SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTER ENDED MARCH 31, 1999

COMMISSION FILE NUMBER 0-13292

MCGRATH RENTCORP
(Exact name of registrant as specified in its Charter)

CALIFORNIA	94-2579843
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

5700 LAS POSITAS ROAD, LIVERMORE, CA 94550
(Address of principal executive offices)

Registrant's telephone number: (925) 606-9200

Indicate by check mark 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 [ ]

At May 14, 1999, 13,466,098 shares of Registrant's Common Stock were outstanding.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

MCGRATH RENTCORP
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	THREE MONTHS ENDED MARCH 31,	
(in thousands, except per share amounts)	1999	1998
Revenues		
Rental	$ 18,979	$ 16,981
Rental Related Services	2,434	2,223
Rental Operations	21,413	19,204
Sales	6,863	7,952
Other	218	194
Total Revenues	28,494	27,350
Costs and Expenses		
Direct Costs of Rental Operations		
Depreciation	4,666	3,847
Rental Related Services	1,338	1,664
Other	3,133	3,025
Total Direct Costs of Rental Operations	9,137	8,536
Costs of Sales	4,860	5,249
Total Costs	13,997	13,785
Gross Margin	14,497	13,565
Selling and Administrative	4,199	3,705
Income from Operations	10,298	9,860
Interest	1,516	1,451
Income Before Provision for Income Taxes	8,782	8,409
Provision for Income Taxes	3,447	3,313
Income Before Minority Interest	5,335	5,096
Minority Interest in Income of Subsidiary	(36)	128
Net Income	$ 5,371	$ 4,968
Earnings Per Share:		
Basic	$ 0.39	$ 0.34
Diluted	$ 0.38	$ 0.34
Shares Used in Per Share Calculation:		
Basic	13,820	14,436
Diluted	13,991	14,635

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

MCGRATH RENTCORP
CONSOLIDATED BALANCE SHEETS
(unaudited)

(in thousands)	MARCH 31, 1999	DECEMBER 31, 1998
Assets		
Cash	$ 4,749	$ 857
Accounts Receivable, less allowance for doubtful accounts of $650 in 1999 and 1998	15,717	21,811
Rental Equipment, at cost:		
Relocatable Modular Offices	218,335	216,414
Electronic Test Instruments	66,686	66,573
	285,021	282,987
Less Accumulated Depreciation	(86,013)	(82,959)
Rental Equipment, net	199,008	200,028
Land, at cost	18,953	18,953
Buildings, Land Improvements, Equipment and Furniture, at cost, less accumulated depreciation of $4,210 in 1999 and $3,858 in 1998	31,791	31,460
Prepaid Expenses and Other Assets	4,558	5,567
Total Assets	$ 274,776	$ 278,676
Liabilities and Shareholders' Equity		
Liabilities:		
Notes Payable	$ 101,450	$ 97,000
Accounts Payable and Accrued Liabilities	20,161	22,964
Deferred Income	2,753	5,574
Minority Interest in Subsidiary	2,548	2,584
Deferred Income Taxes	48,609	45,160
Total Liabilities	175,521	173,282
Shareholders' Equity:		
Common Stock, no par value -- Authorized -- 40,000 shares Outstanding -- 13,463 shares in 1999 and 13,970 shares in 1998	7,824	8,138
Retained Earnings	91,431	97,256
Total Shareholders' Equity	99,255	105,394
Total Liabilities and Shareholders' Equity	$ 274,776	$ 278,676

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

MCGRATH RENTCORP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(in thousands)	THREE MONTHS ENDED MARCH 31, 1999	1998
Cash Flow from Operating Activities:		
Net Income	$ 5,371	$ 4,968
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	5,059	4,202
Gain on Sale of Rental Equipment	(1,313)	(1,389)
Proceeds from Sale of Rental Equipment	3,567	3,512
Change In:		
Accounts Receivable	6,094	1,470
Prepaid Expenses and Other Assets	1,009	(794)
Accounts Payable and Accrued Liabilities	(3,056)	(10,636)
Deferred Income	(2,821)	972
Deferred Income Taxes	3,448	3,299
Net Cash Provided by Operating Activities	17,358	5,604
Cash Flow from Investing Activities:		
Purchase of Rental Equipment	(5,901)	(9,888)
Purchase of Land, Buildings, Land Improvements, Equipment and Furniture	(724)	(784)
Net Cash Used in Investing Activities	(6,625)	(10,672)
Cash Flow from Financing Activities:		
Net Borrowings Under Notes Payable	4,450	15,747
Net Proceeds from the Exercise of Stock Options	--	183
Repurchase of Common Stock	(9,894)	(8,795)
Payment of Dividends	(1,397)	(1,162)
Net Cash Provided (Used) by Financing Activities	(6,841)	5,973
Net Increase in Cash	3,892	905
Cash Balance, Beginning of Period	857	538
Cash Balance, End of Period	$ 4,749	$ 1,443
Interest Paid During the Period	$ 2,075	$ 1,440
Income Taxes Paid During the Period	$ (8)	$ 14
Dividends Declared but not yet Paid	$ 1,616	$ 1,414

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

MCGRATH RENTCORP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1999

NOTE 1. CONSOLIDATED FINANCIAL INFORMATION

The consolidated financial information for the three months ended March 31, 1999 has not been audited, but in the opinion of management, all adjustments (consisting of only normal recurring accruals, consolidation and eliminating entries) necessary for the fair presentation of the consolidated results of operations, financial position, and cash flows of McGrath RentCorp (the "Company") have been made. The consolidated results of the three months ended March 31, 1999 should not be considered as necessarily indicative of the consolidated results for the entire year. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's latest Form 10-K.

NOTE 2. NOTES PAYABLE

In April 1999, the Company amended its unsecured line of credit agreement (the "Agreement") with its banks to reduce the minimum shareholders' equity requirement to allow further repurchases of the Company's common stock. The Agreement requires the Company to maintain shareholders' equity of not less than $85,000,000 plus 50% of all net income generated subsequent to March 31, 1999 plus 90% of any new stock issuance proceeds. All other terms and conditions remained the same.

NOTE 3. BUSINESS SEGMENTS

The Company defines its business segments based on the nature of operations for the purpose of reporting under Statement of Financial Accounting Standard No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS 131). The Company's three reportable segments are Mobile Modular Management Corporation (Modulars), McGrath-RenTelco (Electronics), and Enviroplex. The operations of these three segments are described in the notes to the consolidated financial statements included in the Company's latest Form 10-K. As a separate corporate entity, Enviroplex revenues and expenses are separately maintained from Modulars and Electronics. Excluding interest expense, allocations of revenues and expenses not directly associated with Modulars or Electronics are generally allocated to these segments based on their pro-rata share of direct revenues. Interest expense is allocated between Modulars and Electronics based on their pro-rata share of average rental equipment, accounts receivable and customer security deposits. The Company does not report total assets by business segment. Summarized financial information for the three months ended March 31, 1999 and 1998 for the Company's reportable segments is shown in the following table:

(in thousands)	MODULARS	ELECTRONICS	ENVIROPLEX	CONSOLIDATED
THREE MONTHS ENDED MARCH 31,				
1999				
Rental Operation Revenues	$ 14,882	$ 6,531	$ --	$ 21,413
Sales and Other Revenues	2,688	2,395	1,998	7,081
Total Revenues	17,570	8,926	1,998	28,494
Depreciation on Rental Equipment	2,498	2,168	--	4,666
Interest Expense	1,161	399	(44)	1,516
Income before Income Taxes	5,824	3,174	(216)	8,782
Rental Equipment Acquisitions	2,465	3,436	--	5,901
Accounts Receivable, net (period end)	6,554	7,379	1,784	15,717
Rental Equipment, at cost (period end)	218,335	66,686	--	285,021
1998				
Rental Operation Revenues	$ 13,656	$ 5,548	$ --	$ 19,204
Sales and Other Revenues	2,102	2,696	3,348	8,146
Total Revenues	15,758	8,244	3,348	27,350
Depreciation on Rental Equipment	2,191	1,656	--	3,847
Interest Expense	1,094	325	32	1,451
Income before Income Taxes	4,631	3,013	765	8,409
Rental Equipment Acquisitions	5,642	4,246	--	9,888
Accounts Receivable, net (period end)	7,034	7,070	6,220	20,324
Rental Equipment, at cost (period end)	200,067	52,341	--	252,408

ITEM 2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-Q contains statements which constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places. Such statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "estimates", "will", "should", "plans" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements as a result of various factors. These factors include the effectiveness of management's strategies and decisions, general economic and business conditions, new or modified statutory or regulatory requirements and changing prices and market conditions. This report identifies other factors that could cause such differences. No assurance can be given that these are all of the factors that could cause actual results to vary materially from the forward-looking statements.

THREE MONTHS ENDED MARCH 31, 1999 AND 1998

Rental revenues for the three months ended March 31, 1999 increased $1,998,000 (12%) over the comparative period in 1998, with Mobile Modular Management Corporation ("MMMC") contributing $1,018,000 and McGrath-RenTelco contributing $980,000. MMMC's rental revenues increased as a result of having $17,182,000 more equipment on rent compared to a year earlier. For Modulars, average monthly yield of 1.93% and average utilization of 82.2%, exclusive of equipment not previously rented, were approximately the same for each period reported. McGrath-RenTelco's rental revenues increased as a result of having $4,724,000 more equipment on rent compared to a year earlier offset by an average monthly yield decline from 3.53% in 1998 to 3.20% in 1999. Electronics average utilization for the first quarter declined from 55.5% in 1998 to 51.3% in 1999.

Rental related services revenues for the three months ended March 31, 1999 increased $211,000 (9%) as compared to the same period in 1998 as a result of higher volume of modular equipment movements and site requirements in 1999. Gross margins on these services for the quarter increased from 25% in 1998 to 45% in 1999 due to the mix of services performed in 1999 and approximates the 1998 annual gross margin of 43%.

Sales for the three months ended March 31, 1999 declined $1,089,000 (14%) as compared to the same period in 1998 primarily due to fewer sales by Enviroplex of manufactured classrooms to school districts. MMMC and McGrath-RenTelco's sales volumes were consistent with the 1998 comparative period. Consolidated gross margin on sales declined for the quarter from 34% in 1998 to 29% in 1999 due to Enviroplex's lower margin on classrooms sold during the first quarter of 1999. Sales continue to occur routinely as a normal part of the Company's rental business; however, these sales can fluctuate from quarter to quarter and year to year depending on customer demands and requirements.

Enviroplex's backlog of orders as of March 31, 1999 and 1998 was $4,042,000 and $14,322,000, respectively. Management believes schools have delayed placing orders until allocation of funds from the $9.2 billion California bond measure, which passed in November 1998, is determined. Enviroplex has taken additional orders since March 31, 1999 and the backlog as of May 7, 1999 was $5,969,000. Backlog is not significant in MMMC's modular business or in McGrath-RenTelco's electronics business.

Depreciation on rental equipment for the three months ended March 31, 1999 increased $819,000 (21%) over the comparative period in 1998 due to the additional rental equipment purchased during 1998. Modular rental equipment, at cost, increased 9% and Electronics rental equipment, at cost, increased 27% between March 31, 1998 and March 31, 1999. Other direct costs of rental operations increased $108,000 (4%) over the first quarter in 1998 primarily due to increased maintenance costs of the modular rental equipment.

Selling and administrative expenses increased $494,000 (13%) for the three months ended March 31, 1999 compared to the same period in 1998 primarily due to higher bad debt expense ($292,000) resulting from an unusual write-off of $282,000. Additionally, higher advertising expenses ($83,000) for brochure development, web page design, and yellow page advertising contributed to the increase in selling and administrative expenses.

Interest expense for the three months ended March 31, 1999 increased $65,000 (4%) over 1998 as a result of a higher average borrowing level offset by a lower average interest rate in 1999. The debt increase funded part of the significant rental equipment purchases made during 1998.

Income before provision for taxes for the three months ended March 31, 1999 increased $373,000 (4%) from $8,409,000 in 1998 to $8,782,000 in 1999 while net income increased $403,000 (8%) from $4,968,000 in 1998 to $5,371,000 in 1999. The higher percentage increase for net income in 1999 is due to the decrease in minority interest in income of Enviroplex combined with a lower effective tax rate in 1999 of 39.25% compared to 39.40% in 1998. Earnings per share for the three months ending March 31, 1999 increased 13% over the same period in 1998 from $0.34 per share to $0.39 per share as a result of higher earnings and fewer outstanding shares.

LIQUIDITY AND CAPITAL RESOURCES

This section contains statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. See the statement at the beginning of this Item for cautionary information with respect to such forward-looking statements.

The Company had a total liabilities to equity ratio of 1.77 to 1 and 1.64 to 1 as of March 31, 1999 and December 31, 1998, respectively. The debt (notes payable) to equity ratio was 1.02 to 1 and 0.92 to 1 as of March 31, 1999 and December 31, 1998, respectively.

The Company has made purchases of shares of its common stock from time to time in the over-the-counter market (NASDAQ) and/or through privately negotiated, large block transactions under an authorization of the Board of Directors. Shares repurchased by the Company are cancelled and returned to the status of authorized but unissued stock. During the three months ended March 31, 1999, the Company repurchased 540,400 shares of its outstanding common stock for an aggregate purchase price of $9,893,562 (or an average price of $18.31 per share). On March 18, 1999, the Board of Directors authorized the repurchase of up to 1,000,000 shares of its common stock. As of May 14, 1999, 887,000 shares remain authorized for repurchase.

The Company believes that its needs for working capital and capital expenditures through 1999 and beyond will adequately be met by cash flow and bank borrowings.

MARKET RISK

This section contains statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. See the statement at the beginning of this Item for cautionary information with respect to such forward-looking statements.

The Company currently has no material derivative financial instruments that expose the Company to significant market risk. The Company is exposed to cash flow and fair value risk due to changes in interest rates with respect to its notes payable. As of March 31, 1999, the Company believes that the carrying amounts of its financial instruments (cash and notes payable) approximate fair value.

YEAR 2000

This section contains statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. See the statement at the beginning of this Item for cautionary information with respect to such forward-looking statements.

The "Year 2000" issue is the result of computer programs using two digits rather than four to determine the applicable year. This could affect date-sensitive calculations that treat "00" as the year 1900 rather than the year 2000. An assessment of the Company's exposure related to Year 2000 issues has been completed and it is not expected to have a significant impact on the Company.

The Company initiated a number of major system projects in 1997 and 1998 to upgrade core computer hardware, networking and software systems. These projects are replacing existing systems as opposed to simply fixing Year 2000 problems. Most of these projects have been completed and are operational; the balance is expected to be operational by September 1999. Capitalized expenditures for this process totaled $1,400,000 for the period January 1, 1997 to March 31, 1999 for external labor, hardware and software costs. This amount includes the cost of new software applications installed as a result of strategic replacement projects. Prior to December 31, 1998, the Company did not separately track the internal costs incurred related to Year 2000 issues or the system conversions described above. Such internal costs are principally the related payroll costs for its information systems personnel and are not necessarily considered incremental costs to the Company. Effective January 1, 1999, the Company began to track these internal costs in accordance with Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." The Company estimates approximately $600,000 for completion of its system upgrades for the remainder of 1999, of which approximately $200,000 is expected to be related to internal costs. All future costs will be funded from operating cash flow.

The Company does not significantly rely on "embedded technology" in its critical processes. Embedded technology, which means microprocessor-controlled devices as opposed to multi-purpose computers, does control some building and security operations, such as electric power management, ventilation, and building access. All building facilities are presently being evaluated, and the Company expects all systems using embedded technology to be confirmed as Year 2000 ready by June 1999. The electronics test and measurement rental equipment has been evaluated, and it appears only minor quantities of equipment pose a Year 2000 problem. If deemed important, some equipment may be upgraded. The Company asks its customers to seek definitive Year 2000 compliance guidance directly from the equipment manufacturers.

The Company cannot predict the likelihood of a significant disruption of its customers' or suppliers' businesses or the economy as a whole, either of which could have a material adverse impact on the Company. However, because the markets for the Company's products are comprised of numerous customers with a variety of sizes and levels of sophistication, the noncompliance with Year 2000 of any one would not be expected to have a detrimental impact on the Company's financial position or results of operations. As a normal course of business, the Company seeks to maintain multiple suppliers where possible. The Company continues to communicate with vendors, customers, suppliers, service providers, and government agencies to monitor their compliance.

The Company presently believes that its Year 2000 exposures will not present a material adverse risk to the Company's future consolidated results of operations, liquidity, and capital resources. However, if all systems are not completed in a timely manner, or the level of timely compliance by key suppliers or service providers is not sufficient, the Year 2000 issue could have a material adverse effect on the Company's operations. This includes, but is not limited to, delays of equipment shipments resulting in loss of revenues, increased operating costs, loss of customers and suppliers, or other significant disruptions to the Company's business.

The Company's contingency plan includes (1) all critical computer operating and financial data will be backed-up and printed at key dates to provide the basis, if necessary, for a manual system, (2) in the event a significant number of customers are unable to issue payments, the Company has sufficient liquidity with its existing line of credit to function adequately, and (3) the Company continues to look for multiple suppliers and is also evaluating power and communication alternatives in the event of a loss of service. The contingency plan is enhanced by the fact that existing management has been in place since before computer systems were used.

PART II OTHER INFORMATION

ITEM 3. OTHER INFORMATION

On March 18, 1999, the Company declared a quarterly dividend on its Common Stock; the dividend was $0.12 per share. Subject to its continued profitability and favorable cash flow, the Company intends to continue the payment of quarterly dividends.

ITEM 4. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

NUMBER	DESCRIPTION	METHOD OF FILING
3.1	Amendment of By-Laws of McGrath RentCorp	Filed herewith.
4.1	Fourth Amendment to the Restated Credit Agreement	Filed herewith.
27.1	Financial Data Schedule	Filed herewith.

(b) Reports on Form 8-K.

No reports on form 8-K have been filed during the quarter for which this report is filed.

SIGNATURES

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.

Date: May 14, 1999

MCGRATH RENTCORP

by: /s/ Delight Saxton
Delight Saxton
Senior Vice President, Chief
Financial Officer (Chief Accounting
Officer) and Secretary

EXHIBIT INDEX

NUMBER	DESCRIPTION	METHOD OF FILING
3.1	Amendment of By-Laws of McGrath RentCorp	Filed herewith.
4.1	Fourth Amendment to the Restated Credit Agreement	Filed herewith.
27.1	Financial Data Schedule	Filed herewith.

Exhibit 3.1

Exhibit 3.1
Amendment of By-Laws of McGrath RentCorp

RESOLVED FURTHER: Section 3.2 of the By-Laws of this corporation is hereby amended to read in its entirety:

> "3.2 Number of Directors. The number of directors of this corporation shall be not less than four (4) nor more than seven (7). The exact number of directors shall be five (5) until changed, within the limits specified above, by an amendment to this section 3.2 duly adopted by either the Board of Directors or the shareholders. The indefinite number of directors may be changed, or a definite number fixed without provision for an indefinite number, by an amendment to this section 3.2 adopted by the vote or written consent of a majority of the outstanding shares entitled to vote."

Exhibit 4.1

FOURTH AMENDMENT TO CREDIT AGREEMENT

THIS FOURTH AMENDMENT ("Fourth Amendment") is entered into as of April 30, 1999, by and among McGRATH RENTCORP, a California corporation as "Borrower", the banks listed on the signature pages hereof (individually a "Bank" and collectively, "Banks"), and UNION BANK OF CALILFORNIA, NATIONAL ASSOCIATION, as agent for Banks (in such capacity, "Agent").

RECITALS

A. Borrower is obligated to Agent and Banks pursuant to that certain Credit Agreement dated as of July 10, 1997 (as amended, supplemented, extended, restated, or renewed from time to time, "Agreement").

B. Agent, Banks and Borrower mutually desire to amend the Agreement as set forth herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. Section 7.12(a) of the Agreement is hereby deleted in its entirety and replaced with the following:

   "(a) Tangible Net Worth at all times of at least the sum of (i) Eighty Five Million Dollars ($85,000,000), plus (ii) fifty percent (50%) of Borrower's Net income (without reduction for any Net Loss) generated after March 31, 1999; plus (iii) ninety percent (90%) of the proceeds from the issuance of Borrower's capital stock after March 31, 1999, excluding the first Two Million Six Hundred Fifty Thousand Dollars ($2,650,000) of such proceeds from the exercise of stock options after March 31, 1999."

2. Conditions Precedent. Borrower understands that this Fourth Amendment shall not be effective and Agent and Banks shall have no obligation to amend the Loan Documents, unless and until each of the following conditions precedent has been satisfied:

   (a) Borrower shall have executed and delivered to Agent this Fourth Amendment in such number and counterparts as Agent may require.

   (b) On or before such time as Agent and Banks may require, Borrower shall have taken any and all actions and executed and delivered to Agent any and all documents necessary or appropriate in Agent and Banks' sole discretion to effectuate this Fourth Amendment.

3. Full Force and Effect. Except as specifically provided herein, all terms and conditions of the Agreement and each of the Loan Documents remain in full force and effect, without waiver or modification. This Fourth Amendment, the preceding amendments and the Agreement shall be read together as one document.

4. Representations and Warranties. As part of the consideration for Agent and Banks to enter into this Fourth Amendment, the Borrower represents and warrants to Agent and Banks as follows:

   (a) The execution, delivery and performance by Borrower of this Fourth Amendment are within Borrower's corporate powers, have been duly authorized by all necessary corporate action by or in respect of, or filing with, any governmental body, agency or official, and the execution, delivery and performance by Borrower of this Fourth Amendment do not contravene, or constitute a default under, any provision of applicable law or requirements or of the certificate or articles of incorporation or the by-laws of Borrower or of any material agreement, judgment, injunction, order, decree or other instrument binding upon Borrower or any assets of Borrower, or result in the creation or imposition of any Lien on any asset of Borrower.

(b) This Fourth Amendment constitutes the valid and binding obligation of Borrower, enforceable against it in accordance with its terms, except as enforceability may be subject to applicable bankruptcy, insolvency, reorganization, equity of redemption, moratorium or other laws now or hereafter in effect relating to creditors rights, and to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(c) No Event of Default has occurred and is continuing, and the representations and warranties of Borrower in the Agreement and other Loan Documents delivered pursuant thereto are true and correct in all material respects as of the date hereof as if made on the date hereof.

(d) The officer of Borrower executing and delivering this Fourth Amendment on behalf of the Borrower has been duly authorized by appropriate corporate resolutions to so execute and deliver this Fourth Amendment.

5. Counterparts. This Fourth Amendment may be executed by the parties hereto in one or more counterparts and all such counterparts, when taken together, shall constitute one and the same Fourth Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amendment to become effective as of the date set forth in the preamble.

BANKS:	BORROWER:
UNION BANK OF CALIFORNIA, NATIONAL ASSOCIATION As a Bank and as Agent	McGRATH RENTCORP, a California corporation
By: -------------------------------	By: /s/ Delight Saxton -----------------------------------
Title: ----------------------------	Title: CFO ---------------------------------

FLEET BANK, N. A.

By: -------------------------------

Title: ----------------------------

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION

By: -------------------------------

Title: ----------------------------

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM MCGRATH RENTCORP FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY TO SUCH FINANCIAL STATEMENTS.

1,000

3-MOS
DEC-31-1999
JAN-01-1999
MAR-31-1999
4,749
0
16,367
(650)
0
0
339,975
(90,223)
274,776
0
0
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0
7,824
91,431
274,776
28,494
28,494
13,997
13,997
4,199
0
1,516
8,782
3,447
0
0
0
0
5,371
0.39
0.38

Includes rental equipment, Land, Buildings, Land Improvements, Furniture and Equipment.
Accumulated depreciation related to PP&E footnote above.
Net income includes reduction of minority interest in income of subsidiary.