



CREDIT SUISSE FIRST BOSTON  
Eleven Madison Avenue  
New York, NY 10010

May 29, 2003

Buffets, Inc.  
1460 Buffet Way  
Eagan, MN 55121  
Attention of Michael Andrews, Chief Financial Officer

Distinctive Dining, Inc.  
1460 Buffet Way  
Eagan, MN 55121  
Attention of Michael Andrews, Chief Financial Officer

HomeTown Buffet, Inc.  
1460 Buffet Way  
Eagan, MN 55121  
Attention of Michael Andrews, Chief Financial Officer

OCB Restaurant Co.  
1460 Buffet Way  
Eagan, MN 55121  
Attention of Michael Andrews, Chief Financial Officer

Buffets, Inc. Senior Secured Credit Facilities  
Roadhouse Disposition Collateral Release

Ladies and Gentlemen:

Reference is made to (a) the Credit Agreement dated as of June 28, 2002 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Buffets, Inc., a Minnesota corporation (the "Borrower"), Buffets Holdings, Inc., a Delaware corporation, the lenders from time to time party thereto, and Credit Suisse First Boston, as administrative agent and as collateral agent (in such capacities, the "Agent") and (b) the Asset Purchase Agreement dated as of September 9, 2002 (as amended, supplemented or otherwise modified from time to time, the "Purchase Agreement"), among the Borrower, HomeTown Buffet, Inc., a Delaware corporation ("HTB"), OCB Restaurant Co., a Minnesota corporation ("OCB"), and Distinctive Dining, Inc., a Minnesota corporation, (collectively, the "Sellers"), and O.R.G. Restaurants, L.L.C., a California limited liability company. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Credit Agreement.

The Borrower has advised the Agent (a) that the Sellers will, pursuant to the Purchase Agreement, sell substantially all of the assets of Distinctive Dining, Inc., certain assets, the legal title to which is held by OCB (the "OCB Assets"), and certain

assets, the legal title to which is held by HTB (the "HTB Assets"), and (b) the transactions contemplated by the Purchase Agreement qualify as the Roadhouse Disposition.

Pursuant to Section 9.17 of the Credit Agreement, the Agent hereby agrees that, concurrent with the Closing (as defined in the Purchase Agreement), any Liens, assignments and security interests of whatever nature (collectively, "Security Arrangements"), arising under the Loan Documents, in the Assets (as defined in the Purchase Agreement as in effect on the date hereof) are hereby released, terminated and surrendered in each case, without representation, warranty or recourse. The foregoing notwithstanding, Agent and Sellers hereby agree that any Security Arrangements with respect to the Assets, specifically including the OCB Assets and the HTB Assets, shall only be released, surrendered or terminated if, concurrently with the Closing, the Agent shall have received written confirmation from LandAmerica Financial Group, Inc. (the "Escrow Agent") of receipt by it in that certain Escrow No. CHI-03708A and that certain Escrow No. CHI-03708B (collectively, the "Closing Escrow") of an aggregate amount at least equal to \$ 23,260,000 (the "Closing Escrow Amount"). Until such time as the Agent shall receive such written confirmation from the Escrow Agent, the Assets shall remain subject to the Security Arrangements, including following any transfer thereof to any party.

Concurrently with such release and such "Closing", the Agent agrees, at the Borrower's expense (which expenses Borrower agrees to pay), promptly to do all things which may be reasonably requested by the Borrower to effect and evidence of record the foregoing release, including, without limitation, to file: (a) UCC amendments in the form attached hereto as Exhibit A in the appropriate filing jurisdictions and (b) copies of this letter agreement with the United States Patent and Trademark Office to evidence the release of its security interests in the intellectual property described on Exhibit B attached hereto (together with any other documents, if any, required by the United States Patent and Trademark Office to cause such security interests to be released of record).

Upon receipt of the written confirmation from the Escrow Agent described above, we agree promptly to deliver to you the acknowledgment attached hereto in the form of Exhibit C.


By signing this letter agreement, the Sellers acknowledge that the funds representing the Closing Escrow Amount (the "Closing Proceeds"), when released from the Closing Escrow or from those certain escrows pertaining to the transfer of liquor licenses in the State of California, as applicable, will be required to be paid to the Agent as a mandatory prepayment of the Term Loans in accordance with Section 2.13 of the Credit Agreement to the extent that such Closing Proceeds are Net Cash Proceeds (any such mandatory prepayment, a "Mandatory Prepayment"). For the avoidance of doubt, the Agent acknowledges that, while such a Mandatory Prepayment is required by Section 2.13 of the Credit Agreement to the extent that any Closing Proceeds become Net Cash

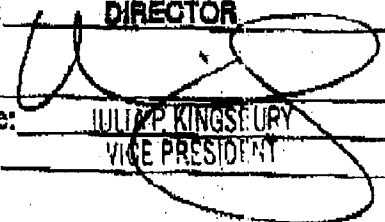
Proceeds, the release of the Security Arrangements contemplated by this letter agreement is not conditioned upon the payment of any Mandatory Prepayment.

This letter agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which together shall constitute one agreement. Delivery of an executed counterpart of a signature page of this letter agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

Very truly yours,

CREDIT SUISSE FIRST BOSTON,  
acting through its Cayman Islands  
Branch, as Administrative Agent and as  
Collateral Agent

By:   
Name: ROBERT HETU  
Title: DIRECTOR

By:   
Name: JULIET P. KINGSBURY  
Title: VICE PRESIDENT

Accepted and agreed to as of the date first  
above written:

BUFFETS, INC.

By: R. Michael Andrews  
Name: R. Michael Andrews  
Title: EVP CFO

DISTINCTIVE DINING, INC.

By: R. Michael Andrews  
Name: R. Michael Andrews  
Title: EVP CFO

OCB RESTAURANT CO.

By: R. Michael Andrews  
Name: R. Michael Andrews  
Title: EVP CFO

HOMETOWN BUFFET, INC.

By: R. Michael Andrews  
Name: R. Michael Andrews  
Title: EVP CFO

Doc # NY 64887610

UCC Amendments

Doc # NY6488776.10

**UCC FINANCING STATEMENT AMENDMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (Optional)

---

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # **20024563928**

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.

DELETE name: Give record name to be deleted in item 6a or 6b.

ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-g (if applicable.)

6. CURRENT RECORD INFORMATION

6a. ORGANIZATION'S NAME  
OR **Distinctive Dining, Inc.**

6b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

7d. SEE INSTRUCTIONS | ADD'L INFO RE ORGANIZATION DEBTOR | 7e. TYPE OF ORGANIZATION | 7f. JURISDICTION OF ORGANIZATION | 7g. ORGANIZATIONAL ID #, if any  NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral  deleted or  added, or give entire  restated collateral description, or described collateral  assigned

All assets of the debtor located at the restaurants owned or operated by the debtor under the name "The Original Roadhouse Grill" that are used by the debtor in the operation of such restaurants, all as more specifically described on Annex I hereto and incorporated by reference herein.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME  
OR **Credit Suisse First Boston, as collateral agent.**

9b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

10. OPTIONAL FILER REFERENCE DATA

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC3) (REV. 07/29/98)



## ANNEX I

A. This Annex I, with Schedules attached hereto, consisting of six (6) pages, is attached to and incorporated in a UCC Financing Statement Amendment to UCC Financing Statement #20024563928 (the "Financing Statement") naming **DISTINCTIVE DINING, INC.**, a Minnesota corporation, as the debtor and Credit Suisse First Boston, as collateral agent, as the secured party. All of the assets located at the Restaurants that are used by the Debtor in the operation of the Restaurants, including but not limited to the following, are deleted from the description of collateral contained in the Financing Statement:

- (i) all furniture, fixtures, equipment and personal property, including, without limitation, cash registers owned or leased by the Debtor and used in the Restaurants or located at the Restaurants;
- (ii) all rights of the Debtor as lessee under the Equipment Leases;
- (iii) all of the Debtor's right, title and interest in and to all Assumed Contracts;
- (iv) all of the Debtor's rights, title and interest in and to all patents, copyrights, trademarks, domain names, concepts, service marks, trade names, inventions, trade secrets, know-how and all plans, drawings, renderings, elevations, architectural plans, blueprints and layouts for the Restaurants that are already in operation and other similar types of proprietary intellectual property rights used by the Debtor exclusively in the operation of the Business, including but not limited to, the list of registered trademarks set forth on Schedule 1 hereto;
- (v) all goodwill associated with the Business;
- (vi) the Inventory;
- (vii) the Register Cash; and
- (viii) the Liquor Licenses.

B. As used herein, the following items shall have the following meanings:

**"Assumed Contracts"** means all of the contracts, including Store Level Service Agreements, relating primarily to the operations of the Restaurants as set forth on Schedule 2 attached hereto and any other contract or agreement, oral or written, that relates primarily to the Business.

**"Business"** means the Debtor's business related to owning and operating the Restaurants.

"Debtor" means Distinctive Dining, Inc., a Minnesota corporation.

"Equipment Leases" means all of the equipment leases listed on Schedule 3 attached hereto.

"Inventory" means all merchantable inventory of food, beverages and other consumables, paper and supplies, as well as new uniforms, smallwares and promotional items located at the Restaurants.

"Liquor Licenses" means any and all liquor licenses primarily related to the Business.

"Register Cash" means all cash located in the Restaurants in the ordinary course of business.

"Restaurants" means the restaurants owned and/or operated by the Debtor, as set forth on Schedule 4 attached hereto.

"Store Level Service Agreements" means all contracts negotiated and executed at store level, including, but not limited to, janitorial services, garbage removal, grease trap cleaning services, linen contracts, landscaping contracts and other service or maintenance agreements.

*{Remainder of page is intentionally left blank}*

Trademarks

Mark	Application Number	File Date	Registration #	Registration Date
Jeans.Beer.Steaks	75/872428	12/15/99	N/A	

Mark	Application Number	File Date	Registration #	Registration Date
The Original Roadhouse Grill	75/462198	4/6/98	2258272	6/29/99

Contracts

1. Uniform Agreement between Raylco, Inc., an Oregon corporation, and Original Roadhouse Grill, dated as of May 22, 2001.

Doc #NY64476944

Equipment Leases

<u>Store</u>	<u>Vendor</u>	<u>Lease Type</u>
651 Gresham, OR	Mt. Hood Vending	Jukebox
653 Medford, OR	Crater Music Co.	Jukebox
655 Bakersfield, CA	Modern Amusement	Jukebox
659 Long Beach, CA	TD Rowe	Jukebox
661 Santa Maria, CA	Coin Amusement	Jukebox
663 Temecula, CA	LA Jukebox	Jukebox
664 Burnsville, MN	American Amusement	Jukebox/golf game
665 Victorville, CA	LA Jukebox	Jukebox

Doc# NY64676944

Restaurants

- |      |   |      |   |
|------|---|------|---|
| #651 | 2370 East Burnside Avenue<br>Gresham, OR 97080                        | #660 | Sackett & Peters Shopping<br>Center<br>15156 E. Wittier Blvd.<br>Whittier, CA 90603 |
| #653 | 2699 Jacksonville Highway<br>Medford, OR 97501                        | #661 | 1423 South Bradley Road<br>Santa Maria, CA 93454                                    |
| #654 | 481 Lancaster Drive, NE<br>Salem, OR 97301                            | #662 | Commerce Square Shopping<br>Center<br>110 Knoll Road<br>San Marcos, CA 92069        |
| #655 | Northwest Promenade<br>8490 Rosedale Highway<br>Bakersfield, CA 93312 | #663 | Promenade Mall<br>26440 Ynez Road<br>Temecula, CA 92590                             |
| #657 | Gateway Mall<br>3018 Gateway Street<br>Springfield, OR 97477          | #664 | 50 East County Road 42<br>Burnsville, MN 55337                                      |
| #658 | Riverside Plaza Shopping Center<br>3838 Tyler Street<br>Riverside, CA | #665 | 11940 Amargosa Road<br>Victorville, CA 92392  |
| #659 | Long Beach Towne Center<br>7391 Carson Blvd.<br>Long Beach, CA 90808  |      |   |

# UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [Optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # **20024563847**

1b. This FINANCING STATEMENT AMENDMENT is to be filed (or recorded) in the REAL ESTATE RECORDS.

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(a) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6a and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.  DELETE name: Give record name to be deleted in item 6a or 6b.  ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-g (if applicable.)

6. CURRENT RECORD INFORMATION

6a. ORGANIZATION'S NAME  
OR **Buffets, Inc.**

6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. SEE INSTRUCTIONS ADD'L INFO RE: ORGANIZATION DEBTOR

7e. TYPE OF ORGANIZATION

7f. JURISDICTION OF ORGANIZATION

7g. ORGANIZATIONAL ID #, if any  NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral  deleted or  added, or give entire  related collateral description, or described collateral  assigned

The trademark for "The Original Roadhouse Grill", all goodwill associated therewith or symbolized thereby and all other assets, rights and interests that uniquely reflect or embody such goodwill, all as more specifically described on Annex I hereto and incorporated by reference herein.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME  
OR **Credit Suisse First Boston, as collateral agent.**

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC3) (REV. 07/29/98)

ANNEX I

A. This Annex I, with the Schedule 1 attached hereto, consisting of two (2) pages, is attached to and incorporated into a UCC Financing Statement Amendment to UCC Financing Statement #20024563847 (the "Financing Statement") naming BUFFETS, INC., a Minnesota corporation, as the debtor and Credit Suisse First Boston, as collateral agent, as the secured party. The following assets are deleted from the description of collateral contained in the Financing Statement:

(i) The Trademark listed on Schedule 1 hereto.

B. As used herein, the following item shall have the following meaning:

"Trademark" means all of the following now owned or hereafter acquired by the debtor: (a) all trademarks, service marks, tradenames, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office (or any successor office) or any similar offices in any State of the United States or any other country or political subdivision thereof, and all extensions or renewals thereof, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

*[Remainder of page is intentionally left blank]*



Trademark

Mark	Application Number	File Date	Registration #	Registration Date
The Original Roadhouse Grill	75/462198	4/6/98	2258272	6/29/99

Doc #NY6449559.2

Released Intellectual Property

THE ORIGINAL ROADHOUSE GRILL	75/462198	2258272
JEANS. BEER. STEAKS.	75/872428	

Doc #:NY6:488776.10