SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

X QUARTERLY REPORT TO SECTION 13 OR 15(d) OF THE SECURITIES
- ---- EXCHANGE ACT FOR THE QUARTER ENDED NOVEMBER 1, 1998.

- ---- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
ACT OF 1934 FOR THE TRANSACTION PERIOD FROM _______ TO _______.

COMMISSION FILE NUMBER: 0-25858

DAVE & BUSTER'S, INC.
(Exact Name of Registrant as Specified in Its Charter)

MISSOURI	43-1532756
(State of Incorporation)	(I.R.S. Employer Identification No.)
2481 MANANA DRIVE DALLAS, TEXAS	75220
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code:
(214) 357-9588

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 [ ]

The number of shares of the Registrant's common stock, $.01 par value, outstanding as of December 16, 1998 was 13,064,750 shares.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

DAVE & BUSTER'S, INC.
CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	13 Weeks Ended		39 Weeks Ended	
	November 1, 1998	November 2, 1997	November 1, 1998	November 2, 1997
Food and beverage revenues	$22,183	$15,458	$60,814	$44,891
Amusement and other revenues	23,226	15,382	64,203	44,252
Total revenues	45,409	30,840	125,017	89,143
Cost of revenues	9,071	6,109	24,666	17,402

Operating payroll and benefits	13,711	8,997	36,360	25,385
Other restaurant operating expenses	11,315	7,893	31,864	22,630
General and administrative expenses	2,690	2,115	7,597	5,948
Depreciation and amortization expense	3,134	2,238	8,377	6,103
Preopening cost amortization	1,100	833	3,067	2,328
Total costs and expenses	41,021	28,185	111,931	79,796
Operating income	4,388	2,655	13,086	9,347
Interest (income) expense, net	(7)	138	(419)	618
Income before provision for income taxes	4,395	2,517	13,505	8,729
Provision for income taxes	1,661	982	5,104	3,404
Net income	$ 2,734	$ 1,535	$ 8,401	$ 5,325
Basic net income per share	$0.21	$0.14	$0.64	$0.48
Basic weighted average shares outstanding	13,062	11,300	13,048	11,037
Diluted net income per share	$ 0.21	$ 0.13	$ 0.64	$ 0.48
Diluted weighted average shares outstanding	13,183	11,541	13,195	11,199

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

ASSETS

	November 1, 1998 (unaudited)	February 1, 1998
Current assets:		
Cash and cash equivalents	$ 106	$ 14,309
Short-term investments	0	8,507
Inventories	8,888	6,222
Prepaid expenses	1,773	1,234
Preopening costs	6,817	3,415
Other current assets	2,510	2,018
Total current assets	20,094	35,705
Property and equipment, net	165,423	114,060
Goodwill, net of accumulated amortization of $1,407 and $1,121	8,301	8,587
Other assets	666	637
Total assets	$194,484	$158,989

LIABILITIES AND STOCKHOLDERS' EQUITY

	November 1, 1998 (unaudited)	February 1, 1998
Current liabilities:		
Accounts payable	$ 11,860	$ 4,075
Accrued liabilities	5,010	3,255
Deferred income taxes	2,379	1,967
Total current liabilities	19,249	9,297
Deferred income taxes	3,735	3,530
Other liabilities	1,271	806
Long-term debt	30,000	12,000
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, 10,000,000 authorized; none issued	0	0
Common stock, $0.01 par value, 50,000,000 authorized; 13,064,750 and 13,019,050 shares issued and outstanding as of November 1, 1998 and February 1, 1998, respectively	130	130
Paid in capital	114,526	116,054
Retained earnings	25,573	17,172
Total stockholders' equity	140,229	133,356
	$194,484	$158,989

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Common Stock Shares	Amount	Paid in Capital	Retained Earnings	Total
Balance, February 1, 1998	13,019	$130	$116,054	$17,172	$133,356
Stock options exercised	46	0	515	0	515
Tax benefit related to options exercised	0	0	201	0	201
Spin-off and related transactions	0	0	(2,244)	0	(2,244)
Net income	0	0	0	8,401	8,401
Balance, November 1, 1998	13,065	$130	$114,526	$25,573	$140,229

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	39 Weeks Ended November 1, 1998	November 2, 1997
Cash flows from operating activities		
Net income	$ 8,401	$ 5,325
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	11,444	8,431
Provision for deferred income taxes	617	1,370
Changes in assets and liabilities		
Inventories	(2,666)	(1,601)
Prepaid expenses	(539)	(670)
Preopening costs	(6,468)	(3,183)
Other assets	(530)	(1,385)
Accounts payable	7,785	1,310
Accrued liabilities	1,755	1,378
Income taxes payable	0	0
Other liabilities	465	(802)
Net cash provided by operating activities	20,264	10,173
Cash flows from investing activities		
Capital expenditures	(59,446)	(27,796)
Sale of short-term investments	8,507	0
Net cash used by investing activities	(50,939)	(27,796)
Cash flows from financing activities		
Spin-off and related transactions	(2,244)	0
Proceeds from issuance of common stock	0	48,885
Proceeds from options exercised	716	215
Purchase of fractional shares	0	(10)
Borrowings under long-term debt	19,000	36,411
Repayments of long-term debt	(1,000)	(32,661)
Net cash provided by financing activities	16,472	52,840
Cash provided (used)	(14,203)	35,217
Beginning cash and cash equivalents	14,309	358
Ending cash and cash equivalents	$ 106	$ 35,575

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 1, 1998

(UNAUDITED)

NOTE 1: RESULTS OF OPERATIONS

The results of operations for the interim periods reported are not necessarily indicative of results to be expected for the year. The information furnished herein reflects all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary to present a fair statement of the results for the interim periods.

NOTE 2: BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Dave & Buster's, Inc. (the "Company") and all wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation. The consolidated balance sheet data presented herein for February 1, 1998 was derived from the Company's audited consolidated financial statements for the fiscal year then ended. The preparation of financial statements in accordance with generally accepted accounting principles requires the Company's management to make certain estimates and assumptions for the reporting periods covered by the financial statements. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual amounts could differ from these estimates. The primary business of the Company is the ownership and operation of restaurant/entertainment Complexes (a "Complex") under the name "Dave & Buster's".

NOTE 3: EARNINGS PER COMMON SHARE

Effective December 15, 1997, the Company adopted the provisions of SFAS No. 128, "Accounting for Earnings Per Share." SFAS No. 128 requires companies to present basic earnings per share (EPS) and diluted EPS, instead of the primary and fully diluted EPS presentations that were formerly required by Accounting Principles Board Opinion No. 15, "Earnings Per Share." Basic EPS is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding during the period. For the Company, diluted EPS includes the dilutive effect of potential stock option exercises, calculated using the treasury stock method. EPS amounts for all periods presented reflect the provisions of SFAS No. 128, including amounts presented for prior periods which have been restated to conform with SFAS No. 128.

NOTE 4: CONTINGENCIES

In April 1998, a litigation limited liability corporation owned by the creditors of Edison Brothers filed a lawsuit against the Company and related parties, seeking recovery in connection with the June 1995 spin-off and certain related transactions. In August 1998, the Company settled the litigation with the limited liability litigation corporation. The Company paid $2,244,000 in full and final settlement of all claims against the Company.

NOTE 5: LONG TERM DEBT

See Management Discussion and Analysis

The Company is subject to certain legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, based on discussions with and advice of legal counsel, the amount of ultimate liability with respect to these actions will not materially affect the consolidated results of operations or financial condition of the Company.

Management's Discussion and Analysis

Results of Operations - 13 Weeks Ended November 1, 1998 Compared to 13 Weeks Ended November 2, 1997

Total revenues for the 13 weeks ended November 1, 1998 increased by 47% over the 13 weeks ended November 2, 1997. The increase in revenues was primarily attributable to revenues from new complexes and a 3% increase in comparable complex revenues. New complexes opened in the comparable period are Denver, Colorado in the fourth quarter of fiscal 1997 and Utica, Michigan, Irvine, California and Rockland County, New York which opened in the second and third quarters of fiscal 1998, respectively. Total revenues also increased due to the opening of the second complex under the Bass licensing agreement. Total revenues for the second quarter of fiscal 1998 from the Bass agreement were $76,000.

Cost of revenues, as a percentage of revenues, increased to 20.0% from 19.8% in the prior comparable period. The increase in cost of revenues was primarily a result of higher costs associated with food and amusement revenues offset by lower costs associated with beverage revenues. The increase in food costs were a function of higher produce, dairy and grocery costs. Amusement costs were higher due to increased redemption and merchandise costs while the decrease in beverage costs was primarily associated with lower wine, liquor and beer costs.

Operating payroll and benefits increased to 30.2% from 29.2% in the prior comparable period due to higher variable labor and benefits costs. The increase in variable labor is partially due to a higher head count associated with retaining people for the fourth quarter and preparing for three new store openings. Benefit costs increased due to higher medical and dental insurance costs.

Other operating expenses decreased to 24.9% compared to 25.6% in the prior comparable period. Other operating expenses as a percentage of revenue were lower due to utilities, repairs and maintenance and fixed expenses at the complexes.

General and administrative costs increased $575,000 over the prior comparable period as a result of increased administrative payroll and related costs for new personnel and additional costs associated with the Company's future growth plans. As a percentage of revenues, general and administrative expenses decreased to 5.9% compared to 6.9% for the comparable prior period due to increased leverage from revenues.

Depreciation and amortization expense increased $896,000 over the prior comparable period as a result of the opening of the Cincinatti, Ohio, Denver, Colorado, Utica, Michigan, Irvine, California and Rockland County, New York locations. As a percentage of revenues, depreciation and amortization decreased to 6.9% from 7.2% for the comparable prior period.

Preopening cost amortization increased $267,000 over the prior comparable period as a result of five additional complex months of amortization. As a percentage of revenue, preopening costs decreased to 2.4% from 2.7% in the comparable period.

The effective tax rate for the third quarter of 1998 was 37.8% as compared to 39.0% for the comparable period last year and was the result of a lower effective state tax rate.

Results of Operations - 39 Weeks Ended November 1, 1998 Compared to 39 Weeks Ended November 2, 1997

Total revenues for the 39 weeks ended November 1, 1998 increased by 40% over the 39 weeks ended November 2, 1997. The increase in revenues was primarily attributable to revenues from new complexes and a 7% increase in comparable complex revenues. New complexes opened in the comparable period are Cincinnati, Ohio and Denver, Colorado which opened in the third and fourth quarters of fiscal 1997, respectively, and Utica, Michigan, Irvine, California and Rockland County, New York which opened in the second and third quarters of fiscal 1998, respectively. Total revenues also increased due to the opening of the second complex under the Bass licensing agreement. Total revenues for the first 39 weeks of fiscal 1998 from the Bass agreement were $279,000.

Cost of revenues, as a percentage of revenues, increased to 19.7% from

19.5% in the prior comparable period. The increase in cost of revenues was primarily a result of higher costs associated with food and amusement revenues offset by lower costs associated with beverage revenues. The increase in food costs were a function of higher produce, dairy and grocery costs. Amusement costs were higher due to increased redemption and merchandise costs while the decrease in beverage costs was primarily associated with lower wine, liquor and beer costs.

Operating payroll and benefits increased to 29.1% from 28.5% in the prior comparable period due to higher variable labor and benefits costs. The increase in variable labor is partially due to the second increment of the Federal minimum wage increase implemented in September 1997 as well as a higher head count associated with preparing for three new store openings. Benefit costs increased due to higher medical and dental insurance costs.

Other operating expenses increased to 25.5% compared to 25.4% in the prior comparable period. Other operating expenses were higher due to increased occupancy costs associated with the addition of the Cincinnati, Ohio, Denver, Colorado, Utica, Michigan, Irvine, California and Rockland County, New York locations. The increase was also a function of higher restaurant supplies and advertising costs at the complexes.

General and administrative costs increased $1,649,000 over the prior comparable period as a result of increased administrative payroll and related costs for new personnel and additional costs associated with the Company's future growth plans. As a percentage of revenues, general and administrative expenses decreased to 6.1% compared to 6.7% for the comparable prior period due to increased leverage from revenues.

Depreciation and amortization expense increased $2,274,000 over the prior comparable period as a result of the opening of the Cincinnati, Ohio, Denver, Colorado, Utica, Michigan, Irvine, California and Rockland County, New York locations. As a percentage of revenues, depreciation and amortization decreased to 6.7% from 6.8% in prior comparable period.

Preopening cost amortization increased $739,000 over the prior comparable period as a result of eight additional complex months of amortization. As a percentage of revenue, preopening costs decreased to 2.4% compared to 2.6% in the prior comparable period. The percentage decrease is attributable to the leverage from increased revenues.

The Company defers its restaurant preopening costs and amortizes them over the twelve-month period following the opening of each respective complex. In April 1998, the American Institute of Certified Public Accountants issued Statement of Position (SOP) 98-5, "Reporting on the Costs of Start-Up Activities." SOP 98-5 requires entities to expense as incurred all start-up and preopening costs that are not otherwise capitalizable as long-lived assets. SOP 98-5 is effective for fiscal years beginning after December 15, 1998, although earlier adoption is encouraged. Restatement of previously issued financial statements is not permitted by SOP 98-5, and entities are not required to report the pro forma effects of the retroactive application of the new accounting standard. The Company's adoption of the expense-as-incurred accounting principle required by SOP 98-5 will involve the recognition of the cumulative effect of the change in accounting principle required by SOP 98-5 as a one-time charge against earnings, net of any related income tax effect, retroactive to the beginning of the fiscal year of adoption. Total deferred preopening costs were $6.8 million at November 1, 1998 and $3.4 million at February 1, 1998.

As has been the case with the Company's current deferred method for accounting for preopening costs, preopening expense comparisons under the new expense-as-incurred standard will continue to vary from period to period, depending on the number and timing of complex openings and the specific preopening expenses incurred for each complex during each period being compared. Based on the Company's current expansion plans, the Company believes total preopening expenses for fiscal 1998 and 1999 under either accounting principle (deferred or expense-as-incurred) will likely exceed the respective amount for each immediate prior year. However, the new expense-as-incurred accounting principle required by SOP 98-5 will, by definition, cause an accelerated recognition of preopening expenses. The impact of this accelerated recognition on the Company's results of operaions for any given period could be significant, depending on the number of complexes opened during that period.

The effective tax rate for the first 39 weeks of fiscal 1998 was 37.8% as compared to 39.0% for the comparable period last year and was the result of a lower effective state tax rate.

Liquidity and Capital Resources

Cash flows from operations increased from $10.2 million in the first 39 weeks of fiscal 1997 to $20.3 million in the first 39 weeks of fiscal 1998. The increase was a result of the Cincinnati, Ohio and Denver, Colorado locations which, opened in the third and fourth quarters of fiscal 1997, respectively, and the Utica, Michigan, Irvine, California and Rockland County, New York locations which opened in the second and third quarters of fiscal 1998.

The Company has a senior revolving credit facility which permits borrowing up to a maximum of $50,000,000 at a floating rate based on the London Interbank Offered Rate ("LIBOR") or, at the Company's option, the bank's prime rate plus in each case a margin based upon financial performance (8.0% at November 1, 1998). The facility, which matures in May 2000, has certain financial covenants including a minimum consolidated tangible net worth level, a maximum leverage ratio, minimum fixed charge coverage and maximum level of capital expenditures on new stores. At November 1, 1998, $20,000,000 was available under the senior revolving credit facility.

On November 5, 1998 the Company expanded its current senior revolving credit facility. The expanded facility permits borrowing up to $100,000,000 million at a floating rate based on the London Interbank Offered Rate ("LIBOR") or, at the Company's option, the bank's prime rate plus in each case a margin based upon financial performance. The facility, which matures in May 2001, has certain financial covenants including a minimum consolidated tangible net worth level, a maximum leverage ratio, minimum fixed charge coverage and maximum level of capital expenditures on new stores.

On December 7,1998 the Company entered into an interest rate swap agreement whereby the Company traded its floating rate debt for fixed rate debt. The notional amount was for $35,000,000 and was for a period of one year.

The Company's plan is to open four large format complexes in fiscal 1998. The first three complexes opened in Utica (Suburban Detroit), Michigan and Irvine, California and Rockland County, New York during the second and third quarters on May 7, 1998, July 16, 1998 and September 17, 1998, respectively. The Company opened an additional large format complex in Orange, California on November 5, 1998. The Company also plans on opening a small format complex in the fourth quarter of 1998 in Columbus, Ohio. In fiscal 1999, the Company's goal is to open four large format and two small format complexes. The Company estimates that its capital expenditures will be approximately $71.4 million and $74.9 million for 1998 and 1999, respectively. The Company intends to finance this development with cash flow from operations and the senior revolving credit facility.

Impact of the Year 2000 Issues

The Company's comprehensive Year 2000 initiative is designed to ensure that there is no adverse effect on the Company's core business operations and that transactions with customers, suppliers and financial institutions are fully supported. The Company is well under way with these efforts, which are scheduled to be completed in early 1999. The Company currently estimates that it will spend approximately $2.4 million on new software which will replace existing software that may not be year 2000 compliant. Such costs are being capitalized. While the Company believes its planning efforts are adequate to address its Year 2000 concerns, there can be no guarantee that the systems of other companies on which the Company's systems and operations rely will be converted on a timely basis and will not have a material effect on the Company.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.1 Second Amendment to Credit Agreement, dated November 5, 1998, among the Company, Chase Bank of Texas National Association (as agent) and the banks named therein.

27 Financial Data Schedule

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the 39 weeks ended November 1, 1998.

SIGNATURE

Pursuant to the requirements 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.

DAVE & BUSTER'S, INC.

Dated: December 16, 1998	by /s/ David O. Corriveau David O. Corriveau Co-Chairman of the Board, Co-Chief Executive Officer and President
Dated: December 16, 1998	by /s/ Charles Michel Charles Michel Vice President, Chief Financial Officer

EXHIBIT INDEX

10.1 Second Amendment to Credit Agreement.

27 Financial Data Schedule

EXHIBIT 10.1

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (the "Amendment"), dated as of November 5, 1998 (the "Effective Date"), is among DAVE & BUSTER'S, INC., a corporation duly organized and validly existing under the laws of the State of Missouri (the "Borrower"), each of the banks or other lending institutions which is a signatory hereto (individually, a "Bank" and, collectively, the "Banks") and CHASE BANK OF TEXAS, NATIONAL ASSOCIATION, formerly known as Texas Commerce Bank National Association, individually as a Bank and as agent for itself and the other Banks (in its capacity as agent, together with its successors in such capacity, the "Agent").

RECITALS:

Borrower, certain of the Banks and Agent have entered into that certain Credit Agreement dated as of May 21, 1997 (as amended by that certain First Amendment to Credit Agreement dated as of February 4, 1998, the "Agreement").

The Borrower has requested an increase in the commitments provided under the Agreement. To accommodate such request and subject to the terms hereof, (i) certain of the Banks that are parties to the Agreement prior to the Effective Date will assign to NationsBank, N.A. and Bank One, Texas, N.A. (together the "New Banks") a portion of their respective interests in the rights and obligations under the Agreement making the New Banks parties to, and "Banks" under, the Agreement; (ii) the Revolving Commitments will be increased; and (iii) the Agreement will otherwise be amended as provided herein.

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

Definitions

Section 1.1 Definitions. Capitalized terms used in this Amendment, to the extent not otherwise defined herein, shall have the same meanings as in the Agreement, as amended hereby.

ARTICLE II

Amendments

Effective as of the Effective Date, the Agreement is amended as follows:

Section 2.1 Amendment to "Revolving Commitment". The definition of "Revolving Commitment" in Section 1.1 is amended to read in its entirety as follows:

"Revolving Commitment" means, as to each Bank, the obligation of such Bank to make advances of funds and purchase participation interests in (or with respect to the Agent as a Bank, hold other interests in) Letters of Credit in an aggregate principal amount at any one time outstanding up to but not exceeding the amount set forth opposite the name of such Bank on Schedule 15, or, if applicable, the amount determined in accordance with the most recent Assignment and Acceptance executed by the Bank, as the same may be reduced or terminated pursuant to Section 2.6 or 11.2. The aggregate amount of the Revolving Commitments of all Banks equals the total set forth on Schedule 15.

Section 2.2 Amendment to "Revolving Termination Date". The definition of "Revolving Termination Date" in Section 1.1 is amended to read in its entirety as follows:

"Revolving Termination Date" means May 29, 2001, or such earlier or later date on which the Revolving Commitments terminate as provided in this Agreement.

Section 2.3 Amendment to Section 3.2. The chart in Section 3.2 is amended to read in its entirety as follows:

Leverage Ratio	Base Margin	Commitment Fee	Eurodollar Margin
Greater than or equal to 2.50	0.50%	0.375%	2.00%
Greater than or equal to 2.00 but less than 2.50	0.25%	0.375%	1.75%
Greater than or equal to 1.50 but less than 2.00	0.00%	0.25%	1.50%
Less than 1.50	0.00%	0.25%	1.25%

Section 2.4 Amendment to Article 7. Article 7 is amended to add Section 7.24 to read in its entirety as follows:

7.24 Year 2000. Any reprogramming required to permit the proper functioning without Material Adverse Effect, in and following the year 2000, of (i) the Borrower's and the Subsidiaries' computer systems and (ii) equipment containing embedded microchips (including systems and equipment supplied by others or with which Borrower's or any Subsidiary's systems interface) and the testing of all such systems and equipment, as so reprogrammed, will be completed by June 30, 1999. The cost to the Borrower of such reprogramming and testing and of the reasonably foreseeable consequences of year 2000 to the Borrower and the Subsidiaries (including, without limitation, reprogramming errors and the failure of others' systems or equipment) will not result in a Default or a Material Adverse Effect. Except for such of the reprogramming referred to in the preceding sentence as may be necessary, the computer and management information systems of the Borrower and the Subsidiaries are and, with ordinary course upgrading and maintenance, will continue for the term of this Agreement to be, sufficient to permit the Borrower to conduct its business without Material Adverse Effect.

Section 2.5 Amendment to Section 9.4. Section 9.4 is amended to read in its entirety as follows:

Section 9.4 Restrictions on Dividends and other Distributions. The Borrower will not directly or indirectly declare, order, pay, make or set apart any sum for any dividend or other distribution, direct or indirect, on account of any shares of any class of stock or other equity interest of the Borrower now or hereafter

outstanding. The Borrower will not and will not permit any Subsidiary to directly or indirectly declare, order, pay, make or set apart any sum for (a) any redemption, conversion, exchange, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock or other equity interest of the Borrower or any Subsidiary now or hereafter outstanding; or (b) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options, or other rights to acquire shares of any class of stock or other equity interest of the Borrower or any Subsidiaries now or hereafter outstanding; except that if no Default exists or would result therefrom, Borrower may repurchase its capital stock, provided that the aggregate amount of consideration paid to repurchase such capital stock during the entire term of this Agreement shall not exceed Two Million Five Hundred Thousand Dollars ($2,500,000).

Section 2.6 Amendment to Section 9.11. Section 9.11 of the Agreement is amended to read in its entirety as follows:

Section 9.11 New Business Locations. No more than the Authorized Number of new retail business locations shall be opened by Borrower and the Subsidiaries during any four (4) Fiscal Quarter period as determined as of the end of each Fiscal Quarter. The "Authorized Number" for any four (4) Fiscal Quarter period shall be equal to the number set forth below opposite the applicable four (4) Fiscal Quarters:

Any Four (4) Fiscal Quarters Ending During the Periods Set Forth Below	Number
January 31, 1998 through January 31, 1999	5
February 1, 1999 through January 30, 2000	6
January 31, 2000 through August 1, 2001	8

Section 2.7 Amendment to Section 10.2. Section 10.2 is amended as follows:

(i) The first sentence of Section 10.2 is amended to read in its entirety as follows:

As of the end of each Fiscal Quarter during the periods set forth below, the Borrower shall not permit the ratio of Adjusted Debt to Adjusted EBITDA to exceed the ratio set forth below opposite the applicable period:

Period	Ratio
Closing Date through January 31, 1999	2.50 to 1.00
February 1, 1999 and thereafter	2.85 to 1.00

(ii) The definition of "Adjusted EBITDA" in Section 10.2 is amended to read in its entirety as follows:

"Adjusted EBITDA" means, as of the end of any Fiscal Quarter, the sum of (a) the EBITDA calculated for the four (4) Fiscal Quarters ending on

the date of determination, plus (b) the Operating Lease Expenses for the four (4) Fiscal Quarters ending on the date of determination, plus (c) pre- opening expenses incurred on or after February 1, 1999 that are attributable to establishing new retail business locations and that were subtracted in calculating Adjusted Net Income in accordance with GAAP for the four (4) Fiscal Quarters ending on the date of determination; provided, however, that the maximum aggregate amount of such pre-opening expenses that may be added to EBITDA pursuant to this clause (c) during the entire term of this Agreement for any one retail business location is One Million Two Hundred Thousand Dollars ($1,200,000), plus (d) for measurement periods that include the Fiscal Quarter ending on January 31, 1999, the amount of the one-time, non-cash expense that was subtracted in calculating Adjusted Net Income during such Fiscal Quarter in recognition of the cumulative effect of the change in accounting principles required under the American Institute of Certified Public Accountants Statement of Position referred to as "SOP 98-5".

Section 2.8 Amendment to Exhibit E. Exhibit E is amended in its entirety to read as set forth on Exhibit E attached hereto.

Section 2.9 Schedule 15 added. Schedule 15, as set forth on Annex A hereto, is added to the Agreement immediately after Schedule 9.5.

ARTICLE III

Assignment and Acceptance

Section 3.1 Assignment. Subject to the satisfaction of the conditions set forth herein and effective on the Effective Date but immediately before the effectiveness of the amendment to the definition of "Revolving Commitment" provided for herein, each Existing Bank sells and assigns to the New Bank identified opposite its name on Annex B hereto without recourse, representation or warranty except as specifically set forth herein, and each New Bank purchases and assumes from the Existing Bank identified opposite its name on Annex B hereto an interest in the applicable Existing Bank's rights and obligations under the Agreement and the other Loan Documents equal to the Assigned Percentage (each such assignment herein an "Assignment"). The term "Assigned Percentage" means with respect to any Existing Bank, the percentage interest identified opposite the applicable Existing Bank in Annex B hereto under the meaning "Assigned Percentage" with the Assigned Percentage being calculated not as a percentage of the Existing Bank's Revolving Commitment but as a percentage of the aggregate Revolving Commitments before giving effect to this Amendment. The rights and obligations assigned pursuant to each Assignment include, without limitation, the Assigned Percentage of the Revolving Commitment on the Effective Date and the Assigned Percentage of the Revolving Loans and Letter of Credit Liabilities outstanding on the Effective Date. On the Effective Date, each New Bank shall make available to the Agent for the benefit of each Existing Bank that has made an assignment to it hereunder (each such Existing Bank applicable to a New Bank herein an "Assignor Bank") in immediately available funds an amount equal to the sum of the Assigned Percentages of such New Bank set forth on Annex B hereto multiplied by the aggregate amount of the Revolving Loans outstanding on the Effective Date (the "Purchase Price"). A New Bank's payment of its Purchase Price is a condition to the effectiveness of the Assignment relating

thereto. Each such payment by a New Bank shall a Base Rate Account, unless a New Bank is advised otherwise in accordance with the notice provisions in the Agreement on the Effective Date. On the Effective Date the Agent shall transfer to each of the Assignor Banks the Purchase Price due to them to the extent received by the Agent.

Section 3.2 Assignor Bank Representations and Disclosures. Each Assignor Bank (i) represents to each New Bank to which it is making an Assignment that as of the Effective Date and before giving effect to this Amendment, its Commitment Percentage equals the percentage set forth opposite its name on Annex B hereto under the heading "Existing Commitment Percentage" and the aggregate amount of the Revolving Commitments is Fifty Million Dollars ($50,000,000.00);(ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Agreement or any other Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Agreement or any other Loan Document, other than that it is legally authorized to enter in this Amendment, it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any Obligated Party or the performance or observance by the Borrower or any Obligated Party of any of their obligations under the Agreement or any other Loan Document.

Section 3.3 New Bank Representations and Agreements. Each Bank (i) represents and warrants to each of its Assignor Banks and to Agent that it is legally authorized to enter into this Amendment; (ii) confirms that it has received a copy of the Agreement and the other Loan Documents, together with copies of the most recent financial statements delivered pursuant to Section 8.1 thereof, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment; (iii) agrees that it will, independently and without reliance upon the Agent or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Agreement and the other Loan Documents; (iv) appoints and authorizes the Agent to take such action on its behalf and to exercise such powers under the Loan Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (v) agrees that it will perform in accordance with their terms all obligations which by the terms of the Agreement and the other Loan Documents are required to be performed by it as a Bank.

Section 3.4 Effectiveness. The Assignments are consented to and accepted by the Borrower, the Obligated Parties and the Agent for purposes of Section 13.8 of the Agreement and are effective in accordance with the terms hereof. From and after the Effective Date, (i) each New Bank shall be a party to the Agreement and shall have the rights and obligations of a Bank thereunder and under the other Loan Documents, (ii) each Existing Bank shall, to the extent of the Assignments provided in this Article 3, relinquish its rights and be released from its obligations under the Agreement and the other Loan Documents, and (iii) the Agent shall make all payments in respect of the interest assigned hereby (including payments of principal, interest, fees, and other amounts) to the applicable New Bank.

Section 3.5 Exchange of Notes; New Commitments. Borrower agrees to exchange the Assignor Banks' existing Revolving Notes for new Revolving Notes payable to the order of each Bank in amounts equal to the Revolving Commitments of each such Bank after giving effect to this Amendment.

Section 3.6 Address for Notices. For purposes of Section 13.13 of the Agreement, the "Address for Notices" and "Applicable Lending Office" for each New Bank is as set forth on the signature pages hereto.

Section 3.7 Outstandings. The Agent agrees to advise each Bank on the Effective Date of the Revolving Loans and Letters of Credit outstanding on the Effective Date as reflected in its records and the Purchase Price due from each New Bank.

ARTICLE IV

Conditions Precedent

Section 4.1 Conditions. The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent on or before November 5, 1998:

(a) Agent shall have received all of the following, each dated (unless otherwise indicated) the date of this Amendment, in form and substance satisfactory to Agent and in sufficient numbers for each of the Banks:

(i) Resolutions. Resolutions of the duly authorized Board of Directors of each of the Borrower and each Obligated Party certified by their respective duly authorized officers, which authorize such company's execution, delivery, and performance of this Amendment, the Revolving Notes executed pursuant hereto and all other documents related to the Amendment (collectively, the "Amendment Documents") to which such company is a party;

(ii) Incumbency Certificate. A certificate of incumbency certified by a duly authorized officer of each of the Borrower and each Obligated Party certifying to the name of each of such company's respective officers who are authorized to sign the Amendment Documents together with specimen signatures of each such officers;

(iii) Articles of Incorporation. The articles of incorporation (or similar governing document) of the Borrower and each Obligated Party, certified by the Secretary of State of the state of such company's incorporation (or the other appropriate governmental officials of such company's jurisdiction of organization) and dated a current date;

(iv) Bylaws. The bylaws of the Borrower and each Obligated Party, certified, respectively, by such company's duly authorized officer;

(v) Governmental Certificates. Certificates of the appropriate government officials of the respective states of organization of the Borrower and each Obligated Party as to such company's existence and good standing;

(vi) Notes. The Revolving Notes in the amount of the new Revolving Commitments executed by the Borrower;

(vii) Opinion of Counsel. A favorable opinion of legal counsel to the

Borrower and each Obligated Party as to such matters relating to the Amendment Documents as the Agent may reasonably request; and

(viii) Additional Information. Such additional documents, instruments and information as Agent may request; and

(b) The Banks shall have received (i) the fees payable under that certain fee letter from Agent to Borrower dated October 9, 1998, and (ii) all unpaid interest, commitment and letter of credit fees that have accrued as of the Effective Date;

(c) The representations and warranties contained herein and in all other Loan Documents, as amended hereby, shall be true and correct as of the date hereof as if made on the date hereof;

(d) No Default shall have occurred and be continuing; and

(e) All proceedings taken in connection with the transactions contemplated by the Amendment Documents and other legal matters incident thereto shall be satisfactory to Agent.

ARTICLE V

Ratifications, Representations and Warranties

5.1 Ratifications. The terms and provisions set forth in this Amendment shall modify and supersede all inconsistent terms and provisions set forth in the Agreement and except as expressly modified and superseded by this Amendment, the terms and provisions of the Agreement and the other Loan Documents are ratified and confirmed and shall continue in full force and effect. Borrower, Agent and the Banks agree that the Agreement as amended hereby and the other Loan Documents shall continue to be legal, valid, binding and enforceable in accordance with their respective terms. Borrower acknowledges that the Revolving Notes executed pursuant to this amendment are "Revolving Notes" under the Agreement and that the Debt evidenced thereby is included within the "Obligations" secured by the Borrower Pledge Agreement.

5.2 Representations and Warranties. Borrower hereby represents and warrants to Agent and the Banks that (i) the execution, delivery and performance of this Amendment, the Revolving Notes, and the other Amendment Documents are within Borrower's and the Obligated Parties' power and authority, have been authorized by all requisite action on the part of Borrower and the Obligated Parties and will not violate the articles of incorporation or similar governing documents of Borrower or any of the Obligated Parties nor violate or conflict with, or result in a breach of, or require any consent under any applicable law, rule, or regulation or any order, writ, injunction, or decree of any Governmental Authority or arbitrator or any material agreement or instrument to which Borrower or any Obligated Party is a party or by which the Borrower or any Obligated Party or any of their respective property is bound or subject, nor constitute a default under any such agreement or instrument, nor result in the creation or imposition of any Lien (except as provided herein) upon any of the revenues or assets of the Borrower or any Obligated Party; (ii) the representations and warranties contained in the Agreement, as amended hereby and by any other Loan Document are true and correct on and as of the date hereof as though made on and as of the date hereof; (iii) no Default has occurred and is continuing; (iv) Borrower is in full compliance with all covenants and agreements contained in the Agreement, as amended hereby and in the other Loan Documents.

ARTICLE VI

Miscellaneous

Section 6.1 Reference to Agreement. Each of the Loan Documents, including the Agreement and any and all other agreements, documents, or instruments now or hereafter

executed and delivered pursuant to the terms hereof or pursuant to the terms of the Agreement as amended hereby, are hereby amended so that any reference in such Loan Documents to the Agreement shall mean a reference to the Agreement as amended hereby.

Section 6.2 Fees and Expenses. As provided in the Agreement, Borrower agrees to pay all reasonable costs and expenses incurred by Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Amendment Documents, including without limitation the reasonable costs and fees of Agent's legal counsel.

Section 6.3 Severability. Any provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

Section 6.4 Applicable Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Texas.

Section 6.5 Successors and Assigns. This Amendment is binding upon and shall inure to the benefit of Borrower, the Banks, the Agent and their respective successors and assigns, except Borrower may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Banks.

Section 6.6 Counterparts. This Amendment may be executed in one or more counterparts and on telecopy counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same agreement.

Section 6.7 Effect of Waiver. No consent or waiver, express or implied, by Agent or any Bank to or for any breach of or deviation from any covenant, condition or duty by Borrower or any Obligated Party shall be deemed a consent or waiver to or of any other breach of the same or any other covenant, condition or duty.

Section 6.8 Headings. The headings, captions, and arrangements used in this Amendment are for convenience only and shall not affect the interpretation of this Amendment.

Section 6.9 ENTIRE AGREEMENT. THIS AMENDMENT EMBODIES THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THIS AMENDMENT, AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO.

Executed as of the date first written above.

BORROWER:

DAVE & BUSTER'S, INC.

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

Charles Michel
Chief Financial Officer

EXISTING BANKS:

CHASE BANK OF TEXAS, NATIONAL ASSOCIATION, formerly known as Texas Commerce Bank National Association, individually as a Bank and as the Agent

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

David L. Howard, Vice President

COMERICA BANK-TEXAS

By:

William J. Rolley
Vice President

GUARANTY FEDERAL BANK, F.S.B.

By:

Name: Robert S. Hays
Title:

BANKBOSTON, N.A.

By:

Name:
Title:

NEW BANKS

BANK ONE, TEXAS, N.A.

By:

Name:
Title:

Address for Notices and Lending Office
for Base Rate Accounts and Eurodollar
Accounts
1717 Main Street, 3rd Floor
Dallas, Texas 75201
Attn: Chris W. Holder
Phone: 214-290-4146
Fax: 214-290-2305

NATIONSBANK, N.A.

By:

Name:
Title:

Address for Notices and Lending Office
for Base Rate Accounts and Eurodollar
Accounts
901 Main Street, 7th Floor
Dallas, Texas 75202-3140
Attn: Dan H. Ellinor
Phone: 214-508-0138
Fax: 214-508-3140

Each Obligated Party consents and agrees to this Amendment, including the increase in the aggregate Revolving Commitments of the Banks, and agrees that the Loan Documents to which it is a party remain in full force and effect and continue to be its legal, valid and binding obligations enforceable against it in accordance with their respective terms. By its execution below, each Obligated Party acknowledges (a) that each guaranty executed by it and securing the payment or performance of the Borrower's obligations under the Agreement secures, among other things, the payment of the outstanding Revolving Loans as such may be increased in accordance with the terms of this Amendment and (b) that each pledge agreement or other security agreement executed by it and securing the payment or performance of its obligations under any such guaranty secures, among other things, such obligations as they may be increased, directly or indirectly, by this Amendment and the new Revolving Notes.

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OBLIGATED PARTIES:

DANB TEXAS, INC.
DAVE & BUSTER'S OF PENNSYLVANIA, INC.
DAVE & BUSTER'S OF ILLINOIS, INC.
DAVE & BUSTER'S OF COLORADO, INC.
DAVE & BUSTERS OF FLORIDA, INC.
DAVE & BUSTER'S OF GEORGIA, INC.
DAVE & BUSTER'S OF MARYLAND, INC.
DAVE & BUSTERS OF NEW YORK, INC.
D&B REALTY HOLDING, INC

By:

Charles Michel, Chief Financial Officer of each of the foregoing Obligated Parties

DAVE & BUSTER'S OF CALIFORNIA, INC.

By:

Alan L. Murray, Treasurer

DAVE & BUSTER'S I, L.P.

By: Dave & Buster's, Inc., its general partner

By:

Charles Michel,
Chief Financial Officer

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ANNEX A
to
DAVE & BUSTER'S, INC.
SECOND AMENDMENT TO CREDIT AGREEMENT

Schedule 15

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SCHEDULE 15
TO
DAVE & BUSTER'S, INC.
CREDIT AGREEMENT

Revolving Commitments

Bank	Revolving Commitment
Chase Bank of Texas, National Association	$ 20,000,000
Comerica Bank - Texas	$ 15,000,000
Guaranty Federal Bank, F.S.B.	$ 15,000,000
BankBoston, N.A.	$ 15,000,000
NationsBank, N.A.	$ 20,000,000
Bank One, Texas, N.A.	$ 15,000,000

TOTAL	$100,000,000

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ANNEX B
to
DAVE & BUSTER'S, INC.
SECOND AMENDMENT TO CREDIT AGREEMENT

EXISTING BANK	NEW BANK	EXISTING COMMITMENT PERCENTAGE	ASSIGNED PERCENTAGE
1. BankBoston, N.A.	NationsBank, N.A.	20%	5%
2 Guaranty Federal Bank, FSB	NationsBank, N.A.	20%	5%
3. Chase Bank of Texas, National Association	NationsBank, N.A.	30%	10%
4. Comerica Bank-Texas	Bank One, Texas, N.A.	30%	15%

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EXHIBIT "E"
to
DAVE & BUSTER'S, INC.
SECOND AMENDMENT
TO
CREDIT AGREEMENT

Compliance Certificate

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COMPLIANCE CERTIFICATE
for the
quarter ending ________ __, ____

NOTE: THIS COMPLIANCE CERTIFICATE
REQUIRES A CHANGE IN THE MARGIN AND FEES AS
SET OUT IN SECTION 11
__ YES __ NO

To: Chase Bank of Texas,
National Association, as agent
1111 Fannin, 9th Floor MS46
Houston, Texas 77002

with a copy to

12875 Josey Lane
Dallas, Texas 75234

and each Bank

Ladies and Gentlemen:

This Compliance Certificate (the "Certificate") is being delivered pursuant to Section 8.1(c) of that certain Credit Agreement (as amended, the "Agreement") dated as of May 21, 1997 among DAVE & BUSTER'S, INC. (the "Borrower"), CHASE BANK OF TEXAS, NATIONAL ASSOCIATION (formerly known as Texas Commerce Bank National Association), as agent, and the Banks named therein. All capitalized terms, unless otherwise defined herein, shall have the same meanings as in the Agreement. All the calculations set forth below shall be made pursuant to the terms of the Agreement.

The undersigned, an authorized financial officer of the Borrower in his capacity as such financial officer and not in his individual capacity, does hereby certify to the Agent and the Banks that:

1. DEFAULT.

No Default has occurred and is continuing or, if a Default has occurred and is continuing, I have described on the attached Exhibit "A" the nature thereof and the steps taken or proposed to remedy such Default.

	Compliance
2. SECTION 8.1 - FINANCIAL STATEMENTS AND RECORDS	
(a) Annual audited financial statements of Borrower on a consolidated basis within 90 days after the end of each Fiscal Year end (together with Compliance Certificate).	Yes No N/A
(b) Quarterly unaudited financial statements of Borrower on a consolidated basis within 45 days after each Fiscal Quarter end (together with Compliance Certificate).	Yes No N/A

3. SECTION 9.1 - DEBT

No Additional Debt except:

(a) Purchase money not to exceed:	$750,000		
Actual Outstanding:	$_______	Yes	No
(d) Other Debt not to exceed:	$250,000		
Actual Outstanding:	$_______	Yes	No

4. SECTION 9.5 - INVESTMENTS

(a) Basket of other permitted investments, loans, etc. not to exceed:	$250,000		
(b) Actual book value:	$_______	Yes	No

5. SECTION 9.8 - ASSET DISPOSITIONS

(a) Asset dispositions (other than dispositions of obsolete, worn-out etc., assets) not to exceed $250,000 in any four (4) consecutive Fiscal Quarters (based on the book value of the assets sold).

(b) Actual book value of assets disposed of in the last four (4) Fiscal Quarters.	$_______	Yes	No

6. SECTION 9.11 - NEW BUSINESS LOCATIONS

(a) No more than the Authorized Number of new retail locations opened in any four (4) Fiscal Quarters.

(i) Authorized Number ________

(b) Current retail locations opened within past 4 Fiscal Quarters:

1. __________________
2. __________________
3. __________________
4. __________________
5. __________________
6. __________________
7. __________________

8. __________________

Total	________	Yes	No

7. SECTION 10.1 - CONSOLIDATED NET WORTH

(a) Consolidated Tangible Net Worth as of ________________	$_______		
(b) Positive consolidated net income for current Fiscal Quarter (if positive)	$_______		
(c) Aggregate positive consolidated net income (for each) Fiscal Quarter since February 2, 1997 (excluding current Fiscal Quarter)	$_______		
(d) 7(b) + 7(c) =	$_______		
(e) 50% of 7(d) =	$_______		
(f) Net proceeds of the sale of all capital stock of Borrower received since February 4, 1997	$_______		
(g) Required Consolidated Tangible Net Worth: 7(a) + 7(e) + 7(f)	$_______		

(h) Actual Consolidated Net Worth			
(i) Consolidated stockholders equity	$_______		
(ii) Stock of Borrower on Balance Sheet	$_______		
(iii) Goodwill	$_______		
(iv) Intellectual Property	$_______		
(v) Deferred expenses	$_______		
(vi) Loans and advances to stockholders, officers, etc.	$_______		
(vii) Other intangible assets	$_______		
(viii) sum of (ii) through (vii) =	$_______		
(ix) Consolidated Tangible Net Worth:			
(h)(i) minus (h)(viii) =	$_______	Yes	No

8. SECTION 10.2 -LEVERAGE RATIO

(a) Total Debt as of Fiscal Quarter end			
(i) borrowed money	$_______		
(ii) evidenced by notes, etc.	$_______		
(iii) deferred purchase price	$_______		
(iv) Capital Lease Obligations	$_______		
(v) total	$_______		
(b) Operating Lease Expense for previous 4 Fiscal Quarters	$_______		
(c) 8(b) x 8 =	$_______		
(d) 8(a)(v) + 8(c) =	$_______		
(e) Consolidated net income as of Fiscal Quarter end for last 4 Fiscal Quarters	$_______		
(i) Net Income	$_______		

(ii) Income of Person not received in a cash distribution

(iii) Extraordinary, non-cash, nonrecurring or nonoperating increase or gains $_______

(iv) Sum of (ii) and (iii) $_______

(v) Total (i) minus (iv) $_______

(f) provisions for tax $_______

(g) benefit from tax $_______

(h) Interest Expense $_______

(i) amortization $_______

(j) depreciation $_______

(k) Total Pre-Opening Expenses (limited to $1,200,000 per location) $_______

(l) SOP 98-5 one time charge (added only if Fiscal Quarter ending on January 31, 1999 included) $_______

(m) EBITDA: 8(e)(v) + 8(f) - 8(g) + 8(h) + 8(i) + 8(j)+ 8(k) + 8(l) $_______

(n) Adjusted EBITDA: 8(m) + 8(b) =

(o) Adjusted Debt to Adjusted EBITDA ratio (8(d) a 8(n)) $_______

(p) Maximum Adjusted Debt to Adjusted EBITDA ratio $_______

____ : 1.00
2.50 : 1.00 Yes No

9. SECTION 10.3 - FIXED CHARGE COVERAGE

(a) Cash Flow for last 4 Fiscal Quarters

(i) EBITDA (from 8(m)) $_______

(ii) 8(i) + 8(j) $_______

(iii) Operating Lease Expenses for the last 4 Fiscal Quarters

(iv) Cash Flow: (9(a)(i) - 9(a)(ii) + 9(a)(iii)) = $_______

(b) Fixed Charges for last 4 Fiscal Quarters

(i) Interest Expense paid in cash $_______

(ii) Operating Lease Expense (9(a)(iii)) $_______

(iii) Total 9(b)(i) + 9(b)(ii) $_______

(c) Actual Fixed Charge Coverage: 9(a)(iv) a 9(b)(iii)= ________

(d) Minimum Fixed Charge Coverage :1.00 Yes No
2.25:1.00

10. SECTION 10.4 - CAPITAL EXPENDITURES

(a) Per location Capital Expenditure Limit $15,000,000

(b) Current new retail locations under development:

	Location	Capital Expenditures		
(i)	___________	$________________	Yes	No
(ii)	___________	$________________	Yes	No

(iii)___________	$________________		Yes	No
(iv) ___________	$________________		Yes	No

11. DETERMINATION OF MARGIN AND FEES

(a) Adjusted Debt to Adjusted EBITDA Ratio (from 8(o))

(b) Adjustment to margin and fees required by Section 3.2? :1.00 Yes No

(c) If adjustment required, set forth below new margins and fees in accordance with Section 3.2:

(i)	Base Margin	
(ii)	Commitment Fee Rate	_______%
(iii)	Libor Rate Margin	_______%
		_______%

12. SECTION 8.10(d) - PLEDGE OF EQUIPMENT PARTNERSHIPS

(a) Gross revenue from Equipment Partnerships for trailing 4 quarters	$_________		
(b) Borrower gross revenue for trailing 4 quarters	$_________		
(c) 12(a) a 12(b) =	._______		
(d) Pledge required (?) (i.e., if greater than .15)		Yes	No

13. ATTACHED SCHEDULES

Attached hereto as schedules are the calculations supporting the computation set forth above in this Certificate. All information contained herein and on the attached schedules is true and correct.

14. FINANCIAL STATEMENTS

The financial statements attached hereto were prepared in accordance with GAAP (or the generally accepted accounting principles of the jurisdiction of organization of the applicable Person) and fairly present (subject to year end audit adjustments) the financial conditions and the results of the operations of the Persons reflected thereon, at the date and for the periods indicated therein.

IN WITNESS WHEREOF, the undersigned has executed this Certificate effective this _______ day of _____________, _______.

DAVE & BUSTER'S, INC.

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

Name: -------------------------

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

<ARTICLE> 5

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