) other than members of management as of the Closing Date, any "person" (as such term is used in subsections 13(d) and 14(d) of the Securities and Exchange Act of 1934, as amended) on or after the Closing Date is or becomes a "beneficial owner" (as defined in Rule 13d-3 under such Act), directly or indirectly, of securities of the Borrower representing 10% or more of the combined voting power of the Borrower's then-outstanding securities; or (b) the existing directors for any reason cease to constitute 75% of the Borrower's Board of Directors. For purposes of this definition, "existing directors" means (i) individuals constituting the Borrower's Board of Directors on the Closing Date, and (ii) any subsequent director whose election by the

Board of Directors or nomination for election by the Borrower's shareholders was approved by a vote of at least 75% of the directors then in office which directors either were directors on the Closing Date or whose election or nomination for election was previously so approved.

Closing Date means the date of execution and delivery of this Credit Agreement and the satisfaction of the conditions precedent set forth in Article 5.

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Closing Document List is defined in Section 5.1.

Code is defined in Section 1.3.

Collateral means the Accounts, Inventory, Equipment, Intangibles, Specified Real Property, investment property (as defined in the Code) and other property identified as security for the Obligations under the Collateral Documents but shall exclude any funds, assets or proceeds contained in the Reserve Account (as defined in the documents evidencing any Subordinated Debt existing as of the Closing Date) as long as the aggregate amount of such funds, assets or proceeds does not exceed \$375,000.

Collateral Access Agreement means any landlord waivers, mortgagee waivers, bailee letters or any similar acknowledgment agreements of any warehouseman or processor in possession of Inventory, substantially in the form of Exhibit H.

Collateral Documents means the Borrower Security Agreement, the Pledge Agreement, the Subsidiaries Security Agreements, the Patent Security Agreements, the Trademark Security Agreements, the Guaranties, the Mortgages and all other contracts, instruments and other documents pursuant to which Liens are now or hereafter granted to the Agent to secure the Obligations.

Collections means all cash, funds, checks, notes, instruments and any other form of remittance tendered by account debtors in payment of Accounts.

Commitment of a Lender means its Term Commitment and Revolving Credit Commitment, in each case then in effect.

Concentration Account is defined in Section 4.10.

Consolidated Fixed Charges means the sum of (i) Interest Expense and (ii) the principal amounts (including the principal portion of rentals payable under capital leases) of all Indebtedness (but excluding repayments of Revolving Loans which do not permanently reduce the Commitments, and excluding payments of Indebtedness made from the proceeds of asset sales which Indebtedness is payable by the Borrower due to the sale of assets previously under lease) of the Borrower and its Subsidiaries payable for the applicable period.

Consolidated Tangible Net Worth means the (a) consolidated assets of the Borrower and its Subsidiaries, minus (b) their consolidated liabilities, minus (c) (1) patents, copyrights, trademarks, trade names, franchises, licenses, customer and subscription lists, goodwill and other similar intangibles (excluding net reorganization value), (2) leasehold improvements, (3) organization expenses, (4) obligations due to the Borrower from Affiliates (including any officer, director or shareholder thereof) and (5) security deposits and prepaid costs and expenses and other deferred assets, plus (d) the principal amount of Indebtedness permitted by this Credit Agreement and subordinated to the Obligations on terms satisfactory to the Lenders; provided, however, that the Subordinated Debt and any proceeds thereof shall be excluded from the calculation of Consolidated Tangible Net Worth herein.

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Contingent Obligation means any direct, indirect, contingent or non-contingent guaranty or obligation for the Indebtedness of another, except endorsements in the ordinary course of business.

Covered Taxes is defined in Section 4.15.

Credit Documents means, collectively, this Credit Agreement, the Term Notes, the Revolving Notes, the Letters of Credit, each of the Collateral

Documents, and all other documents, agreements, instruments, opinions and certificates now or hereafter executed and delivered in connection herewith or therewith, as modified, amended, extended, restated or supplemented from time to time.

Credit Parties means, collectively, the Borrower and each Subsidiary which is or becomes a party to any Credit Document.

Current Assets means the consolidated current assets of the Borrower and its Subsidiaries determined in accordance with GAAP, excluding cash.

Current Liabilities means the consolidated current liabilities of the Borrower and its Subsidiaries determined in accordance with GAAP, excluding the principal balance of the Revolving Loans and the current portion of long term debt.

Default means an event, condition or default which with the giving of notice, the passage of time or both would be an Event of Default.

Defaulting Lender is defined in Section 2.7.

Disbursement Account means the operating account of the Borrower maintained with the Disbursement Account Bank.

Disbursement Account Bank means Deutsche Bank.

Domestic Lending Office means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Annex I hereto, as such annex may be amended from time to time.

EBITDA for a period means the consolidated net income of the Borrower and its Subsidiaries (excluding extraordinary gains, non-cash extraordinary losses and extraordinary losses arising from prepayments of Indebtedness incurred on or about the Closing Date in connection with the initial funding of the Loans) for the period (a) plus all Interest Expense, income tax expense, depreciation and amortization (including amortization of any goodwill or other intangibles) for the period, (b) less gains or plus losses attributable to any fixed asset sales (excluding sales of containers held for lease) in the period and (c) plus or minus any other non-cash charges which have been subtracted or added in calculating consolidated net income. EBITDA for any such period shall be calculated by giving pro forma effect to any acquisition during such period which is permitted by the terms of this Credit Agreement, as if such acquisition

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had been consummated on the first day of such period, as long as the Borrower shall have delivered to the Agent audited financial statements for such period.

Eligible Accounts Receivable means Accounts of the Borrower deemed by the Agent in the exercise of its Permitted Discretion to be eligible for inclusion in the calculation of the Borrowing Base. In determining the amount to be so included, the face amount of such Accounts shall be reduced by the amount of all returns, discounts, claims, credits, charges, or other allowances and by the aggregate amount of all reserves, limits and deductions provided for in this definition and elsewhere in this Credit Agreement. Unless otherwise approved in writing by the Agent, an Account shall not be an Eligible Account Receivable if:

(a) it arises out of a sale made by the Borrower to an Affiliate of the Borrower; or

(b) its payment terms are longer than 30 days from date of invoice (unless Borrower has identified such Account and its payment terms to Agent in writing during the immediately preceding 30 days and (i) it is an Account that has payment terms no longer than 45 days from the date of invoice or (ii) it is an Account that has payment terms no longer than 90 days from the date of invoice and no more than \$200,000 of such Accounts shall be outstanding at any time); or

(c) it is unpaid more than 120 days from date of invoice; or

(d) it is from the same account debtor or its Affiliate and 50% or more of all Accounts from that account debtor (and its Affiliates) are ineligible under (c) above; or

(e) when aggregated with all other Accounts of an account debtor (i) that is not identified on Annex II attached hereto, the Account exceeds five percent (5%) in face value of all Accounts of the Borrower then outstanding, or (ii) that is identified on Annex II attached hereto, the Account exceeds seven percent (7%) in face value of all Accounts of the Borrower then outstanding, in each case to the extent of such excess, unless supported by an irrevocable letter of credit satisfactory to the Agent (as to form, substance and issuer) and assigned to and directly drawable by the Agent; or

(f) the account debtor for the Account is a creditor of the Borrower, has or has asserted a right of setoff, has disputed its liability or made any claim with respect to the Account or any other Account which has not been resolved, to the extent of the amount owed by the Borrower to the account debtor, the amount of such actual or asserted right of setoff, or the amount of such dispute or claim, as the case may be; or

(g) the account debtor is (or its assets are) the subject of an Insolvency Event; or

(h) the Account is not payable in Dollars or the account debtor for the Account is located outside the United States or Canada, unless the Account is supported by an irrevocable letter of credit satisfactory to the Agent (as to form, substance and issuer) and assigned to and directly drawable by the Agent; or

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(i) the sale to the account debtor is on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval or consignment basis or made pursuant to any other written agreement providing for repurchase or return; or

(j) the Agent determines in the exercise of its Permitted Discretion by its own credit analysis that collection of the Account is uncertain or the Account may not be paid; or

(k) the account debtor is the United States of America or any department, agency or instrumentality thereof, unless the Borrower duly assigns its rights to payment of such Account to the Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Sections 3727 et seq.); or

(l) the goods giving rise to such Account have not been shipped and delivered to and accepted by the account debtor, the services giving rise to such Account have not been performed and accepted, or the Account otherwise does not represent a final sale; or

(m) the Account does not comply with all Requirements of Law, including without limitation the Federal Consumer Credit Protection Act, the Federal Truth in Lending Act and Regulation Z of the Board of Governors of the Federal Reserve System; or

(n) the Account is subject to any adverse security deposit, progress payment or other similar advance made by or for the benefit of the applicable account debtor; or

(o) it is not subject to a valid and perfected first priority Lien in favor of the Agent or does not otherwise conform to the representations and warranties contained in the Credit Documents.

Eligible Container Fleet Inventory means Eligible Goods Inventory consisting of new and used manufactured or remanufactured portable and ISO containers, valued at the lower of the Borrower's cost (on a basis consistent with the Borrower's current and historical accounting practice) or orderly liquidation value, held by the Borrower for intended lease or rental by the Borrower to third party end users.

Eligible Container Inventory Held For Sale means Eligible Goods Inventory consisting of new and used manufactured or remanufactured portable and ISO containers, valued at the lower of the Borrower's cost (on a basis consistent with the Borrower's current and historical accounting practice) or orderly liquidation value, held by the Borrower for intended sale to third parties, containers used by the Borrower, and containers temporarily out of service.

Eligible Goods Inventory means Inventory of the Borrower deemed by the Agent in the exercise of its Permitted Discretion to be eligible for inclusion in the calculation of the Borrowing Base. In determining the amount to be so included, Inventory shall be valued at the lower of cost or market on a basis consistent with the Borrower's current and historical accounting practice unless otherwise provided herein. Unless otherwise approved in writing by the Agent, no Inventory shall be deemed Eligible Goods Inventory if:

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(a) it is not owned solely by the Borrower or the Borrower does not have good, valid and marketable title thereto; or

(b) it is not located in the United States; or

(c) it is not subject to valid, current rental or lease agreements between the Borrower and the renters or lessees thereof or is not located on property owned or leased by the Borrower or is not located in a contract warehouse, subject to a Collateral Access Agreement executed by the mortgagee, the lessor or the contract warehouseman, as the case may be, and segregated or otherwise separately identifiable from goods of others, if any, stored on the premises; provided, however, that as to the Borrower's facilities located at 7020 Old Katy Road, Houston, Texas, and 3848 South 36th Street, Phoenix, Arizona, the Borrower shall be required only to use its best efforts to obtain Collateral Access Agreements executed by the lessors of such premises, and if the Borrower is not successful in obtaining such agreements, Inventory located thereat may remain eligible, but the Agent shall create a reserve against borrowing availability equal to two (2) months' rent payable by the Borrower at any such facility; and provided, further, that the only such Collateral Access Agreement required of a mortgagee, based upon the Borrower's operations and the mortgagees disclosed to the Agent as of the Closing Date, shall be the mortgagee with respect to the Borrower's Rialto, California premises; or

(d) it is not subject to a valid and perfected first priority Lien in favor of the Agent except, with respect to Inventory stored at sites described in clause (c) above, for Liens for unpaid rent or normal and customary warehousing charges; or

(e) it consists of goods returned or rejected by the Borrower's customers or goods in transit to third parties (other than to warehouse sites covered by a Collateral Access Agreement); or

(f) it is not first-quality finished goods or work in process, is obsolete or slow moving, or does not otherwise conform to the representations and warranties contained in the Credit Documents; or

(g) it is subject to a lease which should be classified as a capital lease under GAAP or contains a purchase option for an amount less than the amount equal to the net book value; or

(h) it is Eligible Raw Materials Inventory.

Eligible Inventory means Eligible Goods Inventory and Eligible Raw Materials Inventory.

Eligible Other Raw Materials Component Inventory means Eligible Raw Materials Inventory purchased from third parties consisting of plumbing, drywall, electrical components, insulation materials, HVAC materials, doors and windows, fasteners, and located on the Closing Date or thereafter at the Borrower's Maricopa facility or such other facility of the Borrower as to which the Borrower implements after the Closing Date a perpetual inventory accounting system comparable to that of the Maricopa facility.

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Eligible Primary Raw Materials Inventory means Eligible Raw Materials Inventory consisting of unrefurbished ISO units, steel, lumber, plywood and paint, and located on the Closing Date or thereafter at the Borrower's Maricopa facility or such other facility of the Borrower as to which the Borrower implements after the Closing Date a perpetual inventory accounting system comparable to that of the Maricopa facility or, with respect only to the unrefurbished ISO units, at such other facility of the Borrower which accounts for such units in a manner which is acceptable to Agent, in its sole discretion.

Eligible Raw Materials Inventory means Inventory deemed by the Agent in the exercise of its Permitted Discretion to be eligible for inclusion in the calculation of the Borrowing Base. In determining the amount to be so included, Inventory shall be valued at the lower of cost or market on a basis consistent with the Borrower's current and historical accounting practice unless otherwise provided herein. Unless otherwise approved in writing by the Agent, no Inventory shall be deemed Eligible Raw Materials Inventory if:

(a) it is not owned solely by the Borrower or the Borrower does not have good, valid and marketable title thereto; or

(b) it is not located in the United States; or

(c) it is not located on property owned or leased by the Borrower or in a contract warehouse, subject to a Collateral Access Agreement executed by the lessor or the contract warehouseman, as the case may be, and segregated or otherwise separately identifiable from goods of others, if any, stored on the premises; provided, however, that as to the Borrower's facilities located at 7020 Old Katy Road, Houston, Texas, and 3440 South 36th Street, Phoenix, Arizona, the Borrower shall be required only to use its best efforts to obtain Collateral Access Agreements executed by the lessors of such premises, and if the Borrower is not successful in obtaining such agreements, Inventory located thereat may remain eligible, but the Agent shall create a reserve against borrowing availability equal to two (2) months' rent payable by the Borrower at any such facility; and provided, further, that the only such Collateral Access Agreement required of a mortgagee, based upon the Borrower's operations and the mortgagees disclosed to the Agent as of the Closing Date, shall be the mortgagee with respect to the Borrower's Rialto, California; or

(d) it is not subject to a valid and perfected first priority Lien in favor of the Agent except, with respect to Inventory stored at sites described in clause (c) above, for Liens for unpaid rent or normal and customary warehousing charges; or

(e) it is goods returned or rejected by the Borrower's customers or goods in transit to third parties (other than to warehouse sites covered by a Collateral Access Agreement); or

(f) it is not first-quality raw materials, is obsolete or slow moving, or does not otherwise conform to the representations and warranties contained in the Credit Documents; or

(g) it is Eligible Goods Inventory.

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Eligible Trailer Fleet Inventory means Eligible Goods Inventory consisting of new and used manufactured or remanufactured Trailers, valued at the lower of the Borrower's cost (on a basis consistent with the Borrower's current and historical accounting practice) or orderly liquidation value, held by the Borrower for intended lease or rental by the Borrower to third party end users, and shall exclude any Inventory that is not manufactured in accordance with and does not meet all standards imposed by all Requirements of Law or by any Governmental Authority having regulatory authority over such goods or their manufacture, use, sale, or lease.

Eligible Work-In-Process Container Inventory means Eligible Goods Inventory consisting of : (a) new and used manufactured or remanufactured portable containers, valued at the Borrower's cost on a basis consistent with the Borrower's current and historical accounting practices, which is in the work-in-process phase of manufacturing, including any ISO units as to which any refurbishing or repair has been performed; (b) shaped steel component parts; or (c) sub-assemblies and which are located on the Closing Date or thereafter at the Borrower's Maricopa facility or at such other facility of the Borrower as to which the Borrower implements after the Closing Date a perpetual inventory accounting system comparable to that of the Maricopa facility.

Equipment means "Equipment" as defined in the Borrower Security Agreement.

ERISA means the Employee Retirement Income Security Act of 1974, 29 U.S.C. Sections 1000 et seq., amendments thereto, successor statutes, and regulations or guidance promulgated thereunder.

ERISA Affiliate means any entity required to be aggregated with the Borrower or any of its Subsidiaries under Sections 414(b), (c), (m) or (o) of the Internal Revenue Code.

Eurodollar Lending Office means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office," opposite its name on Annex I, as such annex may be amended from time to time (or, if no such office is specified, its Domestic Lending Office), or such other office or Affiliate of such Lender as such Lender may from time to time specify to the Borrower and the Agent.

Eurodollar Rate means, with respect to the Interest Period for each Eurodollar Rate Loan comprising part of the same Borrowing, an interest rate per annum equal to the rate (rounded upward to the nearest whole multiple of one-sixteenth (1/16) of one percent (1.00%) per annum, if such rate is not such a multiple) of the offered quotation, if any, to first class banks in the Eurodollar market by Deutsche Bank as the rate per annum for U.S. dollar deposits of amounts in immediately available funds comparable to the principal amount of the Eurodollar Rate Loan for which the Eurodollar Rate is being determined with maturities comparable to the Interest Period for which such Eurodollar Rate will apply as of approximately 10:00 A.M. New York City time two (2) Business Days prior to the commencement of such Interest Period.

Eurodollar Rate Loan means a Revolving Loan or Term Loan that bears interest as provided in Section 4.2 hereof.

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Event of Default is defined in Article 9.

Expense means all reasonable out-of-pocket costs and expenses of the Agent in connection with the Credit Documents and the transactions contemplated therein, including, without limitation, (i) the costs of conducting record searches, examining collateral, opening bank accounts and lockboxes, depositing checks, and receiving and transferring funds (including charges for checks for which there are insufficient funds), and other costs of administration and enforcement of the rights of the Lenders under the Credit Documents, (ii) the fees and expenses of legal counsel and paralegals (including the allocated cost of internal counsel and paralegals), accountants, appraisers and other consultants, experts or advisors retained by the Agent, (iii) fees and expenses incurred in connection with the assignments of or sales of participations in the Loans, (iv) the cost of title insurance premiums, real estate survey costs, fees and taxes in connection with the filing of financing statements, and (v) the costs of preparing and recording Collateral Documents, releases of Collateral, and waivers, amendments, and terminations of any of the Credit Documents.

Expiration Date means the seventh anniversary of the Prior Closing Date; provided, however, in the event that no Event of Default shall have occurred and be continuing on such seventh anniversary date then the term of this Agreement shall be extended for one (1) year and the Expiration Date shall be the eighth anniversary date of the date of this Agreement upon the delivery by the Borrower to the Agent of the 90 days' prior written notice required under Section 11.15.

Fees means, collectively, the Unused Line Fee, the Letter of Credit Fees, the Issuing Bank Fees and the other fees provided in any fee letter between Agent or any Lender and Borrower.

Financial Statements means the consolidated and consolidating balance sheets, statements of operations, statements of cash flows and statements of changes in shareholder's equity of the Borrower and its Subsidiaries for the period specified, prepared in accordance with GAAP and consistently with prior practices.

Foreign Lender means any Lender organized under the laws of a jurisdiction outside of the United States.

Funded Debt means any obligation payable more than one year from the date of determination thereof, which under GAAP is shown on the balance sheet as a liability, including obligations under capital leases, but excluding items customarily reflected below current liabilities, such as deferred federal taxes on income and other reserves.

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

Governing Documents means certificates or articles of incorporation, by-laws and other organizational or governing documents.

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Governmental Authority means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

Guaranties means the Guaranties executed by the Borrower's Subsidiaries in favor of the Agent pursuant to Section 5.1(a), substantially in the form of Exhibit N.

Highest Lawful Rate means, at any given time during which any Obligations shall be outstanding hereunder, the maximum non-usurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Obligations, under the laws of the State of California (or the law of any other jurisdiction whose laws may be mandatorily applicable notwithstanding other provisions of this Credit Agreement and the other Credit Documents), or under applicable federal laws which may presently or hereafter be in effect and which allow a higher maximum non-usurious interest rate than under California (or such other jurisdiction's) law, in any case after taking into account, to the extent permitted by applicable law, any and all relevant payments or charges under this Credit Agreement and any other Credit Documents executed in connection herewith, and any available exemptions, exceptions and exclusions.

Intangibles means "Intangibles" as defined in the Borrower Security Agreement and "Collateral" as defined in the Patent Security Agreement executed by the Borrower.

Intercreditor Agreements means the Intercreditor Agreements executed by the lessors of containers to the Borrower in favor of the Agent pursuant to Section 5.1(a), substantially in the form of Exhibit O.

Indebtedness of a Person means (a) indebtedness for borrowed money or for the deferred purchase price of property or services (other than trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices), whether on open account or evidenced by a note, bond, debenture or similar instrument, (b) obligations under capital leases, (c) reimbursement obligations for letters of credit, banker's acceptances or other credit accommodations, (d) liabilities, as determined by the Agent, under any Interest Rate Agreement, (e) Contingent Obligations and (f) obligations secured by any Lien on that Person's property, even if that Person has not assumed such obligations.

Insolvency Event means, with respect to any Person, the occurrence of any of the following: (a) such Person shall be adjudicated insolvent or bankrupt, or shall generally fail to pay or admit in writing its inability to pay its debts as they become due, (b) such Person shall seek dissolution or reorganization or the appointment of a receiver, trustee, custodian or liquidator for it or a substantial portion of its property, assets or business or to effect a plan or other arrangement with its creditors, (c) such Person shall make a general assignment for the benefit of its creditors, or consent to or acquiesce in the appointment of a receiver, trustee, custodian or liquidator for a substantial portion of its property, assets or business, (d) such Person shall file a voluntary petition under any bankruptcy, insolvency or similar law, or (e) such Person, or a substantial portion of its property, assets or business shall become the subject of an involuntary proceeding or petition for its dissolution, reorganization, or the appointment of a receiver, trustee,

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custodian or liquidator or shall become subject to any writ, judgment, warrant of attachment, execution or similar process, and any such proceeding, petition, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded within 60 days after commencement, filing or levy, as the case may be, or any order for relief shall be entered in any such

proceeding.

Interest Expense means the consolidated expense of the Borrower and its Subsidiaries for interest on Indebtedness, including, without limitation, amortization of original issue discount, incurrence fees (to the extent included in interest expense), the interest portion of any deferred payment obligation and the interest component of any capital lease obligation.

Interest Period means for any Eurodollar Rate Loan the period commencing on the date of such Borrowing and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or (unless a Lender shall have notified the Agent that the Eurodollar Rate determined by the Agent for the proposed Borrowing will not adequately reflect the cost to the Lender of making or funding its Loan for the Borrowing) six months, in each case as the Borrower may, in an appropriate Notice of Borrowing, Notice of Continuation or Notice of Conversion, select; provided, however, that the Borrower may not select any Interest Period that ends after the Expiration Date. Whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day.

Interest Rate Agreement means any interest rate protection or hedge agreement, including, without limitation, interest rate future, option, swap, and cap agreements.

Internal Revenue Code means the Internal Revenue Code of 1986, amendments thereto, successor statutes, and regulations or guidance promulgated thereunder.

Inventory means "Inventory" as defined in the Borrower Security Agreement.

Investment means all expenditures made and all liabilities incurred (including Contingent Obligations) for or in connection with the acquisition of stock or Indebtedness of a Person, loans, advances, capital contributions or transfers of property to a Person, or acquisition of substantially all the assets of a Person. In determining the aggregate amount of Investments outstanding at any particular time, (i) a guaranty shall be valued at not less than the principal amount guaranteed and outstanding; (ii) returns of capital (but only by repurchase, redemption, retirement, repayment, liquidating dividend or liquidating distribution) shall be deducted; (iii) earnings, whether as dividends, interest or otherwise, shall not be deducted; and (iv) decreases in the market value shall not be deducted.

Issuing Bank means Deutsche Bank, any Lender or any Affiliate of any Lender, or any other financial institution that is acceptable to the Agent and the Borrower which may at any time issue or be requested to issue a Letter of Credit for the account of the Borrower (or for the

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joint account of the Borrower and the Agent or any Lender) under this Credit Agreement. If there is more than one Issuing Bank, all references to "the Issuing Bank" shall be deemed to refer to each Issuing Bank or to all Issuing Banks, as the context requires.

Issuing Bank Fees is defined in Section 4.4.

Lender Advances is defined in Section 2.3.

Letter of Credit Fee is defined in Section 4.4.

Letter of Credit Obligations means the sum of (i) the aggregate undrawn amount of all Letters of Credit outstanding, plus (ii) the aggregate amount of all drawings under Letters of Credit for which the Borrower has not reimbursed the Issuing Bank, plus (iii) the aggregate amount of all payments made by the Lenders to the Issuing Bank for participations in Letters of Credit for which the Borrower has not reimbursed the Lenders.

Letter of Credit Request is defined in Section 3.3.

Letters of Credit means the standby letters of credit issued for the account of the Borrower under Article 3 and all amendments, renewals, extensions or replacements thereof.

Lien means any lien, claim, charge, pledge, security interest, assignment, hypothecation, deed of trust, mortgage, lease, conditional sale, retention of title, or other preferential arrangement having substantially the same economic effect as any of the foregoing, whether voluntary or imposed by law.

Loan or Loans means one or more of the Revolving Loans or Term Loans or any combination thereof.

Loan Account is defined in Section 4.8.

Lockboxes, Lockbox Agreements, and Lockbox Bank are defined in Section 4.10.

Majority Lenders means those Lenders owed or holding in the aggregate more than fifty percent (50%) of the Total Commitments or, if the Commitments are terminated, more than fifty percent (50%) of the Loans and Letter of Credit obligations then outstanding.

Mandatory Redeemable Obligation means an obligation of the Borrower or any of its Subsidiaries (or guaranteed by any of them) which must be redeemed or repaid (a) at a fixed or determinable date, whether by operation of sinking fund or otherwise, (b) at the option of any Person other than the Borrower or such Subsidiary, or (c) upon the occurrence of a condition not solely within the control of the Borrower or such Subsidiary, such as a redemption required to be made out of future earnings.

Material Adverse Effect means (i) a material adverse effect on the business, prospects, operations, results of operations, assets, liabilities or condition (financial or otherwise) of the Credit Parties, taken as a whole, (ii) the impairment of any Credit Party's ability to perform

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its obligations under the Credit Documents to which it is a party or of the Agent or the Lenders to enforce the Obligations or realize upon the Collateral, or (iii) a material adverse effect on the value of a material portion of the Collateral or the amount which the Agent or the Lenders would receive (after giving consideration to delays in payment and costs of enforcement) in the liquidation of such Collateral.

Material Contract means any contract or other arrangement to which the Borrower or any of its Subsidiaries is a party (other than the Credit Documents) for which breach, nonperformance, cancellation or failure to renew could have a Material Adverse Effect.

Mortgages means the fee and leasehold deeds of trust executed pursuant to Section 5.1(a), substantially in the form of Exhibit L.

Multiemployer Plan means a "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA) to which the Borrower, any of its Subsidiaries or any ERISA Affiliate has contributed within the past six years or with respect to which the Borrower or any of its Subsidiaries may incur any liability.

Notes means one or more of the Revolving Notes or Term Notes or any combination thereof.

Notice of Borrowing is defined in Section 2.3.

Notice of Continuation is defined in Section 4.13(a) hereof.

Notice of Conversion is defined in Section 4.13(b) hereof.

Obligations means the unpaid principal and interest hereunder (including interest accruing on or after the occurrence of an Insolvency Event), reimbursement obligations under Letters of Credit, Fees, Expenses and all other obligations and liabilities of the Borrower to the Agent, the Issuing Bank or to the Lenders under this Credit Agreement, the Revolving Notes, the Term Notes or

any other Credit Document.

Patent Security Agreements means the Confirmation and Grant of Security Interests in Patents and Patent Applications executed by the Borrower and the Borrower's Subsidiaries in favor of the Agent pursuant to Section 5.1(a), substantially in the form of Exhibit Q.

Permitted Acquisition means an Acquisition consummated by the Borrower that is permitted under Section 8.21.

Permitted Discretion means the Agent's good faith judgment, exercised in a commercially reasonable manner, as to any factor not known by the Agent or not existing on the Closing Date or on the date of any subsequent Loan advance which it reasonably believes in good faith: (i) will adversely affect the enforceability or priority of the Agent's Liens on any material portion of the Collateral or materially adversely affect the amount which the Agent and the Lenders receive (after giving consideration to delays in payment and costs of enforcement) in the

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liquidation of such Collateral; (ii) demonstrates that any collateral report or financial information delivered to the Agent by any Person on behalf of the Borrower is incomplete, inaccurate or misleading in any material respect; (iii) materially increases the likelihood of a bankruptcy, reorganization or other insolvency proceeding involving the Borrower or any of its Subsidiaries or any material portion of the Collateral, or (iv) creates a Default or Event of Default. In exercising such good faith judgment, the Agent may consider material changes in the factors already included in or tested by the definition of Eligible Accounts Receivable or Eligible Inventory, as well as any of the following: (a) material changes in collection history and dilution with respect to the Accounts, (b) material changes in demand for, and pricing of, Inventory, and (c) any other factors that materially change the credit risk of lending to the Borrower on the security of the Accounts or the Inventory.

Person means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or government (including any division, agency or department thereof), and its successors, heirs and assigns.

Plan means any employee benefit plan, program or arrangement maintained or contributed to by the Borrower or any of its Subsidiaries, or with respect to which any of them may incur liability.

Pledge Agreement means the Pledge Agreement executed by the Borrower in favor of the Agent pursuant to Section 5.1(a), substantially in the form of Exhibit P.

Prime Lending Rate means the rate which Deutsche Bank announces as its prime lending rate from time to time. The Prime Lending Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. Deutsche Bank and each of the Lenders may make commercial loans or other loans at rates of interest at, above or below the Prime Lending Rate.

Prime Rate Loan means a Revolving Loan or Term Loan that bears interest as provided in Section 4.1 hereof.

Prior Closing Date means March 28, 1996.

Prior Credit Agreement means that certain Credit Agreement dated as of the Prior Closing Date by and among the Borrower, BT Commercial Corporation, as agent, and the financial institutions from time to time party thereto, as the same shall have been amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof.

Proportionate Share of a Lender means a fraction, expressed as a decimal, obtained by dividing its Commitment by the total Commitments of all the Lenders or, if the Commitments are terminated, by dividing its then outstanding Loans and/or Letter of Credit participations by the aggregate Loans and/or Letter of Credit Obligations then outstanding.

Purchase Money Liens and Leases is defined in Section 8.9.

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Real Property means all real property owned or leased by the Borrower, together with all fixtures, improvements and other structures thereon.

Register is defined in Section 11.8.

Regulation D means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto.

Reportable Event means any of the events described in Section 4043 of ERISA and the regulations thereunder.

Requirement of Law means (a) the Governing Documents of a Person, (b) any applicable law, treaty, rule or regulation or determination of an arbitrator, court or other Governmental Authority, or (c) any franchise, license, lease, permit, certificate, authorization, qualification, easement, right of way, right or approval binding on a Person or any of its property.

Retiree Health Plan means an "employee welfare benefit plan" within the meaning of Section 3(1) of ERISA that provides benefits to persons after termination of employment, other than as required by Section 601 of ERISA.

Revolving Credit Commitment of a Lender means its commitment to make Revolving Loans and to participate in Letters of Credit, up to the amount set forth opposite its name on Annex I, as such annex may be amended from time to time, under the heading "Revolving Credit Commitment," as such amount may be reduced from time to time.

Revolving Loans is defined in Section 2.2.

Revolving Note means a promissory note of the Borrower payable to the order of any Lender, substantially in the form of Exhibit A-1.

Scheduled Term Loan Installment is defined in Section 2.1.

Second Equity Issuance means the issuance by the Borrower of approximately \$40,000,000 of its common stock in a public offering during or around May 1999.

Settlement Date is defined in Section 2.5.

Specified Real Property means the four parcels of Real Property owned or leased by the Credit Parties located at (i) 2660 North Locust Avenue, Rialto, California, (ii) 11755 North Maricopa Entrance Road, Maricopa, Arizona, (iii) 4010 South 36th Street, Phoenix, Arizona, (iv) 3550 Duncanville Road, Dallas, Texas; and (v) 3926 S.W. 29th Street, Oklahoma City, Oklahoma.

Subsidiaries Security Agreement means the Security Agreements executed by the Subsidiaries of the Borrower in favor of the Agent pursuant to Section 5.1(a), substantially in the form of Exhibit B-2.

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Subsidiary of a Person means a corporation or other entity in which that Person directly or indirectly owns or controls the shares of stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or appoint other managers of such corporation or other entity.

Subordinated Debt means Indebtedness in the aggregate principal amount of \$6,000,000 owing under the 12% Senior Subordinated Notes Due 2002 issued by the Borrower on or about October 14, 1997.

Term Commitment is defined in Section 2.1.

Term Loans is defined in Section 2.1.

Term Note means a promissory note of the Borrower payable to the order of any Lender, substantially in the form of Exhibit A-2.

Termination Event means (i) a Reportable Event with respect to any Benefit Plan or Multiemployer Plan; (ii) the withdrawal of the Borrower, any of

its Subsidiaries or any ERISA Affiliate from a Benefit Plan during a plan year in which it was a "substantial employer" (as defined in Section 4001(a)(2) of ERISA); (iii) the providing of notice of intent to terminate a Benefit Plan in a distress termination (as described in Section 4041(c) of ERISA); (iv) the institution by the Pension Benefit Guaranty Corporation of proceedings to terminate a Benefit Plan or Multiemployer Plan; (v) any event or condition (a) which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Benefit Plan or Multiemployer Plan, or (b) that may result in termination of a Multiemployer Plan pursuant to Section 4041A of ERISA; or (vi) the partial or complete withdrawal within the meaning of Sections 4203 and 4205 of ERISA, of the Borrower, any of its Subsidiaries or any ERISA Affiliate from a Multiemployer Plan.

Total Commitments means the sum of the Commitments of all the Lenders, which shall not exceed \$125,833,333.40.

Trailers means over-the-road tractor trailers and trailers intended for use as storage facilities not constituting portable and ISO containers owned by the Borrower.

Trademark Security Agreements means the Confirmation and Grant of Security Interests in Trademarks and Trademark Applications executed by the Borrower and the Borrower's Subsidiaries in favor of the Agent pursuant to Section 5.1(a), substantially in the form of Exhibit R.

Type means, in reference to a Revolving Loan or Term Loan, that it is a Eurodollar Rate Loan or a Prime Rate Loan.

Unused Line Fee is defined in Section 4.3.

Working Capital means: (i) Current Assets minus (ii) Current Liabilities.

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1.2 Accounting Terms and Determinations. Unless otherwise defined or specified herein, all accounting terms used in this Credit Agreement shall be construed in accordance with GAAP, applied on a basis consistent in all material respects with the Financial Statements delivered to the Agent on or before the Closing Date. All accounting determinations for purposes of determining compliance with Sections 8.1 through 8.8 hereof shall be made in accordance with GAAP as in effect on the Closing Date and applied on a basis consistent in all material respects with the audited Financial Statements delivered to the Agent on or before the Closing Date. The Financial Statements required to be delivered hereunder from and after the Closing Date, and all financial records, shall be maintained in accordance with GAAP. If GAAP shall change from the basis used in preparing the audited Financial Statements delivered to the Agent on or before the Closing Date, the certificates required to be delivered pursuant to Section 7.1 demonstrating compliance with the covenants contained herein shall, at the election of the Borrower or upon the request of the Majority Lenders, include calculations setting forth the adjustments necessary to demonstrate how the Borrower is in compliance with the financial covenants based upon GAAP as in effect on the Closing Date.

1.3 Other Terms; Headings. Terms used herein that are defined in the Uniform Commercial Code in effect in the State of California (the "Code") shall have the meanings given in the Code. Each of the words "hereof," "herein," and "hereunder" refer to this Credit Agreement as a whole. An Event of Default shall "continue" or be "continuing" until such Event of Default has been waived in accordance with Section 11.11 hereof. References to Articles, Sections, Annexes, Schedules, and Exhibits are internal references to this Credit Agreement, and to its attachments, unless otherwise specified. The headings and the Table of Contents are for convenience only and shall not affect the meaning or construction of any provision of this Credit Agreement.

1.4 Prior Credit Agreement. This Credit Agreement evidences the amendment and restatement of the Prior Credit Agreement. Upon the effectiveness of this Credit Agreement, the Prior Credit Agreement will be superseded in its entirety and all references to the Credit Agreement that are contained in the Credit Documents shall be deemed to refer to this Credit Agreement, without the need for further amendment of those Credit Documents. Notwithstanding the foregoing, all of the Obligations outstanding under the Prior Credit Agreement and all of the liens and security interests securing the same shall continue in

all respects. This Credit Agreement shall not be deemed to evidence a repayment and reborrowing or novation of those Obligations. Without limiting the foregoing, the Borrower hereby ratifies and reaffirms all of its obligations under each of the Credit Documents, including, without limitation, that certain Borrower Security Agreement, dated as of March 28, 1996, between the Borrower and the Agent, that certain Pledge Agreement, dated as of March 28, 1996, between the Borrower and the Agent, that certain Confirmation and Grant of Security Interest in Patents and Patent Applications, dated as of March 28, 1996, between the Borrower and the Agent and that certain Confirmation and Grant of Security Interest in Trademarks and Trademark Applications, dated as of March 28, 1996, between the Borrower and the Agent, and agrees that each of the Credit Documents shall remain in full force and effect and shall apply to the Obligations arising under this Credit Agreement.

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ARTICLE II.
LOANS

2.1 Term Loan Facility.

(a) Amounts of Term Loans.

(i) Subject to the terms and conditions set forth in this Agreement, on the Closing Date each Lender severally agrees to make to the Borrower (but not thereafter), a term loan (each individually, a "Term Loan" and collectively, the "Term Loans") in an amount not to exceed such Lender's Proportionate Share of \$5,833,333.40 (each Lender's obligation to make a Term Loan in such amount being referred to herein as its "Term Commitment," which obligation (and Term Commitment) shall be zero after the making of the Term Loans on the Closing Date). The Term Loans made on the Closing Date shall be made as Prime Rate Loans.

(ii) All Term Loans shall be made by the Lenders simultaneously and proportionately to their respective Proportionate Shares, it being understood that the Lenders' respective Term Commitments are several and not joint and that no Lender shall be responsible for any failure by any other Lender to perform its obligation to make any Term Loan hereunder nor shall the Term Commitment of any Lender be increased or decreased as a result of the failure by any other Lender to perform its obligation to make any Term Loan hereunder.

(iii) The Term Loans, when repaid or prepaid, whether by voluntary or mandatory prepayment, in accordance with the terms hereof, may not be reborrowed.

(b) Term Notes and Scheduled Term Loan Installments.

(i) The Borrower shall execute and deliver to each Lender on the Closing Date a Term Note, in the principal amount of that Lender's Term Loan.

(ii) The Borrower shall repay the principal amount of the Term Loans made on the Closing Date in monthly installments of \$100,000 each (each a "Scheduled Term Loan Installment" and collectively, the "Scheduled Term Loan Installments") on the last day of each month commencing December 31, 1999. The Term Loans shall be repaid in full on the Expiration Date and, notwithstanding the foregoing, the Scheduled Term Loan Installment due on the Expiration Date shall be in the amount necessary to repay the Term Loans in full.

2.2 Revolving Credit Commitments.

(a) Subject to the terms and conditions set forth in this Credit Agreement, on and after the Closing Date and to and excluding the Expiration Date, each Lender severally agrees to make loans and advances to the Borrower ("Revolving Loans") in an amount not to exceed at any time its Proportionate Share of the lesser of (x) the total Revolving Credit Commitments (which shall not exceed \$120,000,000) or (y) the Borrowing Base, minus, in each case, the then outstanding Letter of Credit Obligations.

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(b) The Agent may, but shall not be obligated to, rely on each Borrowing Base Certificate and any other schedules or reports in determining the

eligibility of Accounts and Inventory. The Agent, in the exercise of its Permitted Discretion, may (i) establish and increase or decrease reserves against Eligible Accounts Receivable and Eligible Inventory, (ii) reduce the advance rates provided for in this definition, or restore such advance rates to any level equal to or below the advance rates in effect as of the date of this Credit Agreement, and (iii) impose additional restrictions (or eliminate the same) to the standards of eligibility set forth in the definitions of "Eligible Accounts Receivable," "Eligible Goods Inventory," "Eligible Raw Materials Inventory," "Eligible Container Fleet Inventory," "Eligible Trailer Fleet Inventory," "Eligible Work-In-Process Container Inventory," "Eligible Primary Raw Materials Inventory," and "Eligible Other Raw Materials Component Inventory."

2.3 Borrowing of Revolving Loans. It is contemplated that Revolving Loans will be made available to the Borrower directly by the Lenders ("Lender Advances") and, in the circumstances described in Section 2.3(b), from the Agent acting on behalf of the Lenders ("Agent Advances").

(a) Lender Advances of Revolving Loans. Subject to the determination by the Agent and the Lenders that the conditions for borrowing contained in Section 5.2 are satisfied, upon notice from the Borrower to the Agent ("Notice of Borrowing"), Lender Advances of Revolving Loans shall be made to the extent of each Lender's Proportionate Share of the requested Borrowing. The Notice of Borrowing shall specify whether the requested Borrowing is of Prime Rate Loans or Eurodollar Rate Loans.

(b) Agent Advances of Revolving Loans. The Agent is authorized by the Lenders, but is not obligated, to make Agent Advances (x) upon a Notice of Borrowing received by the Agent before 1:00 P.M. New York time on a Business Day, or (y) upon advice received by the Agent on a Business Day from the Disbursement Account Bank of the face amount of checks drawn on the Disbursement Account, which have been or will be presented for payment on that day, minus the amount of funds then available in the Disbursement Account. All Agent Advances shall be Prime Rate Loans. Except during the period set forth in Section 2.3(b)(ii), Agent Advances will not at any time exceed the amount available for borrowing under Section 2.2(a). Agent Advances will be subject to periodic settlement with the Lenders under Section 2.5. Agent Advances may be made only in the following circumstances:

(i) For administrative convenience, the Agent may, but is not obligated to, make Agent Advances in reliance upon the Borrower's actual or deemed representations under Section 5.2 that the conditions for borrowing are satisfied.

(ii) If the conditions for borrowing under Section 5.2 cannot be fulfilled, the Borrower shall in its Notice of Borrowing or otherwise give immediate notice thereof to the Agent, with a copy to each of the Lenders, and the Agent may, but is not obligated to, continue to make Agent Advances for twenty (20) Business Days from the date the Agent first receives such notice, or until sooner instructed by the Majority Lenders to cease. The Agent is authorized to make Agent Advances under this subsection (ii) up to the amount that would otherwise be available for borrowing under Section 2.2(a) plus \$2,000,000. Once notice is given

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with respect to an event causing the conditions not to be fulfilled, no additional notice with respect to that event will be effective to commence a new period under this Section 2.3(b)(ii). All Agent Advances made pursuant to this clause (ii) shall be due and payable within one (1) Business Day of demand.

(c) Disbursement of Revolving Loans. The proceeds of Revolving Loans shall be transmitted by the Agent, in the circumstances described in Section 3.5, directly to the Issuing Bank and, in all other circumstances, as requested by the Borrower in its Notice of Borrowing.

(d) Notices of Borrowing. Notices of Borrowing may be given under this Section by telephone or facsimile transmission, and, if by telephone, promptly confirmed in writing substantially in the form of Exhibit F. The Borrower shall specify in each Notice of Borrowing whether the conditions for the requested borrowing are satisfied. The Borrower may request one or more Borrowings of Prime Rate Loans on the same Business Day. Notice of Borrowing for Eurodollar Rate Loans shall be given not later than 1:00 P.M. New York time on the third

Business Day prior to the proposed Borrowing. Each Notice of Borrowing shall, unless otherwise specifically provided herein, consist entirely of Revolving Loans of the same Type and, if such Borrowing is to consist of Eurodollar Rate Loans, shall be in an aggregate amount for all Lenders of not less than \$2,000,000 or an integral multiple of \$100,000 in excess thereof. The right of the Borrower to choose Eurodollar Rate Loans is subject to the provisions of Section 4.13. Once given, a Notice of Borrowing that requests a Lender Advance is irrevocable by and binding on the Borrower. The Borrower shall provide to the Agent a list, with specimen signatures, of officers authorized to request Revolving Loans. The Agent is entitled to rely upon such list until it is replaced by the Borrower.

2.4 Same Day Settlement of Lender Advances. The Agent shall give each Lender prompt notice by telephone or facsimile transmission of a Notice of Borrowing that requests Lender Advances of Revolving Loans. No later than 2:00 P.M. New York time on the date of receipt of the Notice of Borrowing, each Lender shall make available to the Agent at the Agent's address its Proportionate Share of such Borrowing in immediately available funds. Unless the Agent receives contrary written notice prior to the date of any such Borrowing of Revolving Loans, it is entitled to assume that each Lender will make available its Proportionate Share of the Borrowing and in reliance upon that assumption, but without any obligation to do so, may advance such Proportionate Share on behalf of the Lender.

2.5 Periodic Settlement of Agent Advances and Repayments.

(a) The Settlement Date. The amount of each Lender's Proportionate Share of Revolving Loans shall be computed weekly (or more frequently in the Agent's discretion) and shall be adjusted upward or downward based on all Revolving Loans (including Agent Advances) and repayments received by the Agent as of 5:00 P.M. New York time on the last Business Day of the period specified by the Agent (such date, the "Settlement Date").

(b) Summary Statements; Settlements of Principal. The Agent shall deliver to each of the Lenders promptly after the Settlement Date a summary statement of the amount of outstanding Revolving Loans (including Agent Advances) for the period and the amount of

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repayments received for the period. As reflected on the summary statement: (i) the Agent shall transfer to each Lender its Proportionate Share of repayments; and (ii) each Lender shall transfer to the Agent, or the Agent shall transfer to each Lender, such amounts as are necessary to insure that, after giving effect to all such transfers, the amount of Revolving Loans made by each Lender shall be equal to such Lender's Proportionate Share of the aggregate amount of Revolving Loans outstanding as of such Settlement Date. If the summary statement requires transfers to be made to the Agent by the Lenders and is received prior to 12:00 noon New York time on a Business Day, such transfers shall be made in immediately available funds no later than 3:00 P.M. New York time that day; and, if received after 12:00 noon New York time, then no later than 3:00 P.M. New York time on the next Business Day. The obligation of each Lender to transfer such funds is irrevocable, unconditional and without recourse to or warranty by the Agent.

(c) Distribution of Interest and Unused Line Fees. Interest on the Loans (including Agent Advances) together with the amount of the Unused Line Fee, shall be allocated by the Agent to each Lender in accordance with the Proportionate Share of Loans actually advanced by and repaid to each Lender, and shall accrue from and including the date such Loans are so advanced and to but excluding the date such Loans are either repaid by the Borrower or actually settled under this Section. Promptly after the end of each month, the Agent shall distribute to each Lender its Proportionate Share of the interest and Unused Line Fee accrued during that month. The Agent shall distribute interest on Eurodollar Rate Loans promptly after it is received.

2.6 Sharing of Payments. If any Lender obtains any payment on account of the Loans or Letter of Credit Obligations in excess of its Proportionate Share of such payments, it will immediately purchase from the other Lenders portions of their Loans and Letter of Credit participations sufficient to cause that Lender to share the excess payment ratably with all the other Lenders.

2.7 Defaulting Lenders.

(a) A Lender who fails to pay the Agent its Proportionate Share of any Revolving Loans (including Agent Advances) made available by the Agent on such Lender's behalf, or who fails to pay any other amount owing by it to the Agent, is a "Defaulting Lender." The Agent may recover all such amounts owing by a Defaulting Lender on demand. If the Defaulting Lender does not pay such amounts on the Agent's demand, the Agent shall promptly notify the Borrower and the Borrower shall pay such amounts within five Business Days. In addition, the Defaulting Lender or the Borrower shall pay the Agent interest on such amount for each day from the date it was made available by the Agent to the Borrower to the date it is recovered by the Agent at a rate per annum equal to (x) the overnight Federal funds rate, if paid by the Defaulting Lender, or (y) the then applicable rate of interest calculated under Section 4.1, if paid by the Borrower; plus, in each case, the Expenses and losses, if any, incurred as a result of the Defaulting Lender's failure to perform its obligations.

(b) The failure of any Lender to fund its Proportionate Share of any Revolving Loan (including Agent Advances) shall not relieve any other Lender of its obligation to fund its

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Proportionate Share of such Revolving Loan. Conversely, no Lender shall be responsible for the failure of another Lender to fund its Proportionate Share of a Revolving Loan.

(c) The Agent shall not be obligated to transfer to a Defaulting Lender any payments made by the Borrower to the Agent for the Defaulting Lender's benefit; nor shall a Defaulting Lender be entitled to the sharing of any payments hereunder. Amounts payable to a Defaulting Lender shall instead be paid to or retained by the Agent. The Agent may hold and, in its discretion, re-lend to the Borrower the amount of all such payments received or retained by it for the account of such Defaulting Lender. For purposes of voting or consenting to matters with respect to the Credit Documents and determining Proportionate Shares, such Defaulting Lender shall be deemed not to be a "Lender" and such Lender's Commitment shall be deemed to be zero (-0-). This Section shall remain effective with respect to such Lender until (x) the Obligations under this Credit Agreement shall have been declared or shall have become immediately due and payable or (y) the Majority Lenders, the Agent and the Borrower shall have waived such Lender's default in writing. The operation of this Section shall not be construed to increase or otherwise affect the Term Commitment or Revolving Credit Commitment of any Lender, or relieve or excuse the performance by the Borrower of its duties and obligations hereunder.

ARTICLE III.
LETTERS OF CREDIT

3.1 Issuance of Letters of Credit. Subject to the terms and conditions hereunder and in reliance on the representations and warranties of the Borrower set forth herein, the Agent may from time to time cause the Issuing Bank to issue Letters of Credit hereunder at the request of the Borrower and for its account, as more specifically described below. The Agent shall not be obligated to cause the Issuing Bank to issue any Letter of Credit if:

(a) Issuance of the requested Letter of Credit (i) would cause the Letter of Credit Obligations then outstanding to exceed \$2,000,000 or (ii) would cause the sum of the Revolving Loans plus the Letter of Credit Obligations then outstanding to exceed the lesser of (x) the Revolving Credit Commitments then in effect or (y) the Borrowing Base then in effect; or

(b) Issuance of the Letter of Credit is enjoined, restrained or prohibited by any Governmental Authority, Requirement of Law or any request or directive of any Governmental Authority (whether or not having the force of law) or would impose upon the Agent or the Issuing Bank any material restriction, reserve, capital requirement, loss, cost or expense (for which the Agent or the Issuing Bank is not otherwise compensated) not in effect or known as of the Closing Date.

3.2 Terms of Letters of Credit. The proposed amount, terms and conditions, and form of each Letter of Credit (and of any drafts or acceptances thereunder) shall be subject to approval by the Issuing Bank. The term of each Letter of Credit shall not exceed 360 days, but may be subject to annual renewal, and in any event shall have an expiry date not later than five (5) Business Days prior

to the Expiration Date.

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3.3 Request for Issuance. A request for issuance of a Letter of Credit in the form of Exhibit K (a "Letter of Credit Request") may be given in writing or electronically by any officer authorized by the Borrower under Section 2.3(d) and, if requested by the Agent, promptly confirmed in writing. A Letter of Credit Request must be received by the Agent no later than 1:00 P.M. New York time at least five (5) Business Days (or such shorter period as may be agreed to by the Issuing Bank) in advance of the proposed date of issuance.

3.4 Lenders' Participation. Immediately upon issuance or amendment of any Letter of Credit, each Lender shall be deemed to have irrevocably and unconditionally purchased and received from the Issuing Bank, without recourse or warranty, an undivided interest and participation in all rights and obligations under such Letter of Credit (other than fees and other amounts owing to the Issuing Bank) in accordance with such Lender's Proportionate Share.

3.5 Payment of Amounts Drawn Under Letters of Credit. Upon notice from the Issuing Bank of any drawing under any Letter of Credit, the Agent shall notify the Borrower of such drawing promptly on the Business Day immediately prior to the date on which the Issuing Bank intends to honor such drawing. The Borrower will be deemed to have concurrently given a Notice of Borrowing to the Agent for Revolving Loans in the amount of and at the time of such drawing. The proceeds of such Revolving Loans shall be applied directly by the Agent to reimburse the Issuing Bank for the amount of such drawing.

3.6 Payment by Lenders. If Revolving Loans are not made in an amount sufficient to reimburse the Issuing Bank in full for the amount of any draw, the Agent shall promptly notify each Lender of the unreimbursed amount of such drawing and of such Lender's respective participation therein. Each Lender shall make available to the Agent, for the account of the Issuing Bank, the amount of its participation in immediately available funds not later than 1:00 P.M. New York time on the next Business Day. If any Lender fails to make available to the Agent the amount of such Lender's participation, the Issuing Bank shall be entitled to recover such amount on demand from such Lender together with interest at the Federal Funds Rate for the first three Business Days and thereafter at the Prime Lending Rate. For each Letter of Credit, the Agent shall promptly distribute to each Lender which has funded the amount of its participation its Proportionate Share of all payments subsequently received by the Agent from the Borrower in reimbursement of honored drawings.

3.7 Nature of Issuing Bank's Duties. In determining whether to pay under any Letter of Credit, the Issuing Bank shall be responsible only to determine that the documents and certificates required to be delivered under that Letter of Credit have been delivered and that they comply on their face with the requirements of that Letter of Credit. As among the Borrower, the Issuing Bank and each other Lender, the Borrower assumes all risks of the acts and omissions of the Issuing Bank, or misuse of the Letters of Credit by the respective beneficiaries of such Letters of Credit. Any action taken or omitted to be taken by the Issuing Bank under or in connection with any Letter of Credit, if taken or omitted in the absence of gross negligence or willful misconduct, shall not create for the Issuing Bank any liability to the Borrower, the Agent or any Lender.

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3.8 Obligations Absolute. The obligations of the Borrower to reimburse the Issuing Bank for drawings honored under the Letters of Credit and the obligations of the Lenders under Section 3.6 hereof shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Credit Agreement under all circumstances.

3.9 Agent's Execution of Applications and Other Issuing Bank Documentation; Reliance on Credit Agreement by Issuing Bank. The Agent shall be authorized to execute, deliver and perform on behalf of the Lenders such letter of credit applications, shipping indemnities, letter of credit modifications and consents and other undertakings for the benefit of the Issuing Bank as may be reasonably necessary or appropriate in connection with the issuance or modification of Letters of Credit requested by the Borrower hereunder. The Lenders, the Agent and the Borrower all expressly agree that the terms of this Article 3 and various other provisions of this Credit Agreement identifying the Issuing Bank

are also intended to benefit the Issuing Bank and the Issuing Bank shall be entitled to enforce the provisions hereof which are for its benefit.

3.10 Additional Payments. If by reason of (a) any change in any Requirement of Law or any change in the interpretation or application by any Governmental Authority of any Requirement of Law or (b) compliance by the Issuing Bank or any Lender with any direction, request or requirement (whether or not having the force of law) of any Governmental Authority or monetary authority including, without limitation, Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect (and any successor thereto):

(i) any reserve, deposit or similar requirement is or shall be applicable, imposed or modified in respect of any Letters of Credit issued by the Issuing Bank or participations therein purchased by any Lender; or

(ii) there shall be imposed on the Issuing Bank or any Lender any other condition regarding this Section 3.10, any Letter of Credit or any participation therein;

and the result of the foregoing is to directly or indirectly increase the cost to the Issuing Bank or any Lender of issuing, making or maintaining any Letter of Credit or of purchasing or maintaining any participation therein, or to reduce the amount receivable in respect thereof by such Issuing Bank or any Lender, then, and in any such case, the Issuing Bank or such Lender may, at any time within a reasonable period after the additional cost is incurred or the amount received is reduced, notify the Borrower, and the Borrower shall pay on demand such amounts as the Issuing Bank or such Lender may specify to be necessary to compensate the Issuing Bank or such Lender for such additional cost or reduced receipt, together with interest on such amount from 10 days after the date of such demand until payment in full thereof at a rate equal at all times to the Prime Lending Rate per annum. The determination by the Issuing Bank or any Lender, as the case may be, of any amount due pursuant to this Section, shall be set forth in a certificate delivered to the Borrower, setting forth the calculation of any amounts due pursuant to this Section in reasonable detail.

3.11 Replacement of Lender. If the Borrower receives a notice pursuant to Section 3.10, so long as no Default or Event of Default shall have occurred and be continuing and the Borrower has obtained a commitment from another Lender or other financial institution,

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acceptable to the Agent in its reasonable discretion, to become a Lender for all purposes under this Credit Agreement and to assume all obligations of the Lender to be replaced, the Borrower may require the Lender giving such notice to assign all of its Loans, Commitments and other Obligations to such other Lender or financial institution pursuant to the provisions of Section 11.8(b); provided that, prior to or concurrently with such replacement (i) the Borrower has paid to the Lender giving such notice all principal, interest, fees and other amounts due and owing to such Lender through such date of replacement, (ii) the Agent has received the processing and recordation fee required to be paid by Section 11.8(b), and (iii) all of the requirements for such assignment contained in Section 11.8(b), including, without limitation, the receipt by the Agent of an executed Assignment and Assumption Agreement and other supporting documents, have been fulfilled.

ARTICLE IV.

COMPENSATION, REPAYMENT AND REDUCTION OF COMMITMENTS

4.1 Interest on Prime Rate Loans. The Borrower shall be obligated to pay to the Lenders on the first Business Day of each month interest on the Prime Rate Loans, calculated monthly in arrears at an interest rate per annum equal to the Prime Lending Rate plus (i) with respect to Revolving Loans consisting of Prime Rate Loans the following basis points, relative to the Debt Ratio in effect, as set forth below:

DEBT RATIO AS DEFINED IN SECTION 8.6

PRIME INTEREST RATE PLUS

> 5.0	75 Basis Points (0.75%)
-	
> 4.5 but < 5.0	50 Basis Points (0.50%)
-	
> 4.0 but < 4.5	25 Basis Points (0.25%)
-	
< 4.0	Zero Basis Points (0.0%)

(ii) with respect to Term Loans consisting of Prime Rate Loans the following basis points relative to the Debt Ratio in effect, as set forth below.

DEBT RATIO AS DEFINED IN SECTION 8.6	PRIME INTEREST RATE PLUS
> 5.0	100 Basis Points (1.00%)
-	
> 4.5 but < 5.0	75 Basis Points (0.75%)
-	
> 4.0 but < 4.5	50 Basis Points (0.50%)
-	
< 4.0	25 Basis Points (0.25%)

4.2 Interest on Eurodollar Rate Loans. Interest on Eurodollar Rate Loans shall be payable on the last day of each Interest Period with respect to such Eurodollar Rate Loans (and, in the case of any Eurodollar Rate Loan with an Interest Period of six months, on the three-month

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anniversary of the commencement of that Interest Period), at the date of conversion of such Eurodollar Rate Loans (or a portion thereof) to a Prime Rate Loan and at maturity of such Eurodollar Rate Loans at an interest rate per annum equal during the Interest Period for such Eurodollar Rate Loans to the Adjusted Eurodollar Rate for the Interest Period in effect for such Eurodollar Rate Loans plus (i) with respect to Revolving Loans consisting of Eurodollar Rate Loans the following basis points, relative to the Debt Ratio in effect, as set forth below:

DEBT RATIO AS DEFINED IN SECTION 8.6	EURODOLLAR RATE (ADJUSTED EURODOLLAR RATE PLUS)
> 5.0	Two Hundred Fifty Basis Points (2.5%)
-	
> 4.5 but < 5.0	Two Hundred Basis Points (2.0%)
-	

> 4.0 but < 4.5	One Hundred Seventy-Five Basis Points (1.75%)
-	
> 3.5 but < 4.0	One Hundred Fifty Basis Points (1.50%)
-	
< 3.5	One Hundred Twenty-Five Basis Points (1.25%)

(ii) with respect to Term Loans consisting of Eurodollar Rates Loans the following basis points, relative to the Debt Ratio, as set forth below:

DEBT RATIO AS DEFINED IN SECTION 8.6	EURODOLLAR RATE (ADJUSTED EURODOLLAR RATE PLUS)
> 5.0	Two Hundred Seventy-Five Basis Points (2.75%)
-	
> 4.5 but < 5.0	Two Hundred Twenty-Five Basis Points (2.25%)
-	
> 4.0 but < 4.5	Two Hundred Basis Points (2.00%)
-	
> 3.5 but < 4.0	One Hundred Seventy-Five Basis Points (1.75%)
-	
< 3.5	One Hundred Fifty Basis Points (1.50%)

The Agent upon determining the Adjusted Eurodollar Rate for any Interest Period shall promptly notify the Borrower and the Lenders by telephone (confirmed promptly in writing) or in writing thereof.

4.3 Unused Line Fee. The Borrower shall be obligated to pay to the Lenders on the first Business Day of each month and on the Expiration Date a fee equal to (0.375%) per annum calculated monthly in arrears on the average unused portion of the Total Commitments at the close of business each day during such month or occurring prior to the Expiration Date (the "Unused Line Fee").

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4.4 Letter of Credit Fees.

(a) The Borrower shall be obligated to pay to the Lenders on the first Business Day of each month a fee (the "Letter of Credit Fee"), in an amount equal to the Letter of Credit Fee listed on the chart below that corresponds to the Debt Ratio in effect, per annum of the daily weighted average amount of Letter of Credit Obligations relating to Letters of Credit outstanding during the immediately preceding month.

DEBT RATIO AS DEFINED IN SECTION 8.6	LETTER OF CREDIT FEES
> 5.0	2.50% per annum
-	
> 4.5 but < 5.0	2.00% per annum
-	
> 4.0 but < 4.5	1.75% per annum

-	
> 3.5 but < 4.0	1.50% per annum
-	
< 3.5	1.25% per annum

Notwithstanding the foregoing, Letter of Credit Fees on Letter of Credit Obligations outstanding after the occurrence and during the continuance of an Event of Default shall be payable on demand at a rate equal to the rate at which the Letter of Credit Fees are charged pursuant to the first sentence of this Section 4.4(a), plus two (2) percentage points (200 basis points).

(b) The Borrower shall also pay the customary charges, fees and expenses of Deutsche Bank for the issuance, administration and negotiation of each Letter of Credit (if Deutsche Bank is the Issuing Bank), and the Agent shall be entitled to charge to the Loan Account such fees, charges and expenses of the Issuing Bank as and when incurred by the Agent or any Lender (in each case, the "Issuing Bank Fees").

4.5 Interest After Event of Default. From the date of occurrence of an Event of Default until the earlier of (i) the date all Obligations have been paid and satisfied in full or (ii) the date such Event of Default is waived, the Borrower shall be obligated to pay to the Lenders interest on the Loans and on the Letter of Credit Obligations calculated at rates per annum equal to the rates in effect under Sections 4.1, 4.2 and 4.4 plus in each case two (2) percentage points (200 basis points).

4.6 Expenses; Fees. The Borrower shall be obligated to reimburse the Agent's Expenses promptly upon demand and to pay any Fees due and payable on or prior to the Closing Date.

4.7 Mandatory Payment; Reduction of Commitments; Voluntary Prepayments.

(a) Mandatory Payment. Except during the period described in Section 2.3(b)(ii), the aggregate balance of Revolving Loans and all Letter of Credit Obligations

outstanding at any time in excess of the Borrowing Base then in effect shall be immediately due and payable without the necessity of any demand.

(b) [Intentionally deleted]

(c) Reduction of Commitments. On the Expiration Date, the Commitment of each Lender shall automatically reduce to zero and may not be reinstated. The Borrower may reduce or terminate the Commitments at any time and from time to time in whole or in part. Each such reduction must be in an aggregate amount for all the Lenders of not less than \$5,000,000 (and in increments of \$1,000,000 thereafter). If the Borrower seeks to reduce Commitments to an aggregate amount less than \$1,000,000, then the Commitments shall be reduced to zero and this Credit Agreement shall be terminated. Once reduced, no portion of the Commitments may be reinstated.

(d) Voluntary Prepayments. The Borrower may prepay Term Loans at any time, in whole or in part, without penalty or premium (subject to Section 4.13(d)), which prepayments shall be applied to the Scheduled Term Loan Installments in inverse order of maturity. The Borrower may prepay Revolving Loans, without penalty or premium, subject to the concurrent reduction of the Commitments pursuant to and in compliance with Section 4.7(c), and subject to Section 4.13(d).

4.8 Maintenance of Loan Account; Statements of Account. The Agent shall maintain an account on its books in the name of the Borrower (the "Loan Account") in which the Borrower will be charged with all loans and advances made by the Lenders to the Borrower or for the Borrower's account, including the Term Loans, the Revolving Loans, and all Letter of Credit Obligations, the Fees, the Expenses and any other Obligations. The Loan Account will be credited with all payments received by the Agent from the Borrower or for the Borrower's account, including all amounts received in the Concentration Account from any Lockbox Bank or Blocked Account Bank. The Agent shall send the Borrower a monthly

statement reflecting the activity in the Loan Account.

4.9 Payment Procedures. The Borrower hereby authorizes the Agent to charge the Loan Account with the amount of all interest, Fees and Expenses and other payments to be made hereunder and under the other Credit Documents. The Borrower's obligations to the Agent and the Lenders with respect to such payments shall be discharged by the Agent's charging the Loan Account as provided herein.

4.10 Collection of Accounts. The Borrower shall at all times maintain lockboxes (the "Lockboxes") and blocked deposit accounts (the "Blocked Accounts") and shall instruct all account debtors on the Accounts of the Borrower to remit all Collections to such Lockboxes, except for Collections consisting of payments made by wire transfer or transmitted by the automated clearing house system, with respect to which the account debtors shall be instructed to send such payments to an account (the "Concentration Account") maintained by the Agent at Deutsche Bank. All other payments received by the Borrower shall be deposited in Blocked Accounts. The Borrower, the Agent and financial institutions selected by the Borrower and acceptable to the Agent (the "Lockbox Banks" and the "Blocked Account Banks" as the case may

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be) shall enter into agreements substantially in the form of Exhibit C-1 (the "Lockbox Agreements") or Exhibit C-2 (the "Blocked Account Agreements"), as the case may be. Termination of such arrangements shall also be subject to approval by the Agent. Upon the terms and subject to the conditions set forth in the Lockbox Agreements or a Blocked Account Agreements, as the case may be, all available amounts held in each Lockbox and Blocked Account shall be sent by wire transfer or automated clearing house system each Business Day to the Concentration Account.

4.11 Application of Payments. All amounts received in the Concentration Account from third parties, the Lockbox Banks and the Blocked Account Banks shall be credited to the Loan Account and applied to amounts due under Section 4.9 and then to the outstanding Revolving Loans. Amounts applied to the Revolving Loans shall be credited first to Prime Rate Loans and provided no Default or Event of Default exists, any amount in excess thereof shall be deposited at the end of a Business Day in an interest-bearing account at Deutsche Bank in the name of, and under the control of, the Agent, with any interest earned for the benefit of the Borrower. Any funds in such interest bearing account will be applied to the Revolving Loans on the next Business Day. If any amounts collected exceed the Revolving Loans outstanding, and any other amounts then due hereunder, it shall be disbursed to the Disbursement Account or as otherwise directed by the Borrower. Except as provided in Section 9.7, after the occurrence of an Event of Default, and until it is waived, all amounts received by the Agent from the Lockbox Banks and the Blocked Account Banks, from liquidation of Collateral or otherwise, shall be applied in the following order: first, to the payment of any Fees, Expenses or other Obligations due and payable to the Agent under any of the Credit Documents, including Agent Advances and any other amounts advanced by the Agent on behalf of the Lenders; second, to the payment of any Fees, expenses or other Obligations due and payable to the Issuing Bank under any of the Credit Documents; third, to the ratable payment of any Fees, Expenses or other Obligations due and payable to the Lenders under any of the Credit Documents other than those Obligations specifically referred to in this Section; fourth, to the ratable payment of interest due on the Loans; and, fifth, to the ratable payment of principal due on the Loans.

4.12 Calculations. All calculations of (i) interest hereunder and (ii) Fees, including, without limitation, Unused Line Fees and Letter of Credit Fees, shall be made by the Agent, on the basis of a year of 360 days for the actual number of days elapsed (including the first day but excluding the last day) occurring in the period for which such interest or Fees are payable.

4.13 Special Provisions Relating to Eurodollar Rate Loans.

(a) Continuation. With respect to any Borrowing consisting of Eurodollar Rate Loans, the Borrower may (so long as no Default or Event of Default has occurred and is continuing), subject to the provisions of Section 4.13(c), elect to maintain such Borrowing or any portion thereof as consisting of Eurodollar Rate Loans by selecting a new Interest Period for such Borrowing, which new Interest Period shall commence on the last day of the immediately preceding Interest Period. Each selection of a new Interest Period shall be made

by notice given not later than 1:00 P.M. New York time on the third Business Day prior to the date of any such continuation relating to Eurodollar Rate Loans, by the Borrower to the Agent. Such notice by the Borrower of a continuation (a "Notice of Continuation") shall be by telephone or facsimile

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transmission, and if by telephone, promptly confirmed in writing substantially in the form of Exhibit I, in each case specifying (i) the date of such continuation, (ii) the Type of Loans (including whether Revolving Loans or Term Loans) subject to such continuation, (iii) the aggregate amount of Loans subject to such continuation and (iv) the duration of the selected Interest Period. The Borrower may elect to maintain more than one Borrowing consisting of Eurodollar Rate Loans by combining such Borrowings into one Borrowing and selecting a new Interest Period pursuant to this Section 4.13(a); provided, however, that each of the Borrowings so combined shall consist of Revolving Loans or Term Loans having Interest Periods all then ending on the same date. If the Borrower shall fail to select a new Interest Period for any Borrowing consisting of Eurodollar Rate Loans in accordance with this Section 4.13(a), such Revolving Loans or Term Loans will automatically, on the last day of the then existing Interest Period therefore, convert into Prime Rate Loans. The Agent shall give each Lender prompt notice by telephone or facsimile transmission of each Notice of Continuation.

(b) Conversion. The Borrower may on any Business Day (so long as no Default or Event of Default has occurred and is continuing), upon notice (each such notice, a "Notice of Conversion") given to the Agent, and subject to the provisions of Section 4.13(c), convert the entire amount of or a portion of all Loans of one Type comprising the same Borrowing into Loans of another Type; provided, however, that any conversion of any Eurodollar Rate Loans into Loans of another Type shall be made on, and only on, the last day of an Interest Period for such Eurodollar Rate Loans and, upon conversion of any Prime Rate Loans into Loans of another Type, the Borrower shall pay accrued interest to the date of conversion on the principal amount converted. Each such Notice of Conversion shall be given not later than 1:00 P.M. New York time on the Business Day prior to the date of any proposed conversion into Prime Rate Loans and on the third Business Day prior to the date of any proposed conversion into Eurodollar Rate Loans. Subject to the restrictions specified above, each Notice of Conversion shall be by telephone or facsimile transmission, and if by telephone, promptly confirmed in writing substantially in the form of Exhibit J, in each case specifying (i) the requested date of such conversion, (ii) the Type of Loans (including whether Revolving Loans or Term Loans) to be converted, (iii) the portion of such Type of Loan to be converted, (iv) the Type of Loan such Loans are to be converted into and (v) if such conversion is into Eurodollar Rate Loans, the duration of the Interest Period of such Loan. Each conversion shall be in an aggregate amount for the Loans of all Lenders of not less than \$2,000,000 or an integral multiple of \$ 100,000 in excess thereof. The Borrower may elect to convert the entire amount of or a portion of all Loans of one Type comprising more than one Borrowing into Loans of another Type by combining such Borrowings into one Borrowing consisting of Revolving Loans or Term Loans of another Type; provided, however, that if the Borrowings so combined consist of Eurodollar Rate Loans, such Loans shall have Interest Periods all then ending on the same date.

(c) Certain Limitations on Eurodollar Rate Loans. The right of the Borrower to maintain, select, continue or convert Eurodollar Rate Loans shall be limited as follows:

(i) If the Agent is advised by Deutsche Bank that it is not offering U.S. dollar deposits (in the applicable amounts) in the London interbank market, or the Agent determines that adequate and fair means do not otherwise exist for ascertaining the Eurodollar Rate for Eurodollar Rate Loans comprising any requested Borrowing, continuation or conversion,

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the right of the Borrower to select or maintain Eurodollar Rate Loans for such Borrowing or any subsequent Borrowing shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exists, and each Loan comprising such Borrowing shall be made as a Prime Rate Loan.

(ii) If the Majority Lenders shall, at least one Business Day before the date of any requested Borrowing, continuation or conversion, notify the Agent that the Eurodollar Rate for Loans comprising such Borrowing will not adequately reflect the cost to such Lenders of making or funding their respective Loans for such Borrowing, then the right of the Borrower to select Eurodollar Rate Loans for such Borrowing shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Loan comprising such Borrowing shall be made as a Prime Rate Loan.

(iii) If at any time any Lender reasonably determines that the making, continuation or conversion of any Loan as a Eurodollar Rate Loan has become unlawful or impermissible by reason of compliance by that Lender with any law, governmental rule, regulation or order of any Governmental Authority (whether or not having the force of law or would result in costs or penalties), then, and in any such event, such Lender may give notice of that determination in writing, to the Borrower and the Agent and the Agent shall promptly transmit the notice to each other Lender. Until such Lender gives notice otherwise, the right of the Borrower to select Eurodollar Rate Loans from that Lender shall be suspended and each Eurodollar Rate Loan outstanding from that Lender shall automatically and immediately convert to a Prime Rate Loan; provided, that if the Borrower receives a notice pursuant to this subsection (iii), so long as no Default or Event of Default shall have occurred and be continuing and the Borrower has obtained a commitment from another Lender or other financial institution, acceptable to the Agent in its reasonable discretion, to become a Lender for all purposes under this Credit Agreement and to assume all obligations of the Lender to be replaced, the Borrower may require the Lender giving such notice to assign all of its Loans, Commitments and other Obligations to such other Lender or financial institution pursuant to the provisions of Section 11.8(b); provided further that, prior to or concurrently with such replacement (i) the Borrower has paid to the Lender giving such notice all principal, interest, fees and other amounts due and owing to such Lender through such date of replacement, (ii) the Agent has received the processing and recordation fee required to be paid by Section 11.8(b), and (iii) all of the requirements for such assignment contained in Section 11.8(b), including, without limitation, the receipt by the Agent of an executed Assignment and Assumption Agreement and other supporting documents, have been fulfilled.

(iv) [intentionally omitted]

(v) There shall not be outstanding at any one time more than an aggregate of four (4) Borrowings of Loans which consist of Eurodollar Rate Loans.

(vi) No Agent Advance shall be made as a Eurodollar Rate Loan.

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(d) Compensation.

(i) Each Notice of Continuation and Notice of Conversion shall be irrevocable by and binding on the Borrower. In the case of any Borrowing, continuation or conversion that the related Notice of Borrowing, Notice of Continuation or Notice of Conversion specifies is to be comprised of Eurodollar Rate Loans, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill, on or before the date for such Borrowing, continuation or conversion specified in such Notice of Borrowing, Notice of Continuation or Notice of Conversion, the applicable conditions set forth in Article 5, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by such Lender to fund the Loan to be made by such Lender as part of such Borrowing, continuation or conversion.

(ii) If any payment of principal of, or conversion or continuation of, any Eurodollar Rate Loan is made other than on the last day of the Interest Period for such Loan as a result of a payment, prepayment, conversion or continuation of such Loan or acceleration of the maturity of the Revolving Notes or Term Notes pursuant to Article 9 hereof or for any other reason, the Borrower shall, upon demand by any Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses which it may reasonably

incur as a result of such payment, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Loan.

(iii) Calculation of all amounts payable to a Lender under this Section 4.13(d) shall be made as though such Lender elected to fund all Eurodollar Rate Loans by purchasing U.S. dollar deposits in its Eurodollar Lending Office's interbank eurodollar market.

4.14 Indemnification in Certain Events. If after the Closing Date, either (i) any change in or in the interpretation of any law or regulation is introduced, including, without limitation, with respect to reserve requirements, applicable to the Agent, to any of the Lenders, or to Deutsche Bank or any other banking or financial institution from whom any of the Lenders borrows funds or obtains credit (a "Funding Bank"), or (ii) the Agent, a Funding Bank or any of the Lenders complies with any future guideline or request from any central bank or other Governmental Authority, or (iii) the Agent, a Funding Bank or any of the Lenders determines that the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof has or would have the effect described below, or the Agent, a Funding Bank or any of the Lenders complies with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, and in the case of any event set forth in this clause (iii), such adoption, change or compliance has or would have the direct or indirect effect of reducing the rate of return on any of the Lenders' capital as a consequence of its obligations hereunder to a level below that which such Lender could have achieved but for such adoption, change or compliance (taking into consideration the Agent's or

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such Funding Bank's or Lender's policies as the case may be with respect to capital adequacy) by an amount deemed by such Lender to be material, and any of the foregoing events described in clauses (i), (ii) or (iii) increases the cost to the Agent, the Issuing Bank or any of the Lenders of (A) funding or maintaining the Total Commitments or (B) issuing, making or maintaining any Letter of Credit or of purchasing or maintaining any participation therein, or reduces the amount receivable in respect thereof by the Agent, the Issuing Bank or any Lender, then the Borrower shall upon demand by the Agent, pay to the Agent, for the account of each applicable Lender or, as applicable, the Issuing Bank or a Funding Bank, additional amounts sufficient to indemnify the Lenders against such increase in cost or reduction in amount receivable. A certificate as to the amount of such increased cost and setting forth in reasonable detail the calculation thereof shall be submitted to the Borrower by the Agent, or the applicable Lender, Issuing Bank or Funding Bank, within six (6) months of any of the foregoing events described in clauses (i), (ii) or (iii).

4.15 Net Payments.

(a) All payments by the Borrower hereunder to or for the benefit of any Lender, the Issuing Bank or the Agent shall be made without setoff, counterclaim or other defense. Except as provided in Section 4.15(b), all such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments, or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein with respect to such payments (but excluding any tax imposed on or measured by the net income or profits of the Lender, the Issuing Bank or the Agent, as the case may be, pursuant to the laws of the jurisdiction in which it is organized) together with all interest, penalties or similar liabilities with respect thereto (collectively, "Covered Taxes"). If the Borrower shall be required by law to deduct any Covered Taxes from any sum payable hereunder to any Lender, the Issuing Bank, or the Agent, (A) the sum payable shall be increased as may be necessary so that after making all required deductions of Covered Taxes (including deductions of Covered Taxes applicable to additional sums payable under this Section 4.15) such Lender, the Issuing Bank, or the Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (B) the Borrower shall make such deductions and (C) the Borrower shall pay the full amount so deducted to the relevant taxation authority or other authority in accordance with applicable

law. The Borrower shall furnish to the Agent within 45 days after the date the payment of any Covered Taxes is due certified copies of tax receipts evidencing such payment by the Borrower. The Borrower agrees to indemnify and hold harmless the Lender, the Issuing Bank and the Agent and reimburse each of them, as the case may be, for the amount of any Covered Taxes so levied or imposed and paid by them.

(b) Each Foreign Lender shall deliver to the Agent and the Borrower (i) two valid, duly completed copies of IRS Form 1001 or 4224 (until December 31, 2000) or Form W-8ECI and W-8BEN (after December 31, 2000), or successor applicable form, as the case may be, and any other required form, certifying in each case that such Foreign Lender is entitled to receive payments under this Credit Agreement, the Term Notes or the Revolving Notes payable to it without deduction or withholding of any United States federal income taxes or with such withholding imposed at a reduced rate (the "Reduced Rate"), and (ii) a valid, duly completed IRS Form W-8 or W-9 or successor applicable form, as the case may be, to establish an exemption

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from United States backup withholding tax. Each such Foreign Lender shall also deliver to the Agent and the Borrower two further copies of said Form 1001 or 4224 (or W-8ECI or W-8BEN) and W-8 or W-9, or successor applicable forms, or other manner of required certification, as the case may be, on or before the date that any such form expires or becomes obsolete or otherwise is required to be resubmitted as a condition to obtaining an exemption from a required withholding of United States federal income tax or entitlement to having such withholding imposed at the Reduced Rate or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower and the Agent, and such extensions or renewals thereof as may reasonably be requested by the Borrower and the Agent, certifying (i) in the case of a Form 1001 or 4224 (or W-8ECI or W-8BEN) that such Foreign Lender is entitled to receive payments under this Credit Agreement, the Term Notes or the Revolving Notes payable to it without deduction or withholding of any United States federal income taxes, unless in any such case any change in a tax treaty to which the United States is a party, or any change in law or regulation of the United States or official interpretation thereof has occurred after the Closing Date and prior to the date on which any such delivery would otherwise be required that renders all such forms inapplicable or that would prevent such Foreign Lender from duly completing and delivering any such form with respect to it, and such Foreign Lender advises the Borrower and the Agent that it is not capable of receiving payments without any deduction or withholding at the Reduced Rate, or (ii) in the case of a Form W-8 or W-9, establishing an exemption from United States backup withholding tax.

4.16 Agreed Interest Rate. The Borrower agrees to pay an effective contracted for rate of interest equal to the rate of interest resulting from all interest payable as provided in the Notes, plus any additional rate of interest resulting from the Additional Sums. The Additional Sums shall consist of all fees, charges, goods, things in action or other sums or things of value (other than the interest resulting from the interest provided in the Notes) paid or payable by the Borrower, whether pursuant to this Agreement, the Notes or any other Credit Document, that may be deemed to be interest for the purpose of any applicable law that may limit the maximum amount of interest to be charged with respect to the Loans or the Letters of Credit. The Additional Sums shall be deemed to be additional interest for the purpose of any such law only.

ARTICLE V.
CONDITIONS PRECEDENT

5.1 Conditions to Initial Loans and Letters of Credit. The obligation of each Lender to fund its Term Loan and its Proportionate Share of the initial Revolving Loan, and the obligation of the Agent to cause the Issuing Bank to issue the initial Letter of Credit, is subject to the satisfaction or waiver of the following conditions precedent:

(a) Closing Document List. The Agent and the Lenders shall have received each of the agreements, opinions, reports, approvals, consents, certificates and other documents set forth on the Closing Document List attached hereto as Schedule A (the "Closing Document List").

(b) Material Adverse Change. Since December 31, 1998 (i) no change, occurrence, event or development or event involving a prospective change that is reasonably

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likely to have a Material Adverse Effect shall have occurred and be continuing, or (ii) there shall not have occurred a substantial impairment of the financial markets generally that is reasonably likely to materially and adversely affect the transactions contemplated hereby, in each case as reasonably determined by the Agent and each Lender in its sole discretion.

(c) Fees and Expenses. All Fees and Expenses payable on or before the Closing Date shall have been paid.

(d) Borrowing Base. The Borrowing Base shall be appropriate, in the Agent's reasonable discretion, for the Borrower's overall business and working capital requirements.

(e) Existing Indebtedness. The terms and conditions of any Indebtedness (including, without limitation, maturities, interest rates, prepayment and redemption requirements, covenants, defaults, remedies, security provisions and subordination provisions) of the Borrower to remain outstanding after the date hereof shall be satisfactory to the Lenders in all respects, and the Lenders shall be satisfied that the Borrower is not subject to any material contractual obligations or other restrictions that would be violated by the transactions contemplated by this Credit Agreement.

(f) Capitalization and Corporate Structure. The corporate and capital structure of the Borrower and its Subsidiaries shall be satisfactory to the Agent and the Lender in all respects.

(g) Opinion of Counsel. The Agent and the Lenders shall have received originally executed copies of the opinion of the Borrower's counsel, in form and substance satisfactory to Agent, covering such matters as shall be reasonably requested by the Agent and the Lenders.

(h) Insurance. The Agent shall have received and approved evidence of insurance coverage in amount and scope, and the Borrower's insurers shall have provided endorsements in form and substance satisfactory to the Agent naming Agent, for the benefit of the Lenders, as loss payee with respect to all casualty coverage, with customary lender loss payable endorsement provisions, and naming Agent, for the benefit of Lenders, as an additional insured with respect to all liability coverage.

(i) Cash Management System. The Borrower shall have established cash management systems with respect to its operations and those of its Subsidiaries on terms and conditions satisfactory to Agent and consistent with Agent's current practices.

(j) Additional Documents. The Credit Parties shall have executed and delivered to the Agent and the Lenders all documents which the Agent determines are reasonably necessary to consummate the transactions contemplated hereby.

5.2 Conditions Precedent to All Revolving Loans and Letters of Credit. The obligation of each Lender to fund its Term Loan and its Proportionate Share of any requested Revolving Loan or of the Agent to cause the Issuing Bank to issue any requested Letter of Credit is subject to the conditions precedent set forth below. Each Notice of Borrowing and each Letter

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of Credit Request, and each issuance by the Borrower of a check drawn against, or request for transfer from, the Disbursement Account shall constitute a representation and warranty that such conditions are satisfied.

(a) All representations and warranties contained in this Credit Agreement and the other Credit Documents shall be true and correct on and as of the date of such Notice of Borrowing or Letter of Credit Request or issuance of a check drawn against, or request for transfer from, the Disbursement Account, as if then made, other than representations and warranties that relate solely to an earlier date;

(b) No Default or Event of Default shall have occurred, or would result from the making of the requested Loan or the issuance of the

requested Letter of Credit, which has not been waived; and

(c) No event has occurred which has had or would probably have a Material Adverse Effect.

ARTICLE VI.
REPRESENTATIONS AND WARRANTIES

To induce the Agent and the Lenders to enter into this Credit Agreement and to make the Term Loans and the Revolving Loans and other financial accommodations described herein, and to induce the Issuing Bank to issue Letters of Credit, the Borrower hereby represents and warrants to the Agent, the Lenders and the Issuing Bank that the following are true, correct and complete. Such representations and warranties, and all other representations and warranties made by the Borrower in any other Credit Document, shall survive the execution and delivery of the Credit Documents.

6.1 Organization and Qualification. The Borrower and each of its Subsidiaries (i) is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, (ii) has the power and authority to own its properties and assets and to transact the businesses in which it presently is, or proposes to be, engaged and (iii) is duly qualified and is authorized to do business and is in good standing in each jurisdiction where it presently is engaged in business, except where the failure to be so qualified, authorized and in good standing would not have a Material Adverse Effect. Schedule B, Part 6.1 lists all jurisdictions in which the Borrower and its Subsidiaries are qualified to do business as foreign corporations as of the Closing Date.

6.2 Authority. The Borrower and each of its Subsidiaries has the requisite corporate power and authority to execute, deliver and perform each of the Credit Documents to which it is a party. All corporate action of the Borrower and its Subsidiaries necessary for the execution, delivery and performance of any of the Credit Documents has been taken.

6.3 Enforceability. This Credit Agreement and each Credit Document is the legal, valid and binding obligation of the Borrower or of any Subsidiary of the Borrower which is a party thereto, enforceable in accordance with its terms, subject to or limited by bankruptcy,

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insolvency, reorganization, arrangement, moratorium, or other similar laws relating to or affecting the rights of creditors generally, and to general principles of equity.

6.4 No Conflict. The execution, delivery and performance of each Credit Document by the Borrower or any of its Subsidiaries are not in contravention of any Requirement of Law or any Material Contract and will not, except as contemplated herein, result in the imposition of any Liens upon any of its properties.

6.5 Consents and Filings. As of the Closing Date, no consent, authorization, permit or filing is required in connection with the execution, delivery and performance of this Credit Agreement or any Credit Document, or the continuing operations of the Borrower and its Subsidiaries, except (i) those set forth on Schedule B, Part 6.5, (ii) those that have been obtained or made, and (iii) filings necessary to create, perfect or retain the perfection of Liens against the Collateral.

6.6 Government Regulation. Neither the Borrower nor any of its Subsidiaries is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, the Investment Company Act of 1940, or any other Requirement of Law that limits its ability to incur indebtedness or its ability to consummate the transactions contemplated in this Credit Agreement and the other Credit Documents.

6.7 Solvency. The fair saleable value of the assets of the Borrower exceeds all its probable liabilities, including those to be incurred pursuant to this Credit Agreement and the other Credit Documents. The Borrower (i) does not have unreasonably small capital in relation to the business in which it is engaged and (ii) has not incurred, and does not believe that it will incur, after giving effect to the transactions contemplated by this Credit Agreement, debts beyond its ability to pay as such debts become due.

6.8 Rights in Collateral; Priority of Liens. The Borrower owns all property consisting of Collateral, free and clear of any and all Liens in favor of third parties, other than the Liens permitted under Section 8.10 or described in any title insurance policy obtained by the Lenders in connection with the Loans. The security interests granted pursuant to the Credit Documents constitute valid and enforceable first, prior and perfected Liens on the Collateral, to the extent such Liens can be perfected by the filing of financing statements, subject only to such Liens permitted under Section 8.10 as Liens senior in priority to those held by the Lenders.

6.9 Financial Data. The Borrower has provided to the Agent and each of the Lenders complete and accurate copies of annual audited Financial Statements for the fiscal years ended on December 31 in 1992, 1993, 1994, 1995, 1996, 1997 and 1998 together with any Auditor's opinion and "Management Letter" (if issued) relating thereto, and unaudited Financial Statements for the fiscal quarters ended March 31, 1999, June 30, 1999 and September 30, 1999 and the month ended October 31, 1999. Such Financial Statements have been prepared in accordance with GAAP consistently applied throughout the periods involved and, in all material respects, fairly present the respective consolidated financial positions, results of operations and cash flows of the Borrower for each of the periods covered. Neither the Borrower nor any of its Subsidiaries has any Contingent Obligation, contingent liability or liability for taxes, long term leases or

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commitments, which in accordance with GAAP is not required to be reflected and is not reflected in such Financial Statements. In addition, the Borrower has delivered to the Agent and the Lenders certain projected financial data of the Borrower and its Subsidiaries dated December 1999 including forecasted balance sheets and income statements and sources and uses of cash for Fiscal Years 2000 through 2002 which take into consideration the transactions contemplated by this Credit Agreement and which have been made, as of the Closing Date, in good faith and, as of the Closing Date, the Borrower has no reason to believe such projections and the assumptions upon which they are based are not reasonable.

6.10 Locations of Offices, Records and Inventory. The address of the principal place of business and chief executive office of the Borrower is set forth on Schedule B, Part 6.10. The books and records of the Borrower, and all its chattel paper and records of Accounts, are maintained exclusively at such locations. There is no jurisdiction in which the Borrower has any Collateral (except for vehicles and Inventory in transit for processing) other than those jurisdictions identified on Schedule B, Part 6.10. A complete list of the legal name and address of each warehouse at which Inventory is stored is set forth on Schedule B, Part 6.10. None of the receipts received and to be received by the Borrower from any warehouseman state that the Inventory covered thereby is to be delivered to bearer or to the order of a named person or to a named person and such named person's assigns.

6.11 Subsidiaries; Ownership of Stock. The only direct or indirect Subsidiaries of the Borrower are those listed on Schedule B, Part 6.11. The Borrower is the record and beneficial owner of all of the shares of capital stock of each of the Subsidiaries listed on Schedule B, Part 6.11. There are no proxies, irrevocable or otherwise, with respect to such shares, and no equity securities of any of such Subsidiaries are or may become required to be issued by reason of any options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of any capital stock of any such Subsidiary, and there are no contracts, commitments, understandings or arrangements by which any such Subsidiary is or may become bound to issue additional shares of its capital stock or securities convertible into or exchangeable for such shares. All of such shares so owned by the Borrower are owned by the Borrower free and clear of any Liens.

6.12 No Judgments or Litigation. Except as set forth on Schedule B, Part 6.12, no judgments, orders, writs or decrees are outstanding against the Borrower or any of its Subsidiaries nor is there now pending or, to the Borrower's knowledge after inquiry, threatened, any litigation, contested claim, investigation, arbitration, or governmental proceeding by or against the Borrower or any of its Subsidiaries involving a claim of \$100,000 or more; provided, that after the Closing Date, the representation and warranty under this Section 6.12 shall be deemed made only as to claims net of insurance coverage therefor so long as the insurer thereof is not defending any such claim

subject to a reservation of rights.

6.13 No Defaults. Except as set forth on Schedule B, Part 6.13, neither the Borrower nor any of its Subsidiaries is in default under any term of any Material Contract. Except as set forth on Schedule B, Part 6.13, the Borrower knows of no dispute regarding any Material Contract.

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6.14 Labor Matters. Schedule B, Part 6.14 accurately sets forth all labor contracts (other than individual employment agreements) to which the Borrower or any of its Subsidiaries is a party and their dates of expiration. There are no existing or threatened strikes, lockouts or other disputes relating to any collective bargaining or similar labor agreement to which the Borrower or any of its Subsidiaries is a party.

6.15 Compliance with Law. Neither the Borrower nor any of its Subsidiaries has violated or failed to comply in any material respect with any Requirement of Law, including, without limitation, ERISA and environmental laws.

6.16 ERISA. None of the Borrower, any of its Subsidiaries or any ERISA Affiliate maintains or contributes to any Plan, other than those listed on Schedule B, Part 6.16. The Borrower, each of its Subsidiaries and each ERISA Affiliate have fulfilled all contribution obligations for each Plan (including obligations related to the minimum funding standards of ERISA and the Internal Revenue Code). No Termination Event has occurred nor has any other event occurred that may result in a Termination Event. None of the Borrower or its Subsidiaries, any ERISA Affiliate, or any fiduciary of any Plan is subject to any direct or indirect liability with respect to any Plan under any Requirement of Law or agreement. None of the Borrower or its Subsidiaries or any ERISA Affiliate is required to provide security to any Plan under Section 401(a) (29) of the Internal Revenue Code.

6.17 Compliance with Environmental Laws. Except as disclosed on Schedule B, Part 6.17, (i) none of the Borrower nor any of its Subsidiaries is the subject of a judicial or administrative proceeding or investigation relating to the violation of any environmental, health or safety Requirement of Law, or asserting potential liability arising from the disposal by any Person of any hazardous substance; (ii) neither the Borrower nor any of its Subsidiaries has filed any notice under any Requirement of Law of treatment, storage, disposal, spill or release of a hazardous substance; and (iii) neither the Borrower nor any of its Subsidiaries has knowledge of any contingent liability for any release of any hazardous substance.

6.18 Intellectual Property. The Borrower possesses such assets, licenses, patents, patent applications, copyrights, service marks, trademarks and trade names as are required to continue to conduct its present business activities.

6.19 Licenses and Permits. Each of the Borrower and its Subsidiaries has obtained and holds in full force and effect, all franchises, licenses, leases, permits, certificates, authorizations, qualifications, easements, rights of way and other rights and approvals which are required for the operation of its business.

6.20 Taxes and Tax Returns.

(a) Except as set forth on Schedule B, Part 6.20, the Borrower and each of its Subsidiaries has timely filed, without request for extension, all income tax returns it is required to file. The information filed is complete and accurate in all material respects. All deductions taken in such income tax returns are appropriate and in accordance with applicable laws and regulations,

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except deductions that may have been disallowed but are being challenged in good faith and for which adequate reserves have been made in accordance with GAAP.

(b) Except for matters which could not result in a material additional liability, all taxes, assessments, fees and other governmental charges for periods beginning prior to the date hereof, have been timely paid

and neither the Borrower nor any of its Subsidiaries has any liability for taxes in excess of the amounts so paid or reserves so established.

(c) Except as set forth in Schedule B, Part 6.20, no deficiencies for taxes have been claimed, proposed or assessed by any taxing or other Governmental Authority against the Borrower or any of its Subsidiaries and no tax liens have been filed. Except as set forth in Schedule B, Part 6.20, there are no pending or, to the knowledge of the Borrower, threatened audits, investigations or claims for or relating to any liability for taxes and there are no matters under discussion with any Governmental Authority which could result in a material additional liability for taxes. Except as set forth in Schedule B, Part 6.20, no extension of a statute of limitations relating to taxes, assessments, fees or other governmental charges is in effect with respect to the Borrower or any of its Subsidiaries.

(d) Except as set forth on Schedule B, Part 6.20, neither the Borrower nor any of its Subsidiaries has any obligation under any written tax sharing agreement or agreement regarding payments in lieu of taxes.

6.21 Material Contracts. Schedule B, Part 6.21, contains a true, correct and complete list of all the Material Contracts currently in effect on the Closing Date. Except as described on Schedule B, Part 6.21, none of the Material Contracts contains any burdensome restrictions on the Borrower or any of its Subsidiaries or any of their respective properties, all of the Material Contracts are in full force and effect, and no defaults currently exist thereunder.

6.22 Accuracy and Completeness of Information; Updating of Schedule B. All factual information furnished by or on behalf of the Borrower or any of its Subsidiaries in writing to the Agent, any Lender, or the Auditors for purposes of or in connection with this Credit Agreement or any Credit Documents, or any transaction contemplated hereby or thereby is or will be true and accurate in all material respects on the date as of which such information is dated or certified and not incomplete by omitting to state any material fact necessary to make such information not misleading at such time. The Borrower may amend and deliver to Agent Schedule B, amended to reflect any such changes in factual matters as are otherwise permitted by the terms of the Credit Documents or are as otherwise consented to by the Agent or the such of the Lenders as required by the terms of the Credit Documents.

6.23 Title to Property. All Real Property is identified on Schedule B, Part 6.23. The Borrower has good and marketable title in fee simple to, or a valid leasehold interest in, all its Real Property, and none of such Real Property is subject to any Lien other than as permitted under Section 8.10 or described in any title insurance policy obtained by the Lenders in connection with the Loans.

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6.24 Affiliate Transactions. Except as set forth on Schedule B, Part 6.24 neither the Borrower nor any Subsidiary is a party to or bound by any agreement or arrangement (whether oral or written) to which any Affiliate of the Borrower or any Subsidiary is a party except (i) in the ordinary course of and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and (ii) upon fair and reasonable terms no less favorable to the Borrower and such Subsidiary than it could obtain in a comparable arm's-length transaction with an unaffiliated Person.

6.25 Recording Taxes. All mortgage recording taxes, recording fees and other charges payable in connection with the filing and recording of the Credit Documents have either been paid in full by the Borrower or arrangements for the payment of such amounts satisfactory to the Agent shall have been made.

6.26 No Change. There has been no development or event nor any prospective development or event, which has had or would probably have a Material Adverse Effect.

ARTICLE VII.
AFFIRMATIVE COVENANTS

Until termination of this Credit Agreement and payment and satisfaction of all Obligations due hereunder:

7.1 Financial Reporting. The Borrower shall timely deliver to each Lender the following information:

(a) Annual Financial Statements. As soon as available, but not later than 90 days after each fiscal year end: (i) the Borrower's annual audited Financial Statements; (ii) a comparison in reasonable detail to the prior year audited Financial Statements; (iii) the Auditors' unqualified opinion, "Management Letter" (if issued) and statement indicating that the Auditors have not obtained knowledge of the existence of any Default or Event of Default respecting Sections 8.1-8.8 during their audit; (iv) a management discussion and analysis of the Borrower's consolidated financial condition and results of operations and the consolidated liquidity and capital resources for such fiscal year, prepared by the chief financial officer of the Borrower; and (v) a compliance certificate substantially in the form of Exhibit D with an attached schedule of calculations demonstrating compliance with the Article 8 financial covenants.

(b) Projections and Budgets. Not later than 45 days after each fiscal year end, beginning with the fiscal year ended December 31, 1999, projections of the Borrower's financial condition and results of operations for the next three years, containing projected consolidating balance sheets, statements of operations, statements of cash flows and statements of changes in shareholders equity on a monthly basis for the first of the three years, quarterly for the second, and annually for the third, together with the Borrower's budget for the then current fiscal year.

(c) Quarterly Financial Statements. As soon as available, but not later than 45 days after each end of each of the first three fiscal quarters, and 90 days after end of the last fiscal quarter: (i) the Borrower's Financial Statements as of the fiscal quarter then ended, and for the

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fiscal year to date; (ii) a comparison in reasonable detail to the Financial Statements for the corresponding periods of the prior fiscal year; (iii) the certification of the chief executive officer or chief financial officer of the Borrower that such Financial Statements have been prepared in accordance with GAAP (subject to year-end audit adjustments and without notes); (iv) a management discussion and analysis of the Borrower's consolidated financial condition and results of operations and the consolidated liquidity and capital resources for such fiscal quarter and fiscal year to date, prepared by the chief financial officer of the Borrower; and (v) a compliance certificate substantially in the form of Exhibit D with an attached schedule of calculations demonstrating compliance with the Article 8 financial covenants.

(d) Monthly Financial Statements. As soon as available, but not later than 45 days after the end of each month: (i) a balance sheet for the Borrower as at the end of such month and for the fiscal year to date and statements of operations and cash flows for such month and for the fiscal year to date; (ii) a comparison to the balance sheet, statement of operations and statement of cash flows for the same periods in the prior year; and (iii) a certification by the chief executive officer or chief financial officer of the Borrower that such balance sheet, statement of operations and statement of cash flows have been prepared in accordance with GAAP (subject to year-end audit adjustments and without notes).

(e) Monthly Comparison to Prior Projections. As soon as available, but not later than 45 days after the end of month, a comparison of actual results of operations, cash flow and capital expenditures for the Borrower for such month and for the period from the beginning of the current fiscal year through the end of such month with amounts previously projected for those periods as required under Section 7.1(b) and with actual results for corresponding periods in the previous fiscal year.

7.2 Collateral Reporting. The Borrower shall timely deliver to the Agent the following certificates and reports:

(a) Monthly Borrowing Base Certificates. Monthly, within five (5) Business Days after the last Business day of each month, and at any other time requested by the Agent, a borrowing base certificate (the "Borrowing Base Certificate"), which shall be: (i) completed substantially in the form of Exhibit E, detailing the Borrower's Eligible Accounts Receivable and Eligible Inventory as of the last day of each month, (or as of such other date as the Agent may request); (ii) prepared by or under the supervision of the Borrower's

chief executive officer or chief financial officer and certified by such officer subject only to adjustment upon completion of the normal year-end audit of physical inventory; and (iii) attached to such additional schedules and other information as the Agent may reasonably request.

(b) Appraisals. When reasonably requested by the Agent, a report of Eligible Container Fleet Inventory and Eligible Trailer Fleet Inventory by category and by item (in detail), a report of Inventory, based upon a physical count, which shall describe the Borrower's Inventory by category and by item (in detail) and report the then appraised value (at lower of cost or market) of such Inventory, and a report of Equipment which shall describe the Borrower's and its Subsidiaries' Equipment (in detail) and report the then appraised value (at lower of cost or market) of such Equipment. In addition, when requested by the Agent in the exercise of its

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Permitted Discretion after consultation with the Borrower regarding the scope and cost of any such appraisal, the Borrower shall provide the Lenders, at the Borrower's expense, with appraisals or updates thereof of any or all of the Collateral. Unless an Event of Default has occurred and is continuing, the appraisals or updates thereof respecting container inventory held for lease shall not be requested more than twice during any twelve month period. The Borrower acknowledges and agrees that the Agent intends to have performed at least once such appraisal or update with respect to container inventory held for least during each twelve month period during the term of this Agreement.

(c) Further Assurances. When reasonably requested by the Agent, any further information regarding the Collateral, business affairs and financial condition of the Borrower or any of its Subsidiaries.

7.3 Notification Requirements. The Borrower shall timely give the Agent and each of the Lenders the following notices:

(a) Notice of Default. Promptly, and in any event within two (2) Business Days after the Borrower becomes aware of the occurrence of an Event of Default or a Default which is reasonably likely to become an Event of Default, a certificate of the chief executive officer or chief financial officer of the Borrower specifying the nature thereof and the Borrower's proposed response thereto, each in reasonable detail.

(b) Proceedings or Adverse Changes. Promptly, and in any event within five (5) Business Days after the Borrower becomes aware of (i) any proceeding being instituted or threatened to be instituted by or against the Borrower or any of its Subsidiaries in any federal, state, local or foreign court or before any commission or other regulatory body (federal, state, local or foreign), (ii) any order, judgment or decree in excess of \$100,000 being entered against the Borrower or any of its Subsidiaries or any of their respective properties or assets or (iii) any actual or prospective change, development or event which has had or would probably have a Material Adverse Effect, a written statement describing such proceeding, order, judgment, decree, change, development or event and any action being taken with respect thereto by the Borrower or any such Subsidiary.

(c) ERISA Notices. (i) Promptly, and in any event within ten (10) Business Days after the Borrower, any of its Subsidiaries or any ERISA Affiliate becomes aware that a Termination Event involving a claim against, or possible liability of, the Borrower of at least \$100,000 has occurred, a written statement of the chief financial officer of the Borrower describing such Termination Event and any action that is being taking with respect thereto by the Borrower, any such Subsidiary or ERISA Affiliate, and any action taken or threatened by the Internal Revenue Service, Department of Labor or Pension Benefit Guaranty Corporation. The Borrower, such Subsidiary and the ERISA Affiliate shall be deemed to know all facts known by the administrator of any Benefit Plan of which it is the plan sponsor; (ii) promptly, and in any event within three (3) Business Days after the filing thereof with the Internal Revenue Service, a copy of each funding waiver request filed with respect to any Benefit Plan and all communications received by the Borrower, any of its Subsidiaries or any ERISA Affiliate with respect to such request; and (iii) promptly, and in any event within three (3) Business Days after receipt by the

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Borrower, any of its Subsidiaries or any ERISA Affiliate, of the PBGC's intention to terminate a Benefit Plan or to have a trustee appointed to administer a Benefit Plan, copies of each such notice.

(d) Environmental and Health and Safety Notices. Promptly, and in any event within ten (10) Business Days after receipt by the Borrower or any of its Subsidiaries of any notice, complaint or order alleging actual or prospective violation of any environmental, health or safety Requirement of Law by the Borrower or any of its Subsidiaries or alleging responsibility of the Borrower or any of its Subsidiaries for costs of a cleanup, together with a copy of such notice, complaint, or order and a written statement describing any action being taken with respect thereto by the Borrower or any such Subsidiary.

(e) Material Contracts. Promptly, and in any event within ten (10) Business Days after any Material Contract of the Borrower or any of its Subsidiaries is terminated or amended or any new Material Contract is entered into, a written statement describing such event, with copies of amendments or new contracts, and an explanation of any actions being taken with respect thereto.

(f) Collateral Matters. At least thirty (30) Business Days' prior written notice to the Agent of any change in the location of any Collateral or in the location of the chief executive office or place of business of the Borrower or any of its Subsidiaries from the locations specified in Schedule B, Part 6.10, or any change of the corporate name, structure or identity of the Borrower or any of its Subsidiaries otherwise permitted hereby. At least ten (10) days prior to any such change, the Borrower shall cause to be executed and delivered to the Agent any financing statements, Collateral Access Agreements or other documents required by the Agent, all in form and substance satisfactory to the Agent.

(g) SEC Filings and Shareholder Communications. Promptly, and in any event within ten (10) Business Days of the date of filing or transmission, copies of all filings made by or on behalf of the Borrower with the Securities and Exchange Commission and of all material communications with the Borrower's shareholders.

7.4 Corporate Existence. The Borrower shall, and shall cause each of its Subsidiaries to, (i) maintain its corporate existence (except that the Borrower's Subsidiaries may merge with each other and with the Borrower, provided the Agent receives five (5) Business Days' prior written notice thereof), (ii) maintain in full force and effect all licenses, bonds, franchises, leases, trademarks and qualifications to do business, and all patents, contracts and other rights necessary or advisable to the conduct of their businesses, and (iii) continue in, and limit their operations to, the same general lines of business as presently conducted by them.

7.5 Books and Records; Inspection. The Borrower agrees to maintain, and to cause each of its Subsidiaries to maintain, books and records pertaining to the Collateral in such detail, form and scope as is consistent with good business practice. The Borrower agrees that the Agent or its agents may enter upon the premises of the Borrower or any of its Subsidiaries at any time and from time to time, during normal business hours and upon reasonable notice under the circumstances, and at any time at all on and after the occurrence of a Default which continues

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beyond the expiration of any grace or cure period applicable thereto, and which has not otherwise been waived by the Agent, for the purposes of (i) inspecting and verifying the Collateral, (ii) inspecting and/or copying (at the Borrower's expense) any and all records pertaining thereto, and (iii) discussing the affairs, finances and business of the Borrower with any officers, employees and directors of the Borrower or with the Auditors.

7.6 Insurance. Except as set forth on Schedule B, Part 7.6, the Borrower agrees to maintain, and to cause each of its Subsidiaries to maintain, public liability insurance, third party property damage insurance and replacement value insurance on the Collateral under such policies of insurance, with such insurance companies, in such amounts and covering such risks as are at all times satisfactory to the Agent in its commercially reasonable judgment. All policies covering the Collateral are to name the Agent as an additional insured and the loss payee in case of loss, and are to contain such other provisions as the Agent may reasonably require to fully protect the Agent's interest in the

Collateral and to any payments to be made under such policies.

7.7 Taxes. The Borrower agrees to pay, when due, and to cause each of its Subsidiaries to pay when due, all taxes lawfully levied or assessed against the Borrower, any of its Subsidiaries or any of the Collateral before any penalty or interest accrues thereon; provided, however, that, unless such taxes have become a federal tax or ERISA Lien on any of the assets of the Borrower or any of its Subsidiaries, no such tax need be paid if the same is being contested, in good faith, by appropriate proceedings promptly instituted and diligently conducted and if an adequate reserve or other appropriate provision shall have been made therefor as required in order to be in conformity with GAAP.

7.8 Compliance with Laws. The Borrower agrees to comply, and to cause each of its Subsidiaries to comply, in all material respects with all Requirements of Law applicable to the Collateral or any part thereof, or to the operation of its business or its assets generally, unless the Borrower contests any such Requirements of Law in a reasonable manner and in good faith.

7.9 Use of Proceeds. The Revolving Loans made to the Borrower hereunder shall be used by the Borrower to pay the costs and expenses of the transactions contemplated by this Credit Agreement which are due and payable on the Closing Date, including without limitation the Fees and Expenses due on the Closing Date pursuant to Article 4 hereof, and for working capital and other general corporate purposes; and the proceeds of any subsequent Revolving Loans made hereunder shall be used by the Borrower solely for ongoing working capital requirements. The Borrower shall not use any portion of the proceeds of any such Revolving Loans for the purpose of purchasing or carrying any "margin stock" (as defined in Regulation U of the Board of Governors of the Federal Reserve System) in any manner which violates the provisions of Regulation U or X of said Board of Governors or for any other purpose in violation of any applicable statute or regulation, or of the terms and conditions of this Credit Agreement.

7.10 Fiscal Year. The Borrower agrees to maintain its fiscal year as a year ending December 31.

7.11 Maintenance of Property. The Borrower agrees to keep, and to cause each of its Subsidiaries to keep, all property useful and necessary to their respective businesses in good

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working order and condition (ordinary wear and tear excepted) in accordance with their past operating practices and not to commit or suffer any waste with respect to any of their properties.

7.12 ERISA Documents. The Borrower will cause to be delivered to the Agent, upon the Agent's request, each of the following: (i) a copy of each Plan (or, where any such plan is not in writing, complete description thereof) (and if applicable, related trust agreements or other funding instruments) and all amendments thereto, all written interpretations thereof and written descriptions thereof that have been distributed to employees or former employees of the Borrower or its Subsidiaries; (ii) the most recent determination letter issued by the Internal Revenue Service with respect to each Benefit Plan; (iii) for the three most recent plan years, Annual Reports on Form 5500 Series required to be filed with any governmental agency for each Benefit Plan; (iv) all actuarial reports prepared for the last three plan years for each Benefit Plan; (v) a listing of all Multiemployer Plans, with the aggregate amount of the most recent annual contributions required to be made by the Borrower or any ERISA Affiliate to each such plan and copies of the collective bargaining agreements requiring such contributions; (vi) any information that has been provided to the Borrower or any ERISA Affiliate regarding withdrawal liability under any Multiemployer Plan; and (vii) the aggregate amount of the most recent annual payments made to former employees of the Borrower or any ERISA Affiliate under any Retiree Health Plan.

7.13 Further Assurances. The Borrower shall take, and shall cause each of its Subsidiaries to take, all such further actions and execute all such further documents and instruments as the Agent may at any time reasonably determine in its sole discretion to be necessary or desirable to further carry out and consummate the transactions contemplated by the Credit Documents, to cause the execution, delivery and performance of the Credit Documents to be duly authorized and to perfect or protect the Liens (and the priority status thereof) of the Agent on the Collateral.

ARTICLE VIII.
NEGATIVE COVENANTS

Until termination of this Credit Agreement and payment and satisfaction of all Obligations due hereunder, the Borrower shall comply with, and, where required, shall cause each of its Subsidiaries to comply with, the following covenants:

8.1 Consolidated Tangible Net Worth. The Borrower shall maintain a Consolidated Tangible Net Worth as of the last day of each fiscal quarter of not less than \$18,800,000.

8.2 EBITDA. The Borrower shall maintain EBITDA of not less than \$12,500,000 for the immediately preceding four fiscal quarters calculated as of the last day of each such quarter.

8.3 Fixed Charge Coverage Ratio. The Borrower shall maintain for the immediately preceding four fiscal quarters a ratio of EBITDA to Consolidated Fixed Charges of not less than the ratio set forth below, in each case calculated as of the end of each such quarter:

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FOUR QUARTERS ENDED	RATIO
12/31/99	1.0:1.0
3/31/00 and thereafter	1.35:1.0

8.4 Interest Coverage Ratio. The Borrower shall maintain for the immediately preceding four fiscal quarters a ratio of (a) EBITDA to (b) Interest Expense of not less than 2.60:1.0, calculated as of the end of each fiscal quarter.

8.5 Current Ratio. The Borrower shall maintain for each fiscal quarter a ratio, calculated as of the end of each such quarter, of Current Assets to Current Liabilities of not less than 1.50:1.0.

8.6 Debt Ratio. The Borrower shall maintain for the four immediately preceding fiscal quarters, calculated as of the end of each such quarter, a ratio of Funded Debt to EBITDA of not more than the ratio set forth below:

FOUR QUARTERS ENDED	RATIO
12/31/99	4.6:1.0
3/31/2000	5.0:1.0
6/30/2000	5.0:1.0
9/30/2000	5.0:1.0
12/31/2000	5.0:1.0
3/31/2001	4.75:1.0
6/30/2001	4.75:1.0
9/30/2001	4.75:1.0
12/31/2001	4.75:1.0
3/31/2002	4.75:1.0
6/30/2002	4.75:1.0

9/30/2002	4.75:1.0
12/31/2002	4.75:1.0
3/31/2003 and thereafter	4.5:1.0

8.7 Minimum Utilization Rates. The Borrower shall maintain minimum utilization rates for each fiscal quarter, calculated at the end of each such quarter as the average amount during such quarter, and calculated as:

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(a) the number of units of each of the Borrower's Eligible Container Fleet Inventory which is then subject to valid, current rental or lease agreements between the Borrower and the renters or lessees thereof, divided by the aggregate number of units of the Borrower's Eligible Container Fleet Inventory, of not less than eighty percent (80%); and

(b) (i) the number of units of the Borrower's Eligible Container Fleet Inventory which is then subject to valid, current rental or lease agreements between the Borrower and the renters or lessees thereof, divided by (ii) sum of (A) the number of units of the Borrower's Eligible Container Fleet Inventory, and (B) the number of units of the Borrower's Eligible Container Inventory Held For Sale plus the number of units of the Borrower's Eligible Primary Raw Materials Inventory consisting of unrefurbished ISO units, of not less than seventy-five percent (75%); provided, that for the purposes of calculation of compliance with this Section 8.7(b), the aggregate of the number of units of Eligible Container Inventory Held For Sale plus the number of units of the Borrower's Eligible Primary Raw Materials Inventory consisting of unrefurbished ISO units, as a percentage of the sum of clauses (A) and (B) above, shall not exceed five percent (5%).

8.8 Capital Expenditures. The Borrower shall not make payments for Capital Expenditures (net of sales of Eligible Container Fleet Inventory) in excess of the following amounts per fiscal year; provided, that as long as no Event of Default shall have occurred and be continuing, the Borrower may carry forward and add to the next year's limitation amount (but not beyond such next year) the unused portion of the limitation on Capital Expenditures for the prior year, up to a maximum of one hundred percent (100%) of the prior year's limitation amount; and provided, further, that the amount set forth in this Section 8.8 as an annual limit to Capital Expenditures shall be increased, for a year in which the Borrower effects any sale of equity securities of the Borrower, by an amount equal to three hundred percent of the net proceeds received by the Borrower from any such sale of equity securities of the Borrower during such year (the "CapEx Equity Increase"). The Borrower shall not make any Capital Expenditures that are not directly related to the business conducted on the Closing Date by the Borrower. Notwithstanding the foregoing, for each of Borrower's fiscal years ending December 31, 2000, December 31, 2001 and December 31, 2002, the Borrower may carry forward the aggregate CapEx Equity Increase arising from the Borrower's sale of equity securities during the Borrower's fiscal year ending December 31, 1999, to the extent such aggregate CapEx Equity Increase does not exceed \$111,000,000, by an amount not to exceed the portion of the such CapEx Equity Increase not counted towards the payment of Capital Expenditures during the prior fiscal year (up to a maximum of one hundred percent (100%) of the prior year's limitation amount) as long as (A) no Event of Default shall have occurred and be continuing and (B) for the Borrower's fiscal years ending December 31, 2001 and December 31, 2002, the ratio of Funded Debt to EBITDA shall not at any time be greater than 4.0:1.0.

FISCAL YEAR ENDED	CAPITAL EXPENDITURES	CAPITAL EXPENDITURES FOR PLANT, PROPERTY AND EQUIPMENT ONLY (I.E., EXCLUDING CONTAINER FLEET INVENTORY HELD FOR SALE)
12/31/99	\$10,900,000	\$2,600,000

FISCAL YEAR ENDED	CAPITAL EXPENDITURES	CAPITAL EXPENDITURES FOR PLANT, PROPERTY AND EQUIPMENT ONLY (I.E., EXCLUDING CONTAINER FLEET INVENTORY HELD FOR SALE)
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and thereafter

8.9 Additional Indebtedness. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly incur, create, assume or suffer to exist any Indebtedness other than:

(a) Indebtedness under the Credit Documents and Indebtedness under the Subordinated Debt;

(b) Indebtedness under Interest Rate Agreements in the ordinary course of business;

(c) Indebtedness described on Schedule B, Part 8.9, and any refinancing of such Indebtedness, so long as the aggregate principal amount of the Indebtedness so refinanced shall not be increased and the refinancing shall be on terms and conditions no more restrictive than the terms and conditions of the Indebtedness to be refinanced; and

(d) Indebtedness, including lease obligations, secured by purchase money liens on or respecting equipment the title to or leasehold interest in which is acquired after the date hereof, not to exceed \$1,250,000 in the aggregate (irrespective of when due) outstanding at any one time ("Purchase Money Liens and Leases") so long as each Purchase Money Lien or Lease shall attach or relate only to the property to be acquired or the acquisition cost of which is financed through leasing, a description shall have been furnished to the Agent for any item of equipment for which the purchase price (whether payable by the Borrower or the lessor thereof) is greater than \$50,000 and the principal amount of the debt incurred (including the principal component of lease payments) shall not exceed one hundred percent (100%) of the purchase price of the item or items of equipment.

8.10 Liens. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly create, incur, assume, or suffer to exist any Lien on any of its property now owned or hereafter acquired except:

(a) Liens granted to the Lenders under the Credit Document;

(b) Liens listed on Schedule B, Part 8.10;

(c) Purchase Money Liens and Leases;

(d) Liens of warehousemen, mechanics, materialmen, workers, repairmen, common carriers, or landlords, liens for taxes, assessments or other governmental charges, and other similar Liens arising by operation of law for amounts that are not yet due and payable or which are being diligently contested in good faith by the Borrower, so long as the Agent has been notified thereof and adequate reserves are maintained by the Borrower for their payment;

(e) Attachment or judgment Liens not to exceed an aggregate of \$100,000 excluding amounts (i) bonded to the reasonable satisfaction of the Agent or (ii) covered by insurance to the reasonable satisfaction of the Agent;

(f) Deposits or pledges to secure obligations under workmen's compensation, social security or similar laws, or under unemployment insurance, not to exceed an aggregate of \$250,000;

(g) Deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the ordinary course of business not to exceed an aggregate of \$100,000;

(h) Easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and which do not materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(i) Extensions and renewals of any of the foregoing so long as the aggregate amount of extended or renewed Liens are not increased and are on terms and conditions no more restrictive than the terms and conditions of the Liens extended or renewed; and

(j) Liens securing Indebtedness described in Section 8.9(d) which has been refinanced so long as such refinanced Indebtedness is not secured by any collateral which did not secure the Indebtedness prior to such refinancing.

(k) Deposits or pledges to support the Borrower's interest payment obligations under the Subordinated Debt pursuant to the terms of such Subordinated Debt, so long as such deposit or pledge relates to an amount which does not exceed the amount equal to one six-month period of interest on the principal balance of the Subordinated Debt.

8.11 Contingent Obligations. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly incur, assume, or suffer to exist any Contingent Obligation, excluding indemnities given in connection with the sale of Inventory or other asset dispositions permitted hereunder and Contingent Obligations for Indebtedness permitted to be incurred under Section 8.9 hereof.

8.12 Sale of Assets. The Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, sell, lease, assign, transfer or otherwise dispose of any assets other than (i) Inventory (including containers held for lease) in the ordinary course of business, (ii) individual items of Collateral with a book value of less than \$250,000 in the aggregate during any fiscal year, (iii) obsolete or worn out property disposed of in the ordinary course of business, (iv) dispositions of assets not otherwise addressed by this Section 8.12, (v) sales of container inventory held for lease for the purpose of securitization or like off-balance sheet

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financing with the prior written consent of the Agent and the Lenders, which consent shall not be unreasonably withheld, and (vi) sales of modular building inventory for the purpose of securitization or like off-balance sheet financing if the Agent has previously provided its written consent (which shall not be unreasonably withheld) to the model and structure of such sale if the actual sale is on terms substantially similar to those of such model and structure, provided that, with respect to clauses (ii), (iii) and (iv), (a) such dispositions are for fair value, (b) the aggregate consideration is paid in full in cash at the time of disposition and is either reinvested in the business of the Borrower (subject to the limitations of Section 8.8) or its Subsidiaries or used to repay the Loans and applied first to reduce the Scheduled Term Loan Installments in inverse order of maturity, until paid in full and thereafter to Revolving Loans to reduce permanently the Revolving Credit Commitments, and (c) the aggregate amount of all of the dispositions pursuant to clause (iv) does not exceed \$250,000 in the aggregate for any fiscal year.

8.13 Restricted Payments. The Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, (a) declare or pay any dividend (other than dividends payable solely in common stock of the Borrower) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any shares of any class of capital stock of the Borrower or any warrants, options or rights to purchase any such capital stock (other than up to \$10,000 of payments to call warrants with respect to the Borrower's common stock), whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Borrower or any of its Subsidiaries except that any Subsidiary may declare and pay dividends to the Borrower or any other Subsidiary; or (b) make any optional payment or prepayment on or redemption

(including, without limitation, by making payments to a sinking or analogous fund) or repurchase of any Indebtedness (other than Indebtedness pursuant to this Credit Agreement) or of any Mandatory Redeemable Obligation; provided that any Subsidiary may make payments on account of Indebtedness owing to the Borrower or any other Subsidiary.

8.14 Investments. The Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, make any Investment in any Person, whether in cash, securities, or other property of any kind including, without limitation, any Subsidiary or Affiliate of the Borrower, other than:

(a) Advances or loans (but not sales on open account on ordinary course of business terms) made in the ordinary course of business, including those made to finance the sale of Inventory, not to exceed \$50,000 outstanding at any one time to any one Person and \$250,000 in the aggregate outstanding at any one time;

(b) loans, investments and advances between the Borrower and its Subsidiaries in existence as of the date hereof and described on Schedule B, Part 8.14;

(c) Cash Equivalents;

(d) Deposits with financial institutions, disclosed in Schedule B, Part 8.16, and which are insured by the Federal Deposit Insurance Corporation ("FDIC") or a similar federal insurance program; provided, however, that the Borrower may, in the ordinary course of its

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business, maintain in its disbursement accounts from time to time amounts in excess of then applicable FDIC or other program insurance limits; and

(e) Such other Investments as the Agent may approve in writing in its sole discretion.

8.15 Affiliate Transactions. The Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, enter into any transaction with, including, without limitation, the purchase, sale or exchange of property or the rendering of any service to, any Subsidiary or Affiliate of the Borrower, except the transactions in existence on the Closing Date as described on Schedule B, Part 8.15, and except transactions in the ordinary course of and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's or Affiliate's business, as the case may be, and upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary or such Affiliate than could be obtained in a comparable arm's-length transaction with an unaffiliated Person.

8.16 Additional Bank Accounts. The Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, open, maintain or otherwise have any checking, savings or other accounts at any bank or other financial institution, or any other account where money is or may be deposited or maintained with any Person, other than the Disbursement Account and the accounts set forth on Schedule B, Part 8.16.

8.17 Excess Cash. The Borrower shall not, and shall not permit its Subsidiaries to, directly or indirectly, maintain in the aggregate in all deposit accounts of the Borrower and its Subsidiaries (other than the Disbursement Account and payroll accounts), total cash balances and Investments permitted by Sections 8.14(c), (d) and (e), in excess of an average daily balance of \$200,000 (calculated monthly) at any time for three consecutive months during which any Revolving Loans are outstanding hereunder.

8.18 Additional Negative Pledges. The Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective, or permit any of its Subsidiaries to create or otherwise cause or suffer to exist or become effective, directly or indirectly, (i) any prohibition or restriction (including any agreement to provide equal and ratable security to any other Person in the event a Lien is granted to or for the benefit of the Agent and the Lenders) on the creation or existence of any Lien upon the assets of the Borrower or its Subsidiaries or (ii) any contractual obligation which may restrict or inhibit the Agent's rights or ability to sell or otherwise dispose of the Collateral or any part thereof after the occurrence of an Event of Default.

8.19 No Subsidiaries. The Borrower shall not, directly or indirectly, form or acquire any new Subsidiaries, except for Permitted Acquisitions in compliance with Section 8.21. The Borrower shall not, and shall not permit any of its Subsidiaries to, become a general partner on or after the date hereof in any partnership or joint venture.

8.20 Operating Leases, Off-Balance Sheet Financing. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly incur, create, assume or suffer to exist any liabilities for

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operating leases or other indebtedness or liabilities not reflected as such on their financial statements other than liabilities described on Schedule B, Part 8.20, and any refinancing of such liabilities, so long as the aggregate amount thereof so refinanced shall not be increased and the refinancing shall be on terms and conditions no more restrictive than the terms and conditions of the liabilities to be refinanced.

8.21 Permitted Acquisitions. The Borrower shall not, and shall not permit any of its Subsidiaries to, make an Acquisition unless each of the following conditions is satisfied:

(a) such Acquisition is made by the Borrower;

(b) such Acquisition shall be consensual and shall have been approved by the board of directors of the Person to be acquired;

(c) both before and after giving effect to such Acquisition, all representations and warranties of the Credit Parties contained in any Credit Document are true and correct and no Default or Event of Default shall have occurred and be continuing, and the Agent shall receive a certificate of the Borrower to such effect on the date on which such Acquisition is consummated;

(d) both before and after giving effect to such Acquisition and the incurrence of Indebtedness in connection therewith, all Credit Parties (including any Subsidiary acquired in such Acquisition) shall be solvent (as represented in Section 6.7) and the Borrower shall be in compliance with all financial covenants in Sections 8.1 through 8.7 hereof inclusive on a pro forma basis, and the Agent shall receive a certificate of the Borrower to such effect on the date on which such Acquisition is consummated;

(e) the purchase price for any single Acquisition or series of related Acquisitions in any Fiscal Year shall not exceed \$10,000,000, nor shall the purchase price for all Acquisitions during the term of the Agreement exceed \$30,000,000 in the aggregate. For purposes hereof, any Indebtedness assumed in connection with an Acquisition shall be included in the calculation of the purchase price;

(f) the Borrower shall have delivered written notice of the pending Acquisition to the Agent, the Issuing Bank and the Lenders at least twenty (20) Business Days prior to its consummation including a detailed description of such pending Acquisition, which notice shall be accompanied by historical financial statements for the Person or business to be acquired and pro forma financial statements giving effect to the Acquisition, in each case in form and substance satisfactory to Agent, analyses of sources and uses of funds, pro forma calculations of compliance with the financial covenants in Sections 8.1 through 8.7 hereof and, prior to consummation of the Acquisition, such other due diligence information as may have been reasonably requested by the Agent, the Issuing Bank or any Lender;

(g) if a Revolving Loan is to be made in connection with such Acquisition, the Agent shall have received a Notice of Borrowing and a Borrowing Base Certificate from the Borrower, which calculation of the Borrowing Base may include the assets to be acquired directly by the Borrower in the Acquisition;

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(h) the Agent shall have received such financing statements, filings and other Collateral Documents as required (or advisable in the Agent's judgment) to perfect Liens on any assets to be acquired, including assets of any

new Subsidiary, together with evidence satisfactory to the Agent that such Liens are first and prior Liens subject only to Permitted Liens;

(i) all new Subsidiaries formed or acquired in such Permitted Acquisition shall be wholly-owned by the Borrower;

(j) the business and assets to be acquired in such Acquisition shall be acquired free and clear of all Liens (other than Permitted Liens);

(k) any new Subsidiary shall be designated a Credit Party and shall execute and deliver to the Agent such Collateral Documents as are required to be executed by a Credit Party (other than the Borrower) and such other documents as are necessary (or advisable in the Agent's judgment) under applicable Requirements of Law in order to grant the Agent a perfected first priority security interest and Lien in the assets of, and ownership interests in, such Subsidiary (subject only to Permitted Liens); and the Borrower shall execute and deliver a Pledge Agreement in form and substance satisfactory to Agent, together with stock certificates and promissory notes and other instruments endorsed in blank in accordance therewith;

(l) prior to inclusion of any assets in the Borrowing Base, the Agent shall have received appraisals, in form and substance satisfactory to Agent, of all Inventory of the Borrower to be included in the Borrowing Base and shall have completed such review of Accounts and Inventory as it deems necessary or desirable for inclusion in the Borrowing Base;

(m) the Person or business to be acquired is engaged in the business conducted by the Borrower immediately prior to the Closing Date or similar activities related or incidental thereto; and

(n) on or prior to the date of such Acquisition, the Agent shall have received, in form and substance satisfactory to Agent, all acquisition documents related thereto and legal opinions, evidence of solvency, certificates, Certificates of Title, lien search results and other documents and instruments reasonably requested by the Agent, which collectively shall confirm to the Agent's satisfaction that the conditions set forth herein have been satisfied.

ARTICLE IX.
EVENTS OF DEFAULT AND REMEDIES

9.1 Events of Default. The occurrence of any of the following events shall constitute an Event of Default hereunder:

(a) Failure to Pay. The Borrower shall fail to pay: (i) any Obligation (other than Fees not having a scheduled due date) when due; or (ii) any Fees not having a scheduled due date within two (2) Business Days of the Borrower's receipt of demand therefor.

(b) Breach of Certain Covenants. The Borrower shall fail to comply with any covenant contained in Article 7 or Article 8 hereof.

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(c) Breach of Representation or Warranty. Any representation or warranty made by the Borrower in this Credit Agreement or in any other Credit Document (and in any statement or certificate given under this Credit Agreement or any other Credit Document), shall be false or misleading in any material respect when made.

(d) Other Breaches. Any Credit Party shall fail to comply with any provisions contained in this Credit Agreement or any other Credit Document, other than as set forth in Sections 9.1(a), 9.1(b) and 9.1(c), and such failure shall continue for ten (10) Business Days after the earlier to occur of (x) the date such Credit Party knew or should have known of its occurrence or (y) the date of giving of notice thereof by Agent to such Credit Party.

(e) Dissolution. The Borrower shall dissolve, wind up or otherwise cease its business.

(f) Insolvency Event. Any Credit Party shall become the subject of an Insolvency Event.

(g) Change of Control. A Change of Control shall occur.

(h) Cross Default. A default or event of default shall occur (and continue beyond any applicable grace period) under any note, agreement or instrument evidencing any other Indebtedness of the Borrower or any of its Subsidiaries, which default or event of default permits the acceleration of its maturity, provided that the aggregate principal amount of all such Indebtedness for which the default or event of default has occurred exceeds \$1,000,000.

(i) Failure of Enforceability of Credit Documents; Security. Any material covenant, agreement or obligation of any Credit Party contained in or evidenced by any of the Credit Documents shall cease to be enforceable, or shall be determined to be unenforceable, in accordance with its terms; any Credit Party shall deny or disaffirm any of its material obligations under any of the Credit Documents or any Liens granted in connection therewith; or, any Liens granted in any of the Collateral shall be determined to be void, voidable, invalid or unperfected, are subordinated or not given the priority contemplated by this Credit Agreement as reflected in Schedule B, Part 8.10 (except where such circumstance arises as a result of any action or inaction by any Lender).

9.2 Acceleration and Cash Collateralization. Upon the occurrence and during the continuance of an Event of Default, the Agent may take any or all of the following actions, without prejudice to the rights of the Agent or any Lender to enforce its claims against the Borrower:

(a) Acceleration. Upon the written request of the Majority Lenders, and by delivery of written notice to the Borrower from the Agent, all Obligations shall be declared to be immediately due and payable (except with respect to any Event of Default set forth in Section 9.1(f) hereof, in which case all Obligations shall automatically become immediately due and payable without the necessity of any request of the Majority Lenders or notice or other demand to

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the Borrower) without presentment, demand, protest or any other action or obligation of the Agent or any Lender.

(b) Termination Of Commitments. Upon the written request of the Majority Lenders, and by delivery of written notice to the Borrower from the Agent, the Commitments shall be immediately terminated and, at all times thereafter, all Revolving Loans made by any Lender pursuant to this Credit Agreement shall be at such Lender's sole discretion, unless such Event of Default is waived in accordance with Section 11.11.

(c) Cash Collateralization. On demand of the Agent or the Majority Lenders the Borrower shall immediately deposit with the Agent for each Letter of Credit then outstanding, cash or Cash Equivalents in an amount equal to 110% of the greatest amount drawable thereunder.

9.3 Rescission of Acceleration. After acceleration of the maturity of the Loans, if the Borrower pays all accrued interest and all principal due (other than by reason of the acceleration) and all Defaults and Events of Default are otherwise remedied or waived in accordance with Section 11.11, the Majority Lenders may elect in their sole discretion, to rescind the acceleration and return any cash collateral. (This Section is intended only to bind all of the Lenders to a decision of the Majority Lenders and not to confer any right on the Borrower, even if the described conditions for the Majority Lenders' election may be met.)

9.4 Remedies. Upon the occurrence and during the continuance of an Event of Default, the Agent may do any or all of the following:

(a) remove all documents, instruments, files and records (including the copying of any computer records) relating to the Accounts or use (at the expense of the Borrower) such supplies or space of the Borrower at the Borrower's place of business necessary to properly administer and collect the Accounts thereon;

(b) accelerate or extend the time of payment, compromise, issue credits, or bring suit on the Accounts (in the name of the Borrower or the Lenders) and otherwise administer and collect the Accounts;

(c) sell, assign and deliver the Accounts and any returned,

reclaimed or repossessed merchandise, with or without advertisement, at public or private sale, for cash, on credit or otherwise; and

(d) foreclose the security interests created pursuant to the Credit Documents by any available procedure, or take possession of any or all of the Collateral without judicial process and enter any premises where any Collateral may be located for the purpose of taking possession of or removing the same.

Any Lender may bid or become a purchaser at any sale, free from any right of redemption, which right is expressly waived by the Borrower. If notice of intended disposition of any Collateral is required by law, it is agreed that five (5) Business Days' notice shall constitute reasonable notification. The Borrower will assemble the Collateral and make it available to the Agent at such

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locations as the Agent may specify, whether at the premises of the Borrower or elsewhere, and will make available to the Agent the premises and facilities of the Borrower for the purpose of the Agent's taking possession of, removing or putting the Collateral in saleable form.

9.5 Right of Setoff. In addition to and not in limitation of all rights of offset that any Lender or the Issuing Bank may have under applicable law, upon the occurrence of any Event of Default, and whether or not any Lender or the Issuing Bank has made any demand or the Obligations of any Credit Party have matured, each Lender and the Issuing Bank shall have the right to appropriate and apply to the payment of the Obligations of such Credit Party all deposits and other obligations then or thereafter owing by such Lender or the Issuing Bank to such Credit Party; provided, that each Lender or the Issuing Bank exercising such rights shall notify the Agent thereof prior to exercise, shall refrain from exercising such right until the Agent shall have confirmed to such Lender or Issuing Bank that such exercise will not prejudice the rights of the Lenders, and any amount received as a result of the exercise of such rights shall be shared in accordance with Section 2.6.

9.6 License for Use of Software and Other Intellectual Property. Unless expressly prohibited by the licensor thereof, if any, the Agent is hereby granted a license to use all computer software programs, data bases, processes and materials used by the Borrower in connection with its businesses or in connection with the Collateral. The Agent agrees not to use any such license prior to the occurrence of an Event of Default without giving the Borrower prior notice.

9.7 No Marshaling; Deficiencies; Remedies Cumulative. The net cash proceeds resulting from the Agent's exercise of any of the foregoing rights to liquidate all or substantially all of the Collateral (after deducting all of the Agent's Expenses related thereto) shall be applied by the Agent to the payment of the Borrower's Obligations to the Agent and the Lenders, whether due or to become due, in such order as the Agent may elect. The Borrower shall remain liable to the Agent and the Lenders for any deficiencies, and the Agent and the Lenders in turn agree to remit to the Borrower or its successors or assigns, any surplus resulting therefrom. The foregoing remedies are not intended to be exhaustive and the full or partial exercise of any of them shall not preclude the full or partial exercise of any other available remedy under the Credit Agreement, under any other Credit Document, at equity or at law.

ARTICLE X.
THE AGENT

10.1 Appointment of Agent.

(a) Each Lender hereby designates BT Commercial Corporation as its Agent and irrevocably authorizes the Agent to take action on its behalf under the Credit Documents, to exercise the powers and perform the duties described therein, and to exercise such other powers reasonably incidental thereto. The Agent may perform any of its duties through its agents or employees.

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(b) Other than the Borrower's rights under Section 10.8, this

Article 10 is for the benefit of the Agent and the Lenders only. The Agent shall act only for the Lenders and assumes no obligation to or agency or trust relationship with any Credit Party.

10.2 Nature of Duties of Agent. The Agent has no duties or responsibilities except those expressly set forth in the Credit Documents. Neither the Agent nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted hereunder or in connection herewith, other than as caused by gross negligence or willful misconduct. The duties of the Agent shall be mechanical and administrative in nature. The Agent shall not have a fiduciary relationship to any Lender or any participant of any Lender.

10.3 Lack of Reliance on Agent. Independently and without reliance upon the Agent, each Lender has made and shall continue to make its own independent investigation and analysis of the content and validity of the Credit Documents or of the performance and creditworthiness of the Credit Parties thereunder. The Agent assumes no responsibility and undertakes no obligation to make inquiry with respect to such matters, unless specifically requested to do so in writing by a Lender.

10.4 Certain Rights of the Agent. The Agent may request instructions from the Majority Lenders at any time. If the Agent requests instructions from the Majority Lenders with respect to any action or inaction, the Agent shall be entitled to await instructions from the Majority Lenders before such action or inaction. No Lender shall have any right of action based upon the Agent's action or inaction in response to instructions from the Majority Lenders.

10.5 Reliance by Agent. The Agent may rely upon written or telephonic communication it believes to be genuine and to have been signed, sent or made by the proper person. The Agent may obtain the advice of legal counsel (including, for matters concerning the Borrower, counsel for the Borrower), independent public accountants and other experts selected by it and shall have no liability for action or inaction in good faith based upon such advice.

10.6 Indemnification of Agent. To the extent the Agent is not reimbursed and indemnified by the Borrower, each Lender will reimburse and indemnify the Agent, to the extent of its Proportionate Share, for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements) or disbursements of any kind or nature whatsoever (including all Expenses) which may be imposed on, incurred by or asserted against the Agent in performing its duties hereunder or otherwise relating to the Credit Documents, unless resulting from the Agent's gross negligence or willful misconduct.

10.7 The Agent in Its Initial Capacity. In its individual capacity, the Agent shall have the same rights and powers hereunder as any other Lender and may exercise them as though it was not performing the duties specified herein. The terms "Lenders," "Majority Lenders," or any similar terms shall, unless the context clearly otherwise indicates, include the Agent in its individual capacity. The Agent and its Affiliates may accept deposits from, lend money to, acquire equity interests in, and generally engage in any kind of banking, trust, financial advisory or other business with the Borrower or any Affiliate of the Borrower as if it were not performing the

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duties specified herein, and may accept fees and other consideration from the Borrower for services in connection with this Credit Agreement and otherwise without having to account for the same to the Lenders.

10.8 Successor Agent.

(a) The Agent may, upon five Business Days' notice to the Lenders and the Borrower, resign by giving written notice thereof to the Lenders and the Borrower. The Agent's resignation shall be effective upon the appointment of a successor Agent.

(b) Upon receipt of the Agent's resignation, the Majority Lenders may appoint a successor Agent. Unless an Event of Default shall have occurred and be continuing at the time of such appointment, the successor Agent shall be subject to approval by the Borrower, which approval shall not to be unreasonably withheld and shall be delivered to the Majority Lenders within five Business Days after the Borrower's receipt of notice of a proposed successor Agent. If a successor Agent has not accepted its appointment within fifteen

Business Days, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent.

(c) Upon its acceptance of the agency hereunder, a successor Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Credit Agreement. The retiring Agent shall continue to have the benefit of this Article 10 for any action or inaction while it was Agent.

10.9 Collateral Matters.

(a) Each Lender authorizes and directs the Agent to enter into the Collateral Documents for the benefit of the Lenders. Except as otherwise set forth herein, any action or exercise of powers by the Majority Lenders under the Credit Documents, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. Prior to an Event of Default, without notice to or consent from any Lender, the Agent may take any action necessary or advisable to perfect and maintain the perfection of the Liens upon the Collateral.

(b) The Agent is authorized to release any Lien granted to or held by the Agent upon any Collateral (i) upon termination of the Commitments and payment and satisfaction of all of the Obligations, or (ii) upon receipt of the proceeds of sales of the Collateral permitted hereunder. The Agent may request and the Lenders will provide confirmation of the Agent's authority to release particular types or items of Collateral.

(c) The Agent shall have no obligation to assure that the Collateral exists or is owned by the Borrower or any of its Subsidiaries, that such Collateral is cared for, protected or insured, or that the Liens in the Collateral have been created, perfected, or have any particular priority. With respect to the Collateral, the Agent may act in any manner it may deem appropriate, in its sole discretion, given the Agent's own interest in the Collateral as one of the

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Lenders, and it shall have no duty or liability whatsoever to the Lenders, except for its gross negligence or willful misconduct.

10.10 Actions with Respect to Defaults. In addition to the Agent's right to take actions on its own accord as permitted under this Credit Agreement, the Agent shall take such action with respect to a Default or Event of Default as shall be directed by the Majority Lenders. Until the Agent shall have received such directions, the Agent may act (or not act) as it deems advisable and in the best interests of the Lenders.

ARTICLE XI. MISCELLANEOUS

11.1 GOVERNING LAW. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS CREDIT AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS CREDIT AGREEMENT OR ANY OF THE CREDIT DOCUMENTS, WHETHER SOUNDING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE GOVERNED BY THE INTERNAL LAWS (AS OPPOSED TO THE CONFLICTS OF LAWS PROVISIONS) AND DECISIONS OF THE STATE OF CALIFORNIA.

11.2 SUBMISSION TO JURISDICTION. ALL DISPUTES AMONG THE BORROWER AND THE LENDERS (OR THE AGENT ACTING ON THEIR BEHALF), WHETHER SOUNDING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE RESOLVED ONLY BY STATE AND FEDERAL COURTS LOCATED IN LOS ANGELES, CALIFORNIA, AND THE COURTS TO WHICH AN APPEAL THEREFROM MAY BE TAKEN; PROVIDED, HOWEVER, THAT THE AGENT, ON BEHALF OF THE LENDERS, SHALL HAVE THE RIGHT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TO PROCEED AGAINST THE BORROWER OR ITS PROPERTY IN ANY LOCATION REASONABLY SELECTED BY THE AGENT IN GOOD FAITH TO ENABLE THE AGENT TO REALIZE ON SUCH PROPERTY, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE AGENT. THE BORROWER AGREES THAT IT WILL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS, SETOFFS OR CROSS-CLAIMS IN ANY PROCEEDING BROUGHT BY THE AGENT. THE BORROWER WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH THE AGENT HAS COMMENCED A PROCEEDING, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON FORUM NON CONVENIENS.

11.3 SERVICE OF PROCESS. THE BORROWER HEREBY IRREVOCABLY DESIGNATES CT

CORPORATIONS SYSTEMS AS THE DESIGNEE, APPOINTEE AND AGENT OF THE BORROWER TO RECEIVE, FOR AND ON BEHALF OF THE BORROWER, SERVICE OF PROCESS IN SUCH RESPECTIVE JURISDICTIONS IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS CREDIT AGREEMENT OR ANY OTHER CREDIT DOCUMENT. IT IS UNDERSTOOD THAT A COPY OF SUCH PROCESS SERVED ON SUCH AGENT AT ITS ADDRESS WILL BE PROMPTLY FORWARDED BY MAIL TO THE BORROWER, BUT FAILURE OF THE BORROWER TO

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RECEIVE SUCH COPY SHALL NOT AFFECT IN ANY WAY THE SERVICE OF SUCH PROCESS.

11.4 JURY TRIAL. THE BORROWER, THE AGENT AND THE LENDERS EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY. INSTEAD, ANY DISPUTES WILL BE RESOLVED IN A BENCH TRIAL.

11.5 LIMITATION OF LIABILITY. NEITHER THE AGENT NOR ANY LENDER SHALL HAVE ANY LIABILITY TO THE BORROWER (WHETHER SOUNDING IN TORT, CONTRACT, OR OTHERWISE) FOR LOSSES SUFFERED BY THE BORROWER IN CONNECTION WITH, ARISING OUT OF, OR IN ANY WAY RELATED TO THE TRANSACTIONS OR RELATIONSHIPS CONTEMPLATED BY THIS CREDIT AGREEMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH, UNLESS IT IS DETERMINED BY A FINAL AND NONAPPEALABLE JUDGMENT OR COURT ORDER BINDING ON THE AGENT OR ANY SUCH LENDER, THAT THE LOSSES WERE THE RESULT OF ACTS OR OMISSIONS CONSTITUTING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

11.6 Delays. No delay or omission of the Agent or the Lenders to exercise any right or remedy hereunder shall impair any such right or operate as a waiver thereof.

11.7 Notices. Except as otherwise provided herein, all notices and correspondences hereunder shall be in writing and sent by certified or registered mail, return receipt requested, or by overnight delivery service, with all charges prepaid, if to the Agent or any of the Lenders, then to BT Commercial Corporation, 300 South Grand Ave., 41st Floor, Los Angeles, CA 90071, and if to the Borrower, then to the Borrower at Mobile Mini, Inc., 1834 West Third Street, Tempe, Arizona 85281, Attn: Richard Bungler, Chief Executive Officer, and Larry Trachtenberg, Chief Financial Officer, or by facsimile transmission, promptly confirmed in writing sent by first class mail, if to the Agent, or any of the Lenders, at (213) 620-8394, and if to the Borrower at (602) 894-6433. Copies of all notices to the Borrower respecting Events of Default shall also be sent to Bryan Cave LLP, Two North Central, Suite 2200, Phoenix, AZ 85004-4406, Attn: Joseph P. Richardson and if by facsimile, at (602) 364-7078. All such notices and correspondence shall be deemed given (i) if sent by certified or registered mail, three Business Days after being postmarked, (ii) if sent by overnight delivery service, when received at the above stated addresses or when delivery is refused and (iii) if sent by telex or facsimile transmission, when receipt of such transmission is acknowledged.

11.8 Assignments and Participations.

(a) Borrower Assignment. The Borrower shall not assign this Credit Agreement, or any rights or obligations hereunder, without the prior written consent of the Agent and the Lenders.

(b) Lender Assignments. Each Lender may assign to one or more banks or other financial institutions all or a portion of its rights and obligations under this Credit Agreement, the Notes and the other Credit Documents, with the consent of the Agent and the

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consent of the Borrower (which shall not be unreasonably withheld), and upon execution and delivery to the Agent, for its acceptance and recording in the Register (as defined below), of an agreement in substantially the form of Exhibit G (an "Assignment and Assumption Agreement"), together with surrender of any Note or Notes subject to such assignment and a processing and recordation fee of \$2,500. No such assignment shall be for less than \$5,000,000 of the Commitments and Term Loans unless it is to another Lender. (This Section does not apply to branches and Affiliates of a Lender, it being understood that a Lender may make, carry or transfer Loans at or for the account of any of its branch offices or Affiliates without consent of the Borrower, the Agent or any other Lender.)

(c) Agent's Register. The Agent shall maintain a register of

the names and addresses of the Lenders, their Commitments, and the principal amount of their Loans (the "Register"). The Agent shall also maintain a copy of each Assignment and Assumption Agreement delivered to and accepted by it and modify the Register to give effect to each Assignment and Assumption Agreement. Upon its receipt of each Assignment and Assumption Agreement and surrender of the affected Note or Notes, the Agent will give prompt notice thereof to the Borrower and deliver to the Borrower a copy of the Assignment and Assumption Agreement and the surrendered Note or Notes. Within five Business Days after its receipt of such notice, the Borrower shall execute and deliver to the Agent a new Note or Notes to the order of the assignee in the amount of the Commitment, Commitments or Loans, as the case may be, assumed by it and to the assignor in the amount of the Commitment, Commitments or Loans, as the case may be, retained by it, if any. Such new Note or Notes shall re-evidence the Indebtedness outstanding under the surrendered Note or Notes and shall be dated as of the Closing Date. The Agent shall be entitled to rely upon the Register exclusively for purposes of identifying the Lenders hereunder.

(d) Lender Participations. Each Lender may sell participations (without the consent of the Agent, the Borrower or any other Lender) to one or more parties in or to all or a portion of its rights and obligations under this Credit Agreement, the Notes and the other Credit Documents. Notwithstanding a Lender's sale of a participation interest, its obligations hereunder shall remain unchanged. The Borrower, the Agent, and the other Lenders shall continue to deal solely and directly with such Lender. No participant shall have rights to approve any amendment or waiver of this Credit Agreement except to the extent such amendment or waiver would (i) increase the Commitments of the Lender from whom the participant purchased its participation interest; (ii) reduce the principal of, or rate or amount of interest on the Loans subject to such participation, (iii) postpone any date fixed for any payment of principal of, or interest on, the Loans subject to the participation interest, and (iv) release any guarantor of the Obligations or all or a substantial portion of the Collateral, other than when otherwise permitted hereunder.

11.9 Confidentiality. Each Lender agrees that it will use its reasonable best efforts not to disclose without the prior written consent of the Borrower any information with respect to the Borrower or any of its Subsidiaries which is furnished pursuant to this Credit Agreement and which is designated by the Borrower to the Lenders in writing as confidential, provided that any Lender may disclose any such information (a) to its employees, auditors, or counsel, or to another Lender if the disclosing Lender or such disclosing Lender's holding or parent company in its sole discretion determines that any such party should have access to such information, (b) as has

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become generally available to the public, (c) as may be required or appropriate in any report, statement or testimony submitted to any Governmental Authority having or claiming to have jurisdiction over such Lender, (d) as may be required or appropriate in response to any summons or subpoena or in connection with any litigation, (e) in order to comply with any Requirement of Law, and (f) to any prospective or actual transferee or participant in connection with any contemplated transfer or participation of any of the Notes or Commitments or any interest therein by such Lender.

11.10 Indemnification; Reimbursement of Expenses of Collection. The Borrower hereby indemnifies and agrees to defend and hold harmless the Agent, the Issuing Bank and each of the Lenders and their respective directors, officers, agents, employees and counsel from and against any and all losses, claims, damages, liabilities, deficiencies, judgments or expenses incurred by any of them (except to the extent that it is finally judicially determined to have resulted from their own gross negligence or willful misconduct) arising out of or by reason of (a) any litigation, investigations, claims or proceedings which arise out of or are in any way related to (i) this Credit Agreement or the transactions contemplated thereby, (ii) the issuance of the Letters of Credit, (iii) the failure of the Issuing Bank to honor a drawing under any Letter of Credit, as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority, (iv) any actual or proposed use by the Borrower of the proceeds of the Loans or (v) the Agent's or the Lenders' entering into this Credit Agreement, the other Credit Documents or any other agreements and documents relating hereto, including, without limitation, amounts paid in settlement, court costs and the fees and disbursements of counsel incurred in connection with any such litigation, investigation, claim or proceeding or any advice rendered in connection with any of the foregoing, and (b) any remedial or other action taken

by the Borrower or any of the Lenders in connection with compliance by the Borrower or any of its Subsidiaries, or any of their respective properties, with any federal, state or local environmental laws, acts, rules, regulations, orders, directions, ordinances, criteria or guidelines. In addition, the Borrower shall, upon demand, pay to the Agent and any Lender all costs and expenses (including the reasonable fees and disbursements of counsel and other professionals) paid or incurred by the Agent or such Lender in (i) enforcing or defending its rights under or in respect of this Credit Agreement, the other Credit Documents or any other document or instrument now or hereafter executed and delivered in connection herewith, (ii) in collecting the Loans, (iii) in foreclosing or otherwise collecting upon the Collateral or any part thereof and (iv) obtaining any legal, accounting or other advice in connection with any of the foregoing.

11.11 Amendments and Waivers. No amendment or waiver of any provision of this Credit Agreement, any part of Schedule B, or any other Credit Document shall be effective unless in writing and signed by the Majority Lenders (or by the Agent on their behalf), except that:

(a) the consent of all the Lenders is required to (i) increase the Commitments, (ii) reduce the principal of, or interest on, the Notes, any Letter of Credit reimbursement obligations or any Fees hereunder (other than Fees that are exclusively for the account of the Agent or the Issuing Bank), (iii) postpone any date fixed for any payment in respect of principal of, or interest on, the Notes, any Letter of Credit reimbursement obligations or any Fees hereunder, (iv) change the percentage of the Commitments, or any minimum requirement necessary for the Lenders or the Majority Lenders to take any action hereunder, (v) amend or

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waive this Section 11.11(a), or change the definition of Majority Lenders, (vi) subject to the provisions of Section 2.3(b)(ii), increase the advance rates provided for in the definition of "Borrowing Base," or (vii) except as otherwise expressly provided in Section 8.12 or elsewhere in this Credit Agreement, and other than in connection with the financing, refinancing, sale or other disposition of any asset of the Borrower permitted under this Credit Agreement, release any Liens in favor of the Lenders on any of the Collateral; and

(b) the consent of the Agent or the Issuing Bank, as the case may be, shall be required for any amendment, waiver or consent affecting the rights or duties of the Agent or the Issuing Bank under any Credit Document, in addition to the consent of the Lenders otherwise required by this Section.

The consent of the Borrower shall not be required for any amendment, modification or waiver of the provisions of Article 10 (other than Section 10.8). The Borrower and the Lenders hereby authorize the Agent to modify this Credit Agreement by unilaterally amending or supplementing Annex I to reflect assignments of the Commitments. Notwithstanding the foregoing, the Borrower may amend Schedule B, Parts 6.1, 6.10, and 6.14, without the consent of the Majority Lenders.

11.12 Counterparts and Effectiveness. This Credit Agreement and any waiver of amendment hereto may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. This Credit Agreement shall become effective on the date on which all of the parties hereto shall have signed a copy hereof (whether the same or different copies) and shall have delivered the same to the Agent pursuant to Section 11.7 or, in the case of the Lenders, shall have given to the Agent written, telecopied or telex notice (actually received) at such office that the same has been signed and mailed to it.

11.13 Severability. In case any provision in or obligation under this Credit Agreement or the Notes or the other Credit Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations shall not in any way be affected or impaired thereby.

11.14 Maximum Rate. Notwithstanding anything to the contrary contained elsewhere in this Credit Agreement or in any other Credit Document, the Borrower, the Agent and the Lenders hereby agree that all agreements among them under this Credit Agreement and the other Credit Documents, whether now existing or hereafter arising and whether written or oral, are expressly limited so that

in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to the Agent or any Lender for the use, forbearance, or detention of the money loaned to the Borrower and evidenced hereby or thereby or for the performance or payment of any covenant or obligation contained herein or therein, exceed the Highest Lawful Rate. If due to any circumstance whatsoever, fulfillment of any provisions of this Credit Agreement or any of the other Credit Documents at the time performance of such provision shall be due shall exceed the Highest Lawful Rate, then, automatically, the obligation to be fulfilled shall be modified or reduced to the extent necessary to limit such interest to the Highest Lawful Rate, and if from any

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such circumstance any Lender should ever receive anything of value deemed interest by applicable law which would exceed the Highest Lawful Rate, such excessive interest shall be applied to the reduction of the principal amount then outstanding hereunder or on account of any other then outstanding Obligations and not to the payment of interest, or if such excessive interest exceeds the principal unpaid balance then outstanding hereunder and such other then outstanding Obligations, such excess shall be refunded to the Borrower. All sums paid or agreed to be paid to the Agent or any Lender for the use, forbearance, or detention of the Obligations and other Indebtedness of the Borrower to the Agent or any Lender, to the extent permitted by applicable law, shall be amortized, prorated, allocated and spread throughout the full term of such Indebtedness, until payment in full thereof, so that the actual rate of interest on account of all such Indebtedness does not exceed the Highest Lawful Rate throughout the entire term of such Indebtedness. The terms and provisions of this Section shall control every other provision of this Credit Agreement and all agreements among the Borrower, the Agent and the Lenders.

11.15 Term of Agreement. This Agreement shall have a term expiring on the Expiration Date (i.e., the seventh anniversary of the Prior Closing Date); provided, however, in the event that no Event of Default shall have occurred and be continuing on such initial Expiration Date, then the Borrower may elect to extend the term of this Agreement for one (1) year, and the Expiration Date shall be the eighth anniversary date of the date of the Prior Closing Date, upon the delivery by the Borrower to the Agent of the 90 days' prior written notice of such election.

11.16 Entire Agreement; Successors and Assigns. This Credit Agreement and the other Credit Documents constitute the entire agreement among the Borrower, the Agent, and the Lenders, supersedes any prior agreements among them, and shall bind and benefit the Borrower, and the Lenders and their respective successors and permitted assigns.

11.17 Survival. All agreements, representations and warranties made herein shall survive the execution and delivery of this Agreement, the Notes and the other Credit Documents, the making of the Loans and issuance of the Letters of Credit hereunder. Notwithstanding anything in this Agreement, any other Credit Document or implied by law to the contrary, all indemnities set forth herein, including, without limitation, in Sections 3.10, 4.6, 4.13(d), 4.14 (to the extent provided therein), 4.15, 10.6 and 11.10, shall survive the payment of the Obligations and the termination of the Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be executed and delivered by their proper and duly authorized officers as of the date set forth above.

BORROWER:

MOBILE MINI, INC.
a Delaware corporation

By:

Larry Trachtenberg, Chief Financial Officer

AGENT:

BT COMMERCIAL CORPORATION

By:

Title:

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LENDERS:

BT COMMERCIAL CORPORATION

By:

Title:

BANK OF AMERICA, N.A.

By:

Title:

DEUTSCHE FINANCIAL SERVICES CORPORATION

By:

Title:

SUMMIT COMMERCIAL/GIBRALTAR
CORP.

By:

Title:

BANK ONE ARIZONA, N.A.

By:

Title:

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LASALLE BUSINESS CREDIT, INC.

By:

Title:

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ANNEX I

LENDERS AND COMMITMENT AMOUNTS

Name and Address of Lender	Revolving Credit Commitment	Term Commitment
BT COMMERCIAL CORPORATION	\$20,000,000.00	\$1,944,444.48
Domestic Lending Office: BT Commercial Corporation 14 Wall Street Third Floor New York, New York 10005 Attention: Bharathi Baliga		
Eurodollar Lending Office: BT Commercial Corporation 14 Wall Street Third Floor New York, New York 10005 Attention: Bharathi Baliga		
Address for Notices: BT Commercial Corporation 14 Wall Street Third Floor New York, New York 10005 Attention: Bharathi Baliga		
BANK OF AMERICA, N.A. (fka NATIONSBANK, N.A.)	\$20,000,000.00	\$972,222.23
Domestic Lending Office: Bank of America, N.A. 901 Main Street, 6th Floor Dallas, Texas 75202 Attention: James E. Casper		
Eurodollar Lending Office: Bank of America, N.A. 901 Main Street, 6th Floor Dallas, Texas 75202 Attention: James E. Casper		
Address for Notices: Bank of America, N.A. 901 Main Street, 6th Floor Dallas, Texas 75202 Attention: James E. Casper		

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Name and Address of Lender	Revolving Credit Commitment	Term Commitment
DEUTSCHE FINANCIAL SERVICES CORPORATION	\$20,000,000.00	\$972,222.23
Domestic Lending Office: Deutsche Financial Services Corporation 1501 West Fountainhead Parkway, Suite 600 Tempe, Arizona 85282 Attention: Regional Vice President		
Eurodollar Lending Office: Deutsche Financial Services Corporation 1501 West Fountainhead Parkway, Suite 600 Tempe, Arizona 85282 Attention: Regional Vice President		
Address for Notices: Deutsche Financial Services Corporation 1501 West Fountainhead Parkway, Suite 600 Tempe, Arizona 85282 Attention: Regional Vice President		
SUMMIT COMMERCIAL/GIBRALTAR CORP.	\$20,000,000.00	
Domestic Lending Office: Summit Commercial/Gibraltar Corp. 546 5th Avenue, 20th Floor New York, New York 10036 Attention: Harvey Friedman Telephone: 212-997-3337 Fax: 212-398-6990		
Eurodollar Lending Office: Summit Commercial/Gibraltar Corp.		

546 5th Avenue, 20th Floor
New York, New York 10036
Attention: Harvey Friedman
Telephone: 212-997-3337
Fax: 212-398-6990

Address for Notices:

Summit Commercial/Gibraltar Corp.
546 5th Avenue, 20th Floor
New York, New York 10036
Attention: Harvey Friedman
Telephone: 212-997-3337
Fax: 212-398-6990

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Name and Address of Lender	Revolving Credit Commitment	Term Commitment
BANK ONE ARIZONA, N.A. Domestic Lending Office: Bank One Arizona, N.A. 201 North Central Avenue 21st Floor Phoenix, Arizona 85004 Attention: Steven Reinhart Telephone: 602-221-1947 Fax: 602-221-1259 Eurodollar Lending Office: Bank One Arizona, N.A. 201 North Central Avenue 21st Floor Phoenix, Arizona 85004 Attention: Steven Reinhart Telephone: 602-221-1947 Fax: 602-221-1259 Address for Notices: Bank One Arizona, N.A. 201 North Central Avenue 21st Floor Phoenix, Arizona 85004 Attention: Steven Reinhart Telephone: 602-221-1947 Fax: 602-221-1259	\$20,000,000.00	\$972,222.23

LASALLE BUSINESS CREDIT, INC. Domestic Lending Office: LaSalle Business Credit, Inc. 135 South LaSalle Street Chicago, Illinois 60603 Attention: Christopher Clifford Telephone: (312) 904-8415 Fax: (312) 904-6450 Eurodollar Lending Office: LaSalle Business Credit, Inc. 135 South LaSalle Street Chicago, Illinois 60603 Attention: Christopher Clifford Telephone: (312) 904-8415 Fax: (312) 904-6450	\$20,000,000.00	\$972,222.23
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Name and Address of Lender	Revolving Credit Commitment	Term Commitment
Address for Notices: LaSalle Business Credit, Inc. 135 South LaSalle Street Chicago, Illinois 60603 Attention: Christopher Clifford Telephone: (312) 904-8415 Fax: (312) 904-6450		

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MOBILE MINI, INC.

STATEMENT RE: COMPUTATION OF EARNINGS PER SHARE

	Year Ended December 31,		
	1997	1998	1999
	-----	-----	-----
BASIC:			
Common shares outstanding, beginning of year	6,739,324	6,799,524	7,966,863
Effect of weighting shares:			
Weighted common shares issued	12.823	1,040.099	2,186.223
	-----	-----	-----
Weighted average number of common shares outstanding	6,752,147	7,839,623	10,153,086
	-----	-----	-----
Net income	\$ 2,200,396	\$ 4,483,967	\$ 9,003,568
	=====	=====	=====
Earnings per share	\$ 0.33	\$ 0.57	\$ 0.89
	=====	=====	=====
DILUTED:			
Common shares outstanding, beginning of year	6,739,324	6,799,524	7,966,863
Effect of weighting shares:			
Weighted common shares issued	12,823	1,040,099	2,186,223
Employee stock options and warrants assumed converted	48,156	577,545	487,352
	-----	-----	-----
Weighted average number of common and common equivalent shares outstanding	6,800,303	8,417,168	10,640,438
	-----	-----	-----
Net income (Note 1 of Notes to Consolidated Financial Statements)	\$ 2,200,396	\$ 4,483,967	\$ 9,003,568
	=====	=====	=====
Earnings per share	\$ 0.32	\$ 0.53	\$ 0.85
	=====	=====	=====

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report dated January 31, 2000, included in this Form 10-K into the Company's previously filed Registration Statements File Nos. 333-2868, 333-41495 and 333-86495.

Phoenix, Arizona,
February 29, 2000.

<ARTICLE> 5
<CURRENCY> U.S. DOLLARS

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<SALES>		12,820,357
<TOTAL-REVENUES>		66,653,499
<CGS>		8,505,609
<TOTAL-COSTS>		44,789,525
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<LOSS-PROVISION>		0
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<INCOME-PRETAX>		15,749,233
<INCOME-TAX>		6,299,694
<INCOME-CONTINUING>		9,449,539
<DISCONTINUED>		0
<EXTRAORDINARY>		(424,053)
<CHANGES>		0
<NET-INCOME>		9,003,568
<EPS-BASIC>		0.89
<EPS-DILUTED>		0.85