UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) March 26, 2012

Carrols Restaurant Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-33174	16-1287774
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

968 James Street, Syracuse, New York	13203
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (315) 424-0513

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13a-4(c))

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On March 26, 2012, Carrols Restaurant Group, Inc. ("CRG") and Carrols LLC, an indirect wholly-owned subsidiary of CRG ("Carrols LLC"), entered into an Asset Purchase Agreement, dated as of March 26, 2012 (the "Purchase Agreement"), with Burger King Corporation ("BKC") pursuant to which CRG, through Carrols LLC, agreed to purchase 278 of BKC's company-owned Burger King® restaurants located in Ohio, Indiana, Kentucky, Pennsylvania, North Carolina, South Carolina and Virginia (the "Transferred Restaurants") for a 28.9% equity ownership interest in CRG (subject to the limitations described below), certain cash payments payable at the closing of the transaction of approximately $2.8 million (subject to adjustment) for cash on hand and inventory at the Transferred Restaurants and other cash payments of approximately $13.3 million with approximately $9.6 million to be paid at closing of the transaction and with the balance to be paid over five years by Carrols LLC to BKC. The cash payment of approximately $13.3 million is for refranchising fees, for BKC's assignment of its right of first refusal on franchisee restaurant transfers in 20 states and certain other rights granted to Carrols LLC pursuant to the Operating Agreement (as defined below). The consummation of the transaction is subject to certain conditions, including, among other things, (a) the completion by CRG of the spin-off to its stockholders of Fiesta Restaurant Group, Inc., an indirect wholly-owned subsidiary of CRG, (b) the completion of a refinancing sufficient for Carrols LLC to repay its outstanding indebtedness under its senior secured credit facility, to pay amounts due to BKC pursuant to the Purchase Agreement and the Operating Agreement and, together with anticipated cash flow from operations, to pay for CRG's obligations in connection with an agreed upon remodeling plan pursuant to the Operating Agreement (as defined below), (c) the receipt of third party consents, and (d) other customary closing conditions. Pursuant to the Purchase Agreement and the Operating Agreement, Carrols LLC will also enter into new franchise agreements and leases with BKC for all of the Transferred Restaurants, including leases for 81 Transferred Restaurants owned in fee by BKC and subleases for 197 Transferred Restaurants under terms that are substantially the same as those in BKC's underlying leases for such properties. The Purchase Agreement may be terminated, among other things, (i) by mutual consent of CRG, Carrols LLC and BKC, (ii) by CRG and Carrols LLC or BKC upon a breach of a representation and warranty in the Purchase Agreement by the other which has not been cured and (iii) if the closing of the transaction has not occurred on or prior to the date that is 120 days from the date of the Purchase Agreement. The Purchase Agreement contains certain representations and warranties, covenants and indemnification provisions as specified therein, including such provisions as are customary for a transaction of this nature. The foregoing description of the transaction and the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the Purchase Agreement, which is attached hereto as Exhibit 2.1 and is incorporated by reference herein.

Series A Convertible Preferred Stock

In connection with the closing of the transaction, CRG will issue to BKC 100 shares of Series A Convertible Preferred Stock (the "Series A Preferred Stock") pursuant to a Certificate of Designation (the "Certificate of Designation") which will be convertible into 28.9% of the outstanding shares (the "Conversion Shares") of CRG's common stock, par value $.01 (the "Common Stock") on a fully diluted basis after giving effect to the issuance of the Series A Preferred Stock, subject to certain restrictions limiting the conversion of the Series A Preferred

Stock and the issuance of the Conversion Shares to an amount of shares of Common Stock not to exceed 19.9% of the outstanding shares of CRG's Common Stock as of the date of issuance (the "Issuance Limitation"). Pursuant to the Purchase Agreement, the removal of the Issuance Limitation will be subject to obtaining the approval of CRG's stockholders at its next annual meeting to be held after the closing of the transaction or at subsequent meetings of stockholders, if necessary, until the approval of CRG's stockholders is obtained. BKC will also have certain approval rights so long as it owns greater than 10% of the outstanding shares of the Common Stock (on an as-converted basis) and there is no prohibited transfer of the Series A Preferred Stock or the Conversion Shares during the Holding Period (as defined below) with regards to, among other things: (a) CRG's annual budget for each of the first two fiscal years following the issuance of the Series A Preferred Stock; (b) changes to the agreed upon restaurant remodeling plan; (c) modifying CRG's organizational documents; (d) amending the size of CRG's Board of Directors; (e) the authorization or consummation of any liquidation event (as defined in the Certificate of Designation), except as permitted pursuant to the Operating Agreement (as defined below); (f) engaging in any business other than the acquisition and operation of Burger King restaurants, except following a bankruptcy filing, reorganization or insolvency proceeding by or against BKC or Burger King Holdings, Inc., the parent company of BKC, which filing has not been dismissed within 60 days; and (g) issuing, in any single transaction or series of related transactions, shares of Common Stock in an amount exceeding 35% of the total number of shares of Common Stock outstanding immediately prior to the time of such issuance. The Series A Preferred Stock and the Conversion Shares are subject to a three-year restriction on transfer by BKC from the date of the issuance of the Series A Preferred Stock (the "Holding Period"). The Series A Preferred Stock will vote with the Common Stock on an as-converted basis (subject to the Issuance Limitation) and will provide for the right of BKC to elect two members of CRG's Board of Directors as Class A members until the date on which the number of shares of Common Stock into which the outstanding shares of Series A Preferred Stock held by BKC are then convertible constitutes less than 14.5% of the total number of outstanding shares of Common Stock (the "Director Step-Down Date"). From the Director Step-Down Date to the date on which the number of shares of Common Stock into which the outstanding shares of Series A Preferred Stock held by BKC are then convertible constitute less than 10% of the total number of outstanding shares of Common Stock or the date on which there is a prohibited transfer of the Series A Preferred Stock or the Conversion Shares during the Holding Period, BKC will have the right to elect one member to CRG's Board of Directors as a Class A member. The Series A Preferred Stock will rank senior to the Common Stock with respect to rights on liquidation, winding-up and dissolution of CRG. The Series A Preferred Stock will receive dividends and amounts upon a liquidation event (as defined in the Certificate of Designation) on an as converted basis without regard to the Issuance Limitation. The foregoing description of the Series A Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the form of Certificate of Designation, which is attached hereto as Exhibit 4.1 and is incorporated by reference herein.

Operating Agreement

Simultaneously with the closing of the transaction, Carrols LLC and BKC will also enter into an Operating Agreement (the "Operating Agreement"). The Operating Agreement will have a term commencing on the date of the closing of the transaction contemplated by the Purchase Agreement and ending (unless earlier terminated in accordance with the provisions thereof) on the earlier to occur of (i) 20 years from such closing date or (ii) the date that Carrols LLC

operates 1,000 Burger King restaurants. Pursuant to the Operating Agreement, Burger King will assign to Carrols LLC its right of first refusal under its franchise agreements with its franchisees to purchase all of the assets of a Burger King restaurant or all or substantially all of the voting stock of the franchisee, whether direct or indirect, on the same terms proposed between such franchisee and a third party purchaser (the "ROFR"), in 20 states, including in each of the states in which Carrols LLC currently operates Burger King restaurants and in which the Transferred Restaurants are located (subject to certain exceptions for certain limited geographic areas within certain states) (collectively, the "DMAs"). The continued assignment of the ROFR is subject to suspension or termination in the event of non-compliance by Carrols LLC with certain terms as set forth in the Operating Agreement. In addition, pursuant to the Operating Agreement, BKC will grant Carrols LLC franchise pre-approval (the "Franchise Pre-Approval") to build new Burger King restaurants or acquire Burger King restaurants from Burger King franchisees in the DMAs until the date that Carrols LLC operates 1,000 Burger King restaurants ("New Restaurant Growth"). Carrols LLC will pay BKC approximately $3.8 million for the ROFR and the Franchise Pre-Approval rights payable in equal quarterly payments over a five year period with the first payment made on the closing date.

The grant by BKC to Carrols LLC of Franchise Pre-Approval to develop new Burger King restaurants in the DMA's is a non-exclusive right, subject to customary BKC franchise, site and construction approval as specified in the Operating Agreement. Beginning on January 1 of the calendar year following the third anniversary of the closing date of the transaction, a minimum of 10% of New Restaurant Growth by Carrols LLC in each calendar year during the term of the Operating Agreement must come from new development of Burger King restaurants (including offsets). As part of Franchise Pre-Approval, BKC will grant Carrols LLC pre-approval for acquisitions of Burger King restaurants from franchisees in the DMAs where Carrols LLC then has an existing Burger King restaurant, subject to and in accordance with the terms of the Operating Agreement. Additionally, Carrols LLC will have the right, at its election, to close a very limited number of Transferred Restaurants in accordance with the terms of the Operating Agreement.

Pursuant to the Operating Agreement, Carrols LLC will agree to remodel 455 Burger King restaurants to BKC's 20/20 restaurant image, including 57 restaurants in 2012, 154 restaurants in 2013, 154 restaurants in 2014 and 90 restaurants in 2015, subject to and in accordance with the terms of the Operating Agreement.

Pursuant to the Operating Agreement, Carrols LLC will enter into franchise agreements with BKC for the Transferred Restaurants with terms of varying durations up to 20 years, depending upon the term of the underlying leases or subleases. Each franchise agreement will provide for a royalty rate of 4.5% of sales and an advertising contribution payment of 4% of sales.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the form of Operating Agreement, which is attached hereto as Exhibit 10.1 and is incorporated by reference herein.

Registration Rights Agreement

Simultaneously with the closing of the transaction, CRG and BKC will enter into a Registration Rights Agreement (the "Registration Rights Agreement") pursuant to which CRG will agree to file one shelf registration statement on Form S-3 covering the resale of at least 30% of the Conversion Shares upon written request of BKC at any time after the 36-month anniversary of the closing of the transaction. The Registration Rights Agreement also provides that BKC may make up to three demands to register for the resale of at least 33% of the Conversion Shares held by BKC under the Securities Act of 1933, as amended (the "Securities Act") on the date of the closing of the transaction upon the written request by BKC at any time following the 30th month anniversary of the closing of the transaction. The Registration Rights Agreement also provides that whenever CRG registers shares of Common Stock under the Securities Act (other than on a Form S-4 or Form S-8), then BKC will have the right as specified therein to register its shares of CRG's Common Stock as part of that registration. The registration rights under the Registration Rights Agreement are subject to the rights of the managing underwriters, if any, to reduce or exclude certain shares owned by BKC from an underwritten registration and the rights of Jefferies Capital Partners IV L.P. ("Jefferies Capital"), Jefferies Employee Partners IV LLC ("Jefferies Partners"), JCP Partners IV LLC ("JCP Partners" and together with Jefferies Capital and Jefferies Partners, the "JCP Group") pursuant a Registration Rights Agreement, dated as of June 16, 2009, between the JCP Group and CRG (and subject to certain rights of certain persons, including members of management of CRG that have piggyback registration rights). Except as otherwise provided, the Registration Rights Agreement requires CRG to pay for all costs and expenses, other than underwriting discounts, commissions and underwriters' counsel fees, incurred in connection with the registration of the Common Stock, stock transfer taxes and the expenses of BKC's legal counsel in connection with the sale of the Conversion Shares, provided that CRG will pay the reasonable fees and expenses of one counsel for BKC up to $50,000 in the aggregate for any registration thereunder, subject to the limitations set forth therein. CRG will also agree to indemnify BKC against certain liabilities, including liabilities under the Securities Act. The foregoing description does not purport to be complete and is qualified in its entirety by reference to the form of Registration Rights Agreement, which is attached hereto as Exhibit 4.2 and is incorporated by reference herein.

Voting Agreements

On March 26, 2012, BKC entered into a Voting Agreement with each of Jefferies Capital, Jefferies Partners, JCP Partners (collectively, the "Jefferies Voting Agreements"), and Daniel T. Accordino, the Chief Executive Officer, President and a director of CRG (the "Accordino Voting Agreement" and together with the Jefferies Voting Agreements, the "Voting Agreements"), pursuant to which the JCP Group and Mr. Accordino will agree to vote their respective shares of CRG Common Stock in favor of a proposal at the next annual meeting of CRG stockholders to be held following the closing of the transaction and any subsequent meeting of CRG stockholders, if necessary, to remove the Issuance Limitation. The Jefferies Voting Agreements are subject to the amendment to the Voting Agreement, dated as of July 27, 2011, between the JCP Group and CRG. The Voting Agreements will terminate upon the earliest to occur of (a) the date on which the removal of the Issuance Limitation is approved by the CRG stockholders, (b) the date on

which the Purchase Agreement is terminated in accordance with its terms, (c) the date of any amendment to the Purchase Agreement or any change to or modification of the Certificate of Designation, in each case which change is materially adverse to CRG or the JCP Group, or Mr. Accordino, as applicable, and (d) December 31, 2013. The foregoing description does not purport to be complete and is qualified in its entirety by reference to the Voting Agreements, which are attached hereto as Exhibit 10.2, Exhibit 10.3, Exhibit 10.4 and Exhibit 10.5 and are incorporated by reference herein.

ITEM 5.02. DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

On March 26, 2012, pursuant to the Purchase Agreement and the Certificate of Designation, CRG agreed to elect Daniel Schwartz, the Chief Financial Officer of BKC and Steve Wiborg, BKC's President, North America, to the CRG Board of Directors as Class A members, subject to and effective upon the closing of the transaction.

ITEM 8.01. OTHER EVENTS.

On March 26, 2012, CRG issued a press release announcing an agreement with BKC to acquire 278 Burger King restaurants in the United States. The entire text of the press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

2.1	Asset Purchase Agreement, dated as of March 26, 2012, among Carrols Restaurant Group, Inc., Carrols LLC and Burger King Corporation
4.1	Form of Certificate of Designation of Series A Convertible Preferred Stock of Carrols Restaurant Group, Inc.
4.2	Form of Registration Rights Agreement between Carrols Restaurant Group Inc. and Burger King Corporation
10.1	Form of Operating Agreement between Carrols LLC and Burger King Corporation
10.2	Voting Agreement, dated as of March 26, 2012, between Burger King Corporation and Jefferies Capital Partners IV L.P.
10.3	Voting Agreement, dated as of March 26, 2012, between Burger King Corporation and Jefferies Employee Partners IV LLC
10.4	Voting Agreement, dated as of March 26, 2012, between Burger King Corporation and JCP Partners IV LLC

10.5	Voting Agreement, dated as of March 26, 2012, between Burger King Corporation and Daniel T. Accordino
99.1	Carrols Restaurant Group, Inc. Press Release dated March 26, 2012

Signatures

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 hereunto duly authorized.

CARROLS RESTAURANT GROUP, INC.

Date: March 28, 2012

By: /s/ Paul R. Flanders
Name: Paul R. Flanders
Title: Vice President, Chief Financial Officer and Treasurer

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** ("Agreement") is entered into as of March 26, 2012, by and among **Burger King Corporation**, a Florida corporation ("Seller"), **Carrols LLC**, a Delaware limited liability company ("Buyer"), and **Carrols Restaurant Group, Inc.**, a Delaware corporation ("Parent").

RECITALS

WHEREAS, Seller is engaged in the business of developing, operating and granting franchises to operate quick service restaurants known as Burger King restaurants (the "Burger King Restaurants") throughout the United States;

WHEREAS, Seller currently operates over 800 Burger King Restaurants in the United States;

WHEREAS, Buyer, a wholly-owned subsidiary of Carrols Corporation, a Delaware corporation ("Carrols"), and an indirect wholly-owned subsidiary of Parent, has franchising rights to operate certain Burger King Restaurants in various locations throughout the United States; and

WHEREAS, Seller wishes to sell, transfer, assign and convey to Buyer, and Buyer wishes to purchase and assume from Seller, on the terms and conditions set forth herein, all of Seller's right, title and interest in and to the Purchased Assets (as defined herein) used in the operation of those certain Burger King Restaurants set forth on Exhibit A to this Agreement (collectively, the "Subject Restaurants" and each individually a "Subject Restaurant").

NOW, THEREFORE, in consideration of the mutual covenants, representations and agreements herein, the parties hereto agree as follows:

TERMS OF AGREEMENT

ARTICLE I
DEFINITIONS

1.1 Defined Terms. For purposes of this Agreement, unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth below:

"Accrued Vacation" means the aggregate dollar amount of vacation time accrued on the books and records of Seller in accordance with GAAP, on a basis consistent with past practices, for the Subject Restaurant Employees who begin employment with Buyer as of the Closing Date.

"Action" means a suit, claim, action, proceeding, inquiry, investigation, litigation, demand, charge, complaint, grievance, arbitration, indictment, information, or grand jury subpoena.

"Aggregate Consideration" means the Purchase Price as calculated using the Dollar Value of Stock Consideration.

"Aggregate Franchise Fee Amount" means an amount equal to the sum of (i) the product of (A) $50,000 and (B) the number of Subject Restaurants which will be subject to a 20 year franchise term after the closing, and (ii) the product of (A) $2,500 and (B) the number of years in the post-Closing franchise terms, in the aggregate, for all Subject Restaurants with a franchise term of less than 20 years. Notwithstanding the foregoing, any Subject Restaurant that is on a Non-Consented Property shall not be included when calculating the Aggregate Franchise Fee Amount.

"Aggregate Store Bank Amount" means an amount equal to the product of (i) $1,000 and (ii) the number of Subject Restaurants set forth on Exhibit A.

"Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, as in effect on the date hereof.

"Assumed Liabilities" means all liabilities and obligations of Seller under the Assumed Contracts that arise after the Closing (except to the extent relating to a breach, default or violation by Seller of such Assumed Contact on or prior to the Closing).

"Business Day" means any day except a Saturday, a Sunday or any other day on which commercial banks are required or authorized to close in New York, New York.

"Buyer Credit Facility" means the Credit Agreement, dated as of August 5, 2011, among Carrols LLC, Wells Fargo Bank, National Association, as administrative agent, M&T Bank, as syndication agent, Regions Bank, as documentation agent, and the lenders party thereto, as amended.

"Certificate of Designation" means the Certificate of Designation of the Preferred Stock, in substantially the form attached hereto as Exhibit B.

"Closing Cash Payment" means an amount equal to the Aggregate Store Bank Amount plus the Estimated Store Inventory Amount.

"Code" means the Internal Revenue Code of 1986, as amended, and treasury regulations promulgated thereunder.

"Common Stock" means Parent's common stock, par value $0.01 per share.

"Confidentiality Agreement" means that certain Non-Disclosure Agreement between Carrols, Parent, Buyer and Seller dated June 7, 2011.

"Contract" means any agreement, contract, lease, note, mortgage, indenture, loan agreement, franchise agreement, covenant, employment agreement, license, instrument, purchase and sales order, commitment, undertaking or obligation, whether written or oral, to which Seller is a party.

"Dollar Value of Stock Consideration" shall mean an amount equal to (a) the number of Conversion Shares into which the Preferred Stock is exercisable immediately prior to the Closing Date (assuming Stockholder Approval had been obtained at such time) times (b) the average closing price of the Common Stock on the NASDAQ Global Market for the five trading days ending immediately prior to the Closing Date.

"End Date" means the date that is 120 days from the date hereof.

"Environmental Laws" means any applicable Law relating to pollution (or the cleanup thereof) including the emission of air pollutants, discharge of water or soil pollutants or process waste water, or otherwise relating to the protection of human health or the environment, human health or safety or hazardous substances or solid waste, including but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, 42 U.S.C. §§ 6901 et seq.; the Clean Water Act, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq.; Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§ 136 et seq.; the Safe Drinking Water Act, 21 U.S.C. § 349 and 42 U.S.C. §§ 201 and 300f et seq.; the National Environmental Policy Act, 42 U.S.C. §§ 4321 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. 1801 et seq.; and the Occupational Safety and Health Act, 29 U.S.C. §§ 651 et seq., each as amended, and their state or local counterparts.

"Estimated Store Inventory Amount" means an amount equal to the product of (i) $9,000 and (ii) the number of Subject Restaurants set forth on Exhibit A.

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

"Excluded Liabilities" means any and all debts, liabilities and obligations of Seller of any kind whatsoever, whether accrued or fixed, absolute or contingent, matured or unmatured, other than the Assumed Liabilities.

"Financing" means (i) the issuance by Buyer, Parent or Carrols of debt securities pursuant to Rule 144A under the Securities Act (or as otherwise agreed by the parties) resulting in an amount of aggregate proceeds as may be reasonably agreed to by Parent, Buyer and Seller; provided that such amount is sufficient for the purposes of (A) repaying all outstanding indebtedness under the Buyer Credit Facility including all principal amounts plus accrued and unpaid interest thereon and fees and expenses relating thereto, (B) funding (together with expected cash flow from operations) Buyer's obligations in connection with the Remodeling Plan under the Operating Agreement and (C) paying any other amounts due to Seller as of the Closing pursuant to this Agreement and the other Transaction Documents, and (ii) the entering into by Buyer, Parent and/or Carrols of a new senior secured credit agreement providing for a revolving credit facility for working capital and general corporate purposes.

"Financing Source(s)" means lenders, investment banks, bondholders, underwriters, placement agents and other financial advisors or other financing sources, and the respective agents and trustees of the foregoing.

"GAAP" means generally accepted accounting principles in effect in the United States of America.

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

"Hazardous Substances" means pollutants, contaminants, chemicals, toxic, dangerous or hazardous substances or wastes, oil or petroleum products or any fraction thereof, flammables or any other substances whose nature and/or quantities of existence, use, release, manufacture or effect renders it subject to the Environmental Laws; provided, that the term "Hazardous Substances" shall not include substances which are used in the ordinary course of a fast food restaurant business, so long as such substances are used, handled, transported or stored in compliance with the Environmental Laws.

"Inventory" means all food, uniforms and other miscellaneous inventory items (including, without limitation, promotional materials) located in the Subject Restaurants.

"Knowledge" means, (i) in the case of Seller, with respect to each representation and warranty or covenant set forth on Schedule 1.1, the actual knowledge of each of the individuals set forth on Schedule 1.1 opposite such representation and warranty or covenant and (ii) in the case of Buyer or Parent, the actual knowledge of each of Daniel T. Accordino, Paul Flanders, Rick Cross, William Myers and Joseph Zirkman.

"Law" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"Lease(s)" means all of the leases, subleases, rights to occupy or use, licenses and other arrangements with respect to the use or occupancy of any of the Leased Real Property, together with all amendments, modifications, side letters, estoppel letters, supplements, waivers and consents thereto.

"Liability" means any liability, obligation or commitment of any nature whatsoever (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due, or otherwise), including any liability for Taxes.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien, restriction on transfer, right of first refusal, pre-emptive right, claim, adverse claim, priority, hypothecation or charge of any kind.

"Losses" means all claims, Liabilities, obligations, losses, fines, costs, proceedings or damages including all reasonable out-of-pocket fees and disbursements of counsel incurred in the investigation or defense of any of the same or in asserting any party's respective rights hereunder but excluding consequential, punitive, indirect or exemplary damages (unless, in each case, resulting from third party claims).

"Material Adverse Effect" means any fact, circumstance, event, change, effect, condition, or occurrence (each an "Event") that, either individually or in the aggregate, has or could reasonably be expected to have a material adverse effect on (a) the financial condition or results

of operations of the Subject Restaurants or the Purchased Assets, taken as a whole, or (b) the ability of Seller to perform its obligations under this Agreement or consummate the transactions contemplated hereby; provided, however, that "Material Adverse Effect" shall not include any Event, directly or indirectly, arising out of or attributable to: (i) any changes, conditions or effects in the United States or foreign economies or securities or financial markets in general; (ii) changes, conditions or effects that affect the industries in which Seller operates; (iii) any change, effect or circumstance resulting from the announcement of this Agreement or an action required by this Agreement; or (iv) conditions caused by acts of terrorism or war (whether or not declared) or any natural or man-made disaster or other acts of God, except, in the case of any Event described in clauses (i), (ii) or (iv) above, those Events that have or are reasonably likely to disproportionately or uniquely impact the Subject Restaurants, taken as a whole, as compared to other entities operating in the industries or markets in which Subject Restaurants operate (and in any such case, only such disproportionate impact shall be taken into account in determining if a Material Adverse Effect has occurred).

"Parent Material Adverse Effect" means any Event that, either individually or in the aggregate, has or could reasonably be expected to have a material adverse effect on (a) the financial condition or results of operations of the Parent and its subsidiaries, taken as a whole, or (b) the ability of Parent to perform its obligations under this Agreement or consummate the transactions contemplated hereby; provided, however, that "Parent Material Adverse Effect" shall not include any Event, directly or indirectly, arising out of or attributable to: (i) any changes, conditions or effects in the United States or foreign economies or securities or financial markets in general; (ii) changes, conditions or effects that affect the industries in which Parent or its subsidiaries operate; (iii) any change, effect or circumstance resulting from the announcement of this Agreement or resulting from the Financing (or the announcement thereof), the Spin-Off or any action required by this Agreement; or (iv) conditions caused by acts of terrorism or war (whether or not declared) or any natural or man-made disaster or other acts of God except, in the case of any Event described in clauses (i), (ii) or (iv) above, those Events that have or are reasonably likely to disproportionately or uniquely impact the Parent and its subsidiaries, taken as a whole, as compared to other entities operating in the industries or markets in which Parent and its subsidiaries operate (and in any such case, only such disproportionate impact shall be taken into account in determining if a Parent Material Adverse Effect has occurred).

"Permit" means any license, permit, certificate, declaration, validation, exemption, consent, franchise, accreditation, registration, or other authorization or approval, issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law.

"Permitted Liens" means (i) Liens for Taxes not yet delinquent or for Taxes that the taxpayer is contesting in good faith ("Tax Liens"), (ii) Liens of lessors, lessees, sublessors, sublessees, licensors or licensees arising under lease arrangements identified on Schedule 6.10(c), (iii) zoning, building codes, and other land use Laws regulating the use or occupancy of Leased Real Property under the Leases or the activities conducted thereon that are imposed by any Governmental Authority having jurisdiction over such Leased Real Property; (iv) recorded easements, servitudes, covenants, conditions, restrictions, and other similar matters affecting title to any assets of Seller and other title defects that do not or would not materially impair the use or occupancy of such assets in the operation of the applicable Subject Restaurant; (v) Liens set forth in the Seller Leases executed at Closing for each Subject Restaurant; and (vi) Liens discharged by or on behalf of the Seller on or prior to the Closing.

"Person" means an individual, partnership, limited liability company, corporation, business trust, joint stock company, estate, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Preferred Stock" means the Series A Convertible Preferred Stock of Parent, par value $0.01, which has the rights and preferences set forth in the Certificate of Designation and, subject to the limitations set forth in the Certificate of Designation, which will be convertible into Conversion Shares representing 28.9% of the issued and outstanding Common Stock on a fully diluted basis as of the Closing (after giving effect to the issuance contemplated hereby).

"Remodeling Plan" means the plan set forth in the Operating Agreement with respect to the remodeling of certain Subject Restaurants by Buyer after the Closing.

"Required Financials" means the audited and unaudited financial statements required to be filed by Parent following the Closing, as set forth in the SEC Letter, together with unaudited financial statements of the same kind for any interim period following December 31, 2011 as may be required to be filed with the SEC.

"RSI Dividends" means quarterly dividends received by Buyer or Seller from Restaurant Services Incorporated on account of the Subject Restaurants.

"SEC" means the U.S. Securities and Exchange Commission.

"SEC Letter" means that certain letter from the SEC to Parent, dated January 3, 2012.

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

"Seller Benefit Plan" means any (a) nonqualified deferred compensation or retirement plan or arrangement, (b) Employee Pension Benefit Plan (as defined in ERISA Section 3(2)), (c) Employee Welfare Benefit Plan (as defined in ERISA Section 3(1)) or (e) bonus, incentive, stock purchase, stock ownership, stock option, stock appreciation right, severance, salary continuation, termination, change of control or other fringe benefit plan or program, to which Seller, or any Person that would be aggregated with Seller under Sections 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA, sponsors, maintains, administers or is required to contribute to.

"Soft Drink Agreements" means the Soft Drink Agreement, dated October 20, 1999, between Seller and The Coca-Cola Company (as amended) and the Soft Drink Agreement, dated December 23, 1999, between Seller and Dr. Pepper/Seven Up, Inc. (as amended).

"Spin-Off" means Parent's distribution of all of the equity interests of Fiesta Restaurant Group, Inc. to Parent's stockholders, as described in that certain Information Statement attached as Exhibit 99.1 to the Registration Statement on Form 10 (File No. 001-35373) (and any amendments thereto) filed with the SEC by Fiesta Restaurant Group, Inc.

"Store Bank" means the cash on-hand at each Subject Restaurant as of the Closing.

"Subject Restaurant Employee(s)" means any employee employed in any Subject Restaurant and any Supervisor.

"Supervisor" means any district manager or area director responsible for managing or overseeing any of the Subject Restaurants.

"Taxes" means any federal, state, provincial, local or foreign income, alternative minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, windfall profits, gross receipts, value added, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental (including taxes under Section 59A of the Code or any analogous or similar provision of any state, local or foreign Law or regulation), real property, personal property, ad valorem, intangibles, unclaimed property, rent, occupancy, license, occupational, employment, unemployment insurance, social security, disability, workers' compensation, payroll, health care, withholding, estimated or other similar tax, duty or other governmental charge or assessment or deficiencies thereof, and including any interest, penalties or additions to tax attributable to the foregoing. "Taxes" also includes any liability for Taxes of any other Person pursuant to operation of law, any contract or otherwise.

"Tax Return" means any tax return, disclosure, filing, information statement, claim for refund or other form required to be filed with any Government Authority in connection with or with respect to any Taxes, including any schedule or attachment thereto and any amendment thereof.

"Transaction Documents" means this Agreement, the Bill of Sale, the Operating Agreement, the Franchise Agreements, the Seller Leases, the Registration Rights Agreement, the Voting Agreement, the Management Agreements and each other agreement and document to be delivered by the parties at the Closing.

"Transferred Employee Records" means those employee records and files included in the Purchased Assets pursuant to Section 2.1(g).

"Valuation Multiple" means the Aggregate Consideration divided by the aggregate EBITDA for all of the Subject Restaurants taken as a whole for the fiscal year ended December 31, 2011 as set forth on Schedule 6.6(a).

The following capitalized terms shall have the meanings indicated in the corresponding sections of this Agreement listed below:

Term	Section
ADA Violation	11.3(a)
Agreement	Preamble
Allocation Schedule	2.8
Assumed Contracts	6.16
Bill of Sale	9.2(d)(iii)
BK Director Nominees	8.8
Burger King Restaurants	Recitals
Buyer	Preamble

Term	Section
Cap	11.6(a)
Carrols	Recitals
Cash Consideration	2.5
Closing	3.1
Closing Aggregate Store Bank Amount	2.6(c)
Closing Date	3.1
Closing Store Inventory Amount	2.6(b)
Conversion Shares	5.2
Deductible	11.6(a)
Director Resignations	8.8
Disclosure Schedule	Article IV
EBITDA	6.6(a)
Estoppel Certificate	8.13
Excluded Assets	2.2
Franchise Agreements	9.2(d)(iv)
Governmental Consents	7.4(a)
Indemnified Party	11.4
Indemnifying Party	11.4
Jefferies Voting Agreement	9.3(g)(v)
Leased Real Property	6.10(c)
Management Agreement	9.1(g)
NASDAQ	5.3(a)
Non-Consented Property	9.1(f)
Operating Agreement	9.2(d)(viii)
Owned Real Property	6.10(b)
Parent	Preamble
Parent Financial Statements	5.7(b)
Priced Inventory Report	2.6(b)
Proxy Statement	8.7(a)
Purchase Price	2.5
Purchased Assets	2.1
Purchaser Indemnitees	11.1
Real Property Permits	6.10(h)
Registration Rights Agreement	9.2(d)(x)
Required Consents	7.4(b)
Remodeling Completion Date	11.3(a)
Rights	2.9
SEC Documents	5.7(a)
Seller	Preamble
Seller Indemnities	11.2
Seller Leases	9.2(d)(vi)
Stock Consideration	2.5
Stockholder Approval	8.7(a)
Stockholder Meeting	8.7(a)
Stockholder Meeting Deadline	8.7(a)

Term	Section
Store Bank Report	2.6(c)
Straddle Period	8.4
Subject Restaurant(s)	Recitals
Subject Restaurant Real Property	6.10(c)
Tax Benefits	11.7
Tax Costs	11.7
Transactional Reps	11.5
Voting Agreement	9.2(d)(ix)
Worksheet	2.6(a)

1.2 Construction. The parties agree and acknowledge that they have jointly participated in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumptions or burdens of proof shall arise favoring any party by virtue of the authorship of any of the provisions of this Agreement. Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

(a) Any reference to any federal, state, local, or foreign statute or Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

(b) The Schedules and Exhibits hereto are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full in this Agreement. Any matter, information or item disclosed in this Agreement or the Disclosure Schedules delivered by a party or in any of the Schedules or Exhibits attached hereto, under any specific representation, warranty, covenant or Schedule heading number, shall be deemed to have been disclosed for all purposes of this Agreement in response to every representation, warranty or covenant in this Agreement in respect of which the applicability of such disclosure is reasonably apparent on its face. The inclusion of any matter, information or item in any Schedule to this Agreement shall not be deemed to constitute an admission of any liability to any third party or otherwise imply that any such matter, information or item is material or creates a measure for materiality for the purposes of this Agreement or otherwise.

(c) When a reference is made in this Agreement to an article, section, paragraph, clause, schedule or exhibit, such reference shall be deemed to be to this Agreement unless otherwise indicated.

(d) The headings contained herein and on the schedules are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or the schedules.

(e) Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

(f) As used herein, words in the singular will be held to include the plural and vice versa (unless the context otherwise requires), words of one gender shall be held to include

the other gender (or the neuter) as the context requires, and the terms "hereof," "herein," and "herewith" and words of similar import will, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

(g) Any reference in this Agreement to "dollars" or "$" shall mean U.S. dollars.

ARTICLE II
PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

2.1 Purchased Assets. At the Closing, on the terms and subject to the conditions set forth in this Agreement, Seller agrees to sell, convey, transfer, assign and deliver to Buyer free and clear of all Liens (other than Permitted Liens), and Buyer shall purchase from Seller, all of Seller's right, title and interest in and of every kind and nature (including indirect and other forms of beneficial ownership) in and to the following (collectively, the "Purchased Assets"):

(a) the furniture, equipment (including, without limitation, all POS equipment but excluding the software related to such POS equipment) and trade fixtures (to the extent deemed personal property) located in, or used in the operation of, the Subject Restaurants,

(b) the Store Bank for each Subject Restaurant;

(c) the Inventory;

(d) the Assumed Contracts (as hereinafter defined);

(e) the amounts (if any) payable to Buyer pursuant to Section 2.7 hereof;

(f) all Permits issued to Seller by any Governmental Authority or other third party, if and only to the extent assignable by Seller to Buyer;

(g) copies of all books, files and records of sales and general business operations of the Subject Restaurants (but excluding those employee records which, in the reasonable judgment of Seller, are not transferable to Buyer without the consent of the applicable employee or otherwise), and Seller's supplier lists for the Subject Restaurants, in each case solely to the extent located in the Subject Restaurants;

(h) all goodwill as a going concern and all other right, title and interest of Seller in and to the general intangibles incident to its business at the Subject Restaurants;

(i) all telephone numbers and fax numbers utilized by the Subject Restaurants to the extent assignable by Seller to Buyer; and

(j) all other assets set forth on Schedule 2.1.

2.2 Excluded Assets. Notwithstanding anything to the contrary set forth herein, the Seller is not selling, conveying, transferring, assigning or delivering to Buyer, and Buyer is not purchasing or assuming, any of Seller's right, title and interest in and to any tangible or

intangible property of Seller (whether or not used in or in connection with the operation of the Subject Restaurants) other than the Purchased Assets, including without limitation, any Owned Real Property, any Lease or any intellectual property used by or in connection with the operation of the Subject Restaurants (such tangible and intangible property being referred to herein as the "Excluded Assets").

2.3 Assumed Liabilities. At the Closing, Buyer agrees to assume, pay, discharge and perform when required and lawfully due, only the Assumed Liabilities.

2.4 Excluded Liabilities. Notwithstanding anything to the contrary set forth in this Agreement, the parties expressly agree that Buyer shall not assume or otherwise become liable for any Excluded Liabilities.

2.5 Purchase Price. The consideration for the Purchased Assets being acquired by Buyer hereunder shall be: (i) the assumption by Buyer of the Assumed Liabilities, (ii) the Cash Consideration and (iii) the issuance by Parent to Seller of 100 shares of Preferred Stock (the "Stock Consideration") ((i) – (iii) collectively, the "Purchase Price"). For purposes of this Agreement, the "Cash Consideration" shall mean an amount in cash equal to the Aggregate Store Bank Amount plus the Closing Store Inventory Amount (as finally determined in accordance with this Agreement).

2.6 Adjustment of Closing Cash Payment.

(a) One (1) day prior to the Closing Date, the Closing Store Inventory Amount shall be determined by physical inventories and counts that Seller shall direct its representatives to conduct at each Subject Restaurant in accordance with this Section 2.6. Buyer shall have the right (but is not required) to designate at least one representative to be present at the taking of each such inventory and count. Seller shall provide Buyer with three (3) Business Days advance written notice of the scheduled time for each such inventory and count. Seller shall cause its representative at each such inventory to prepare a detailed worksheet (a "Worksheet") setting forth the amount of each item of Inventory located at such Subject Restaurant, which report shall be certified as complete and accurate by Seller's representative; provided, however, that if a representative of Buyer is present at such physical inventory, both Seller's representative and Buyer's representative must agree upon and certify the Worksheet as complete and accurate, and Buyer's representative shall be provided with a copy of the signed, certified Worksheet. The only items of Inventory that may be included on the Worksheet are those that are good and saleable items of a quality and quantity usable or saleable consistent with good and accepted practices in the restaurant industry and in the ordinary course of business consistent with past practice.

(b) No later than seven (7) days after the Closing Date, Seller shall prepare and deliver to Buyer and Parent a written report (the "Priced Inventory Report") setting forth as of the date and time of each such physical inventory (i) the number count of each item of Inventory located in the Subject Restaurants, on an individual basis and in the aggregate, as determined by such physical inventory and certified on the Worksheet and (ii) the aggregate value of all such Inventory, based on the Seller's cost for each item of Inventory as itemized in the Price Inventory Report (the "Closing Store Inventory Amount"). Seller shall also provide Buyer with copies of

the Worksheets. The Closing Store Inventory Amount set forth in the Priced Inventory Report shall be final and binding upon Buyer and Seller except to the extent of (i) any material inaccuracies, (ii) any mathematical errors clear from the face of the Priced Inventory Report and (iii) with regard only to Subject Restaurants at which a representative of Buyer observed such inventory counts, Inventory counts that are inconsistent with the information certified in the Worksheet. The parties will work in good faith to resolve any such inaccuracies or inconsistencies.

(c) No later than seven (7) days after the Closing Date, Buyer shall prepare and deliver to Seller a written report (the "Store Bank Report") setting forth the actual cash on-hand at each Subject Restaurant as of the date and time that Buyer took possession of each of the Subject Restaurants, both individually and in the aggregate (such aggregate amount, the "Closing Aggregate Store Bank Amount").

(d) No later than the fifth (5th) Business Day after final determination of the Closing Store Inventory Amount in accordance with this Section 2.6:

(i) if the Closing Store Inventory Amount, as finally determined pursuant to this Section 2.6, exceeds the Estimated Store Inventory Amount, then Buyer will pay to Seller such excess by wire transfer of immediately available funds to an account designated in writing by Seller; and

(ii) if the Closing Store Inventory Amount, as finally determined pursuant to this Section 2.6, is less than the Estimated Store Inventory Amount, then an amount equal to such shortfall will be paid by Seller to Buyer by wire transfer of immediately available funds to an account designated by Buyer.

(e) No later than the fifth (5th) Business Day after final determination of the Closing Aggregate Store Bank Amount in accordance with this Section 2.6:

(i) if the Closing Aggregate Store Bank Amount exceeds the Aggregate Store Bank Amount, then Buyer will pay to Seller such excess by wire transfer of immediately available funds to an account designated in writing by Seller; and

(ii) if the Closing Aggregate Store Bank Amount is less than the Aggregate Store Bank Amount, then an amount equal to such shortfall will be paid by Seller to Buyer by wire transfer of immediately available funds to an account designated by Buyer.

2.7 Prorations. The following items, to the extent applicable to periods commencing prior to and ending after the Closing, shall be prorated as of the Closing Date based on the number of days in each such pre-Closing and post-Closing periods: (a) any rent and percentage rent payable pursuant to Seller Leases (which shall be prorated for rent on the basis of the number of days from the Closing Date to the last day in the month in which Closing occurs over the total number of days in the month in which Closing occurs and for percentage rent on the basis of the amount of sales to date in the current lease month over a pro rata portion of the break point for that month); and (b) all rebates, amounts and funds on account of, accrued by or due under the Soft Drink Agreements and the RSI Dividends. To the extent the amount of any credit pursuant to this Section 2.7 cannot be known as of Closing, such amount shall be calculated as

soon as practicable after the information is available to allow calculation, and the party owing such credit hereunder shall promptly pay such credit amount to the other party as set forth in this Section 2.7. The net amounts of such prorations shall be paid: (i) by Seller to Buyer, if Buyer is entitled to a credit therefor, by wire transfer of immediately available funds to an account designated in writing by Buyer or (ii) by Buyer to Seller, if Seller is entitled to a credit therefor, by wire transfer of immediately available funds to an account designated in writing by Seller. Notwithstanding the provisions of this Section 2.7, Taxes shall be prorated in accordance with Section 8.4.

2.8 Allocation of Purchase Price; Tax Treatment. The Purchase Price (including Assumed Liabilities only to the extent they are liabilities for Federal income tax purposes) will be allocated among the Purchased Assets in accordance with Section 1060 of the Code and the regulations thereunder and the allocations as shall be agreed upon between Buyer and Seller and set forth on a schedule at or prior to the Closing (the "Allocation Schedule"). Buyer and Seller each agree to file Internal Revenue Service Form 8594, and all federal, state, local and foreign Tax Returns, in accordance with the Allocation Schedule; and in that event, Buyer and Seller each agree to provide the other promptly with any other information reasonably required to complete Form 8594. The parties hereto intend that the transaction contemplated hereby be treated for tax purposes as taxable under Section 1001 of the Code.

2.9 Asset Transfer. To the extent that any of the Purchased Assets or any claim, right or benefit arising under or resulting from such Purchased Assets (collectively, the "Rights") is not capable of being transferred without the approval, consent or waiver of any third person, or if the transfer of a Right would constitute a breach of any obligation under, or violation of, any applicable Law unless the approval, consent or waiver of such third person is obtained, then, except as expressly otherwise provided in this Agreement and without limiting the rights and remedies of Buyer contained elsewhere in this Agreement, this Agreement shall not constitute an agreement to transfer such Right unless and until such approval, consent or waiver has been obtained. After the Closing Date and until all such Rights are transferred to Buyer, Seller shall use its commercially reasonable efforts to: (i) assist Buyer in obtaining such approvals, consents and waivers with respect to all Rights not so transferred; (ii) maintain Seller's existence and hold the Rights in trust for Buyer; (iii) comply with the terms and provisions of the Rights as agent for Buyer for Buyer's benefit; (iv) cooperate with Buyer in any commercially reasonable and lawful arrangements designed to provide the benefits of such Rights solely and exclusively to Buyer; and (v) not waive, alter or amend any obligations of third parties with respect to such Rights not so transferred, whether expressly or impliedly without the written consent of Buyer, in each case, at Seller's expense.

ARTICLE III
CLOSING

3.1 Closing. The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place on the second (2nd) Business Day following the satisfaction or waiver by the appropriate party of all the conditions set forth in Article IX or at such other date or time as may be mutually agreed to by the parties (the "Closing Date"), and shall be effective as of 12:01 a.m. on the Closing Date. The Closing shall be effected through the mutual exchange of documents by overnight mail and facsimile or .pdf, or in such other manner as the parties may

otherwise agree. All proceedings to be taken and all documents and agreements shall be deemed to be executed and delivered by all parties at the Closing shall be deemed to have been taken and executed simultaneously and no proceedings shall be deemed to have been taken nor documents executed or delivered until all have been taken, executed and delivered.

3.2 Closing Deliveries of Seller, Buyer and Parent.

(a) Closing Deliveries of Seller. At the Closing, Seller shall deliver or cause to be delivered to Buyer all of the documents and agreements required to delivered by it or on its behalf pursuant to Article IX of this Agreement.

(b) Closing Deliveries of Buyer. At the Closing, Buyer shall deliver or cause to be delivered to Seller:

(i) the Closing Cash Payment, by wire transfer of immediately available funds to one or more accounts designated by the Seller in writing not less than two (2) Business Days prior to the Closing Date;

(ii) pursuant to the terms of the Franchise Agreements, the Aggregate Franchise Fee Amount, by wire transfer of immediately available funds to one or more accounts designated by the Seller in writing not less than two (2) Business Days prior to the Closing Date; and

(iii) all of the documents and agreements required to delivered by it or on its behalf pursuant to Article IX of this Agreement.

(c) Closing Deliveries of Parent. At the Closing, Parent shall deliver to Seller:

(i) one or more certificates representing the Stock Consideration; and

(ii) all of the documents and agreements required to delivered by it or on its behalf pursuant to Article IX of this Agreement.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

Except as set forth in the Disclosure Schedule attached hereto (the "Disclosure Schedule"), Buyer represents and warrants to Seller as follows:

4.1 Corporate Status. Buyer is a limited liability company duly formed, validly existing and in good standing under the Laws of the State of Delaware.

4.2 Power and Authority. Buyer has the necessary power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby to be consummated by it. Buyer has taken all action necessary to authorize the execution and delivery of this Agreement and the other Transaction Documents to which it is a party, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby to be consummated by it.

4.3 Enforceability. This Agreement has been, and each of the other Transaction Documents to be executed by Buyer will be, duly executed and delivered by Buyer, and constitutes, or will constitute, a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights generally and general equitable principles.

4.4 No Commissions. Buyer has not incurred any obligation for any finders', brokers' or agents' fees or commissions or similar compensation in connection with the transactions contemplated hereby.

4.5 No Proceedings. No Action or other proceeding is pending or, to Buyer's Knowledge, threatened in writing that challenges or seeks to restrain, prohibit or delay Buyer from entering into this Agreement or to prohibit or delay the Closing or the performance of any other obligation hereunder.

4.6 No Violation. Except as set forth in Schedule 4.6, the execution and delivery by Buyer of this Agreement and any Transaction Document to be delivered by it in connection herewith, the performance by Buyer of its obligations hereunder and thereunder, and the consummation by Buyer of the transactions contemplated hereby and thereby do not and will not: (a) violate, conflict with, contravene or result in a breach of, any provision of the formation document or operating agreement, as amended, of Buyer; (b) violate or conflict with any Law, decree, writ, injunction, judgment or order of any Governmental Authority or of any arbitration award which is either applicable to, binding upon or enforceable against Buyer; (c) require the consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, any court or tribunal or any other Person (except for consents already obtained); or (d) violate, conflict with, contravene or result in a breach of, any provision of any material Contract of Buyer.

4.7 Sufficiency of Funds. Subject to the closing of the Financing, as of the Closing, Buyer will have sufficient cash available to make the Closing Cash Payment and the Aggregate Franchise Fee Amount and there is not, nor will there be, any restriction on the use of such cash for such purpose.

4.8 Existing Agreements. Schedule 4.8(a) sets forth a complete and accurate list of the addresses of all real property and interests in real property owned in fee by Buyer that underlie a Burger King Restaurant. Schedule 4.8(b) sets forth a complete and accurate list of the addresses of all real property leased, subleased, used or otherwise occupied by Buyer that underlie a Burger King Restaurant, such description including, for each such property, an identification of the lease therefor, the names of the lessor and lessee (or sublessor or sublessee) thereunder, the address of the premises leased thereunder, the rental amount and other amounts due thereunder, and the term thereunder, including any extension options.

4.9 No Other Representations and Warranties.

(a) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE IV (INCLUDING THE RELATED PORTIONS OF THE DISCLOSURE SCHEDULES) OR ANY TRANSACTION DOCUMENT PROVIDED TO SELLER, BUYER DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT MADE OR INFORMATION COMMUNICATED (WHETHER ORALLY OR IN WRITING) TO SELLER OR ANY OF ITS AFFILIATES (INCLUDING, WITHOUT LIMITATION, ANY OPINION, INFORMATION OR ADVICE WHICH MAY HAVE BEEN PROVIDED TO SELLER OR ANY OF ITS AFFILIATES BY ANY DIRECTOR, OFFICER, EMPLOYEE, ACCOUNTING FIRM, LEGAL COUNSEL OR OTHER AGENT, CONSULTANT OR REPRESENTATIVE OF BUYER), INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(b) BUYER MAKES NO REPRESENTATIONS OR WARRANTIES TO SELLER AND ITS AFFILIATES EXCEPT AS CONTAINED IN THIS ARTICLE IV OR ANY TRANSACTION DOCUMENT PROVIDED TO SELLER, AND ANY AND ALL STATEMENTS MADE OR INFORMATION COMMUNICATED BY BUYER OR ANY OF ITS REPRESENTATIVES OUTSIDE OF THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT (INCLUDING BY WAY OF THE DOCUMENTS PROVIDED IN RESPONSE TO ANY WRITTEN DUE DILIGENCE REQUEST FROM SELLER OR ANY OF ITS AFFILIATES) PROVIDED TO SELLER, WHETHER MADE VERBALLY OR IN WRITING, ARE DEEMED TO HAVE BEEN SUPERSEDED BY THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF PARENT

Except as set forth in the Disclosure Schedule and in the SEC Documents, Parent represents and warrants to Seller as follows:

5.1 Corporate Status. Parent is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware and has the requisite power and authority to own or lease its properties and to carry on its business as now being conducted. Parent is duly qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such qualification necessary, except where the failure to be so qualified, individually or in the aggregate, would not have a Parent Material Adverse Effect.

5.2 Capital Structure. The authorized capital stock of Parent consists of 100,000,000 shares of Common Stock and 20,000,000 shares of preferred stock, of which 23,159,538 shares of Common Stock are issued and outstanding as of March 5, 2012, and no shares of preferred stock are issued and outstanding. The issued and outstanding shares of capital stock of Parent have been duly and validly authorized and issued and are fully paid and nonassessable. Except as set forth in the SEC Documents or in Schedule 5.2, Parent has no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, preemptive rights or other contracts or commitments that could require it to issue, sell, or otherwise cause to become outstanding any of its capital stock or other equity

security, or securities convertible or exchangeable for, or any options, warrants, or rights to purchase, any of such capital stock or other equity security. There are no outstanding obligations of Parent to repurchase, redeem or otherwise acquire any of its capital stock or other equity security. There are no outstanding or authorized appreciation, phantom equity, profit participation or similar rights with respect to Parent. Except as set forth in the SEC Documents or in Schedule 5.2, there are no stockholder agreements or other similar agreements with respect to the Common Stock to which the Parent is a party or, to the Knowledge of the Parent, between or among any of the Parent's stockholders. The issuance and sale of the Preferred Stock to be delivered by Parent to Seller pursuant this Agreement and the shares of Common Stock to be issued upon conversion of the Preferred Stock in accordance with the terms of the Preferred Stock set forth in the Certificate of Designation (the "Conversion Shares") will not result in a right of any current holder of the Parent's securities to adjust the exercise, conversion, exchange or reset price under such securities.

5.3 Validity of Shares; Listing.

(a) The Common Stock is currently registered under Section 12(b) of the Exchange Act, Parent has not taken any action designed to, or which to its Knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act, and Parent has not received any notification that the SEC is contemplating terminating such registration. The Common Stock is currently listed for trading on the NASDAQ Global Market. Since January 1, 2011, Parent has not received notice (written or oral) from the NASDAQ Stock Market, LLC ("NASDAQ") to the effect that Parent is not in compliance in all material respects with the continued listing and corporate governance requirements of NASDAQ. Parent is in compliance in all material respects with all listing and corporate governance requirements of the NASDAQ Global Market. The consummation of the transactions contemplated by this Agreement do not violate the Marketplace Rules of NASDAQ.

(b) The Conversion Shares have been duly authorized and, when issued, will be validly issued, fully paid and nonassessable.

(c) Other than the stockholder approval contemplated by Section 8.7 hereof, no further approval or authorization of any stockholder, the board of directors of Parent or any other Person is required for the issuance and sale of the Preferred Stock to be delivered by Parent to Seller pursuant this Agreement or the Conversion Shares.

5.4 Subsidiaries. Other than as set forth in Schedule 5.4, Parent does not currently own, beneficially or otherwise, directly or indirectly, any equity interests in any Person.

5.5 Power and Authority. Parent has the necessary power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby to be consummated by it. Parent has taken all action necessary to authorize the execution and delivery of this Agreement and the other Transaction Documents to which it is a party, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby to be consummated by it.

5.6 Enforceability. This Agreement has been, and each of the other Transaction Documents to be executed by Parent will be, duly executed and delivered by Parent, and constitutes, or will constitute, a legal, valid and binding obligation of Parent, enforceable against Parent in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights generally and general equitable principles.

5.7 SEC Information; Financial Statements.

(a) Since January 1, 2008, Parent has filed with or furnished to the SEC all reports, schedules, forms, statements and other documents required to be filed or furnished by it with the SEC pursuant to the reporting requirements of the Exchange Act (all of the foregoing and all other documents filed with the SEC since such date and all exhibits included therein, schedules thereto and documents incorporated by reference therein, being hereinafter referred to herein as the "SEC Documents"). The SEC Documents have been made available to Seller via the SEC's EDGAR system. As of their respective dates, the SEC Documents complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Notwithstanding anything to the contrary set forth herein, Parent makes no representations or warranties hereunder relating to information included in the SEC Documents related to Fiesta Restaurant Group, Inc. or its business.

(b) As of their respective dates, the financial statements of Parent included in the SEC Documents, including any related notes thereto (the "Parent Financial Statements"), complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. The Parent Financial Statements have been prepared in accordance with GAAP, consistently applied, during the periods involved (except as may be otherwise indicated in such financial statements or the notes thereto) and fairly present in all material respects the consolidated financial position of Parent and its consolidated subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments none of which shall, in the aggregate, be material).

(c) Parent has designed and maintains a system of "internal controls over financial reporting" (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

(d) The management of Parent has (i) designed and maintains disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) to ensure that material information relating to Parent, including its consolidated subsidiaries, is made known to the Chief Executive Officer and Chief Financial Officer of Parent by others within those entities, and (ii) has disclosed, based on its most recent evaluation of internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act), to Parent's

outside auditors and the audit committee of the board of directors of Parent (A) all significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Parent's ability to record, process, summarize and report financial information and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in Parent's internal control over financial reporting.

5.8 No Undisclosed Liabilities. Other than as set forth on Schedule 5.8, neither Parent nor any of its consolidated subsidiaries has any liabilities or obligations, whether accrued, absolute, contingent or otherwise, of the type required to be reflected on or reserved against in, or to be disclosed in the notes to, a consolidated balance sheet prepared in accordance with GAAP, consistently applied, except (a) liabilities reflected on or reserved against in the Parent Financial Statements or disclosed in the notes thereto and (b) liabilities that have arisen since December 31, 2011 in the ordinary course of Parent's business, consistent with past practice and which are not material in amount (either individually or in the aggregate).

5.9 Private Placement. Subject to the accuracy of the representations, warranties and covenants of Seller set forth in Article VI of this Agreement, the issuance of the Preferred Stock, and the issuance of the Conversion Shares in accordance with the terms of the Preferred Stock set forth in the Certificate of Designation, are exempt from registration under the Securities Act.

5.10 Absence of Certain Changes, Events and Conditions. Since September 30, 2011, the Parent has operated its business in the ordinary course and there has not been any event, occurrence, fact, condition or change that has had, or would result in, a Parent Material Adverse Effect.

5.11 No Commissions. Parent has not incurred any obligation for any finders', brokers' or agents' fees or commissions or similar compensation in connection with the transactions contemplated hereby.

5.12 No Proceedings. Except as set forth in the SEC Documents or on Schedule 5.12, there are no, and during the past two (2) years there has not been any material Action or other proceeding pending or, to Parent's Knowledge, threatened against or by Parent. No Action or other proceeding is pending or, to Parent's Knowledge, threatened that challenges or seeks to restrain, prohibit or delay Parent from entering into this Agreement or to prohibit or delay the Closing or the performance of any other obligation hereunder. There are no outstanding material orders, decrees, judgments, settlements, stipulations or agreements issued or enforceable by any Governmental Authority in any proceeding to which Parent or any material portion of its assets are subject. To Buyer's Knowledge, no event has occurred or circumstances exist that may reasonably give rise or serve as a basis for any such material Action or proceeding.

5.13 No Violation. Except as set forth in Schedule 5.13, the execution and delivery by Parent of this Agreement and any Transaction Document to be delivered by it in connection herewith, the performance by Parent of its obligations hereunder and thereunder, and the consummation by Parent of the transactions contemplated hereby and thereby do not and will not: (a) violate, conflict with, contravene or result in a breach of, any provision of the charter or

bylaws of Parent; (b) violate or conflict with any Law, decree, writ, injunction, judgment or order of any Governmental Authority or of any arbitration award which is either applicable to, binding upon or enforceable against Parent; (c) require the consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, any court or tribunal or any other Person; or (d) violate, conflict with, contravene or result in a breach of, any provision of any material Contract of Parent.

5.14 Compliance with Laws; Permits.

(a) Parent is, and has been for the past two years, in compliance, in all material respects, with all Laws and orders applicable to it or its business.

(b) Parent has all material Permits required for it to conduct its business as presently conducted. All such Permits have been validly issued by the appropriate Governmental Authority and are in full force and effect, except for such lapses or expirations of Permits as would not have a Parent Material Adverse Effect. Parent is the holder of all such Permits and is in compliance, in all material respects, with all of the terms and requirements of each such Permit, except for such non-compliance as would not have a Parent Material Adverse Effect. No default or violation, or matter, fact or circumstance which with the lapse of time or giving of notice, or both, would become a default or violation, has occurred in the due observance of, or compliance with, any such material Permits.

5.15 No Other Representations and Warranties.

(a) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE V (INCLUDING THE RELATED PORTIONS OF THE DISCLOSURE SCHEDULES), ANY TRANSACTION DOCUMENT OR ANY SEC DOCUMENT PROVIDED TO SELLER, PARENT DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT MADE OR INFORMATION COMMUNICATED (WHETHER ORALLY OR IN WRITING) TO SELLER OR ANY OF ITS AFFILIATES (INCLUDING, WITHOUT LIMITATION, ANY OPINION, INFORMATION OR ADVICE WHICH MAY HAVE BEEN PROVIDED TO SELLER OR ANY OF ITS AFFILIATES BY ANY DIRECTOR, OFFICER, EMPLOYEE, ACCOUNTING FIRM, LEGAL COUNSEL OR OTHER AGENT, CONSULTANT OR REPRESENTATIVE OF PARENT), INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(b) PARENT MAKES NO REPRESENTATIONS OR WARRANTIES TO SELLER AND ITS AFFILIATES EXCEPT AS CONTAINED IN THIS ARTICLE V, ANY TRANSACTION DOCUMENT OR ANY SEC DOCUMENT PROVIDED TO SELLER, AND ANY AND ALL STATEMENTS MADE OR INFORMATION COMMUNICATED BY PARENT OR ANY OF ITS REPRESENTATIVES OUTSIDE OF THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT (INCLUDING BY WAY OF THE DOCUMENTS PROVIDED IN RESPONSE TO ANY WRITTEN DUE DILIGENCE REQUEST FROM SELLER OR ANY OF ITS AFFILIATES) OR ANY SEC DOCUMENT PROVIDED TO SELLER, WHETHER MADE VERBALLY OR IN WRITING, ARE DEEMED TO HAVE BEEN SUPERSEDED BY THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS AND SUCH SEC DOCUMENT(S).

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the Disclosure Schedule, Seller represents and warrants to Buyer and Parent as follows:

6.1 Corporate Status. Seller is a corporation duly organized, validly existing and in good standing under the Laws of the State of Florida and has the requisite power and authority to own or lease its properties and to carry on its business as now being conducted. Seller is duly qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such qualification necessary, except where the failure to be so qualified, individually or in the aggregate, would not have a Material Adverse Effect.

6.2 Power and Authority. Seller has the necessary power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. Seller has taken all action necessary to approve and authorize the execution and delivery of this Agreement, the Transaction Documents to which it is a party, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby to be consummated by it.

6.3 Enforceability. This Agreement has been, and each of the other Transaction Documents to be executed by Seller will be, duly executed and delivered by Seller and constitutes, or will constitute, the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights generally and general equitable principles.

6.4 No Violation. Except as set forth on Schedule 6.4, the execution and delivery by Seller of this Agreement and any other Transaction Document to be delivered by it in connection herewith, the performance by Seller of its obligations hereunder and thereunder, and the consummation by Seller of the transactions contemplated hereby and thereby do not and will not: (a) violate, conflict with, contravene or result in a breach of, any provision of the certificate of incorporation or bylaws of Seller; (b) violate or conflict with any Law, decree, writ, injunction, judgment or order of any Governmental Authority or of any arbitration award which is either applicable to, binding upon or enforceable against Seller, the Purchased Assets or any Subject Restaurant; (c) result in or require the creation or imposition of any Lien upon or with respect to any of the Purchased Assets; (d) require the consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, any court or tribunal or any other Person; or (e) conflict with, result in any breach of, or constitute a default (or an event which would, with the passage of time or the giving of notice or both, constitute a default) under, or give rise to a right to terminate, amend, modify, abandon or accelerate, or require any consent or notice under, any (i) Lease required to be listed in Schedule 6.10(c), (ii) Real Property Permit required to be listed in Schedule 6.10(h), (iii) material Permit required to be listed in Schedule 6.13(b) or (iv) Assumed Contract required to be listed in Schedule 6.16.

6.5 No Commissions. Seller has not incurred any obligation for any finders,' brokers' or agents' fees or commissions or similar compensation in connection with the transactions contemplated hereby.

6.6 Financial Statements.

(a) Set forth on Schedule 6.6(a) is a statement of earnings before interest, taxes, depreciation and amortization ("EBITDA") for each of the Subject Restaurants, on an individual basis, and for all of the Subject Restaurants taken as a whole, in each case for the fiscal year ended December 31, 2011. Except with respect to any pro forma financial information contained therein, the information contained on Schedule 6.6(a) has been prepared based on the books and records of Seller in accordance with Seller's normal accounting practices consistent with past practice and fairly and accurately presents in all material respects the EBITDA of each of the Subject Restaurants, on an individual basis, and for the Subject Restaurants taken as a whole. The pro forma financial information contained on Schedule 6.6(a) has been accurately calculated based on assumptions and adjustments disclosed to Buyer and Parent and such assumptions and adjustments used are reasonable.

(b) The Required Financials, when delivered in accordance with Section 8.9 hereof, shall have been prepared in accordance with GAAP applied on a basis consistent with past practices and shall comply with the requirements of the SEC, including those requirements set forth in the SEC Letter, and will fairly present, in all material respects, the Purchased Assets, Assumed Liabilities, Revenues and Direct Operating Expenses of the Subject Restaurants as of the dates, and for the periods, indicated therein (subject to, in the case of the unaudited statements, normal year end audit adjustments, none of which shall, in the aggregate, be material).

6.7 Absence of Certain Changes, Events and Conditions. Except as expressly contemplated by this Agreement and as set forth in Schedule 6.7, since September 30, 2011, Seller has operated the Subject Restaurants in the ordinary course of business consistent with past practice and there has not been any condition, event or occurrence which could reasonably be expected to prevent, hinder or materially delay the ability of Seller to consummate the transactions contemplated by this Agreement or any event which, if it had taken place following the execution of this Agreement, would not have been permitted by Section 7.3(b) without the prior written consent of Buyer and Parent.

6.8 Litigation. Except as set forth on Schedule 6.8, there are no, and during the past two (2) years there has not been any material Action or other proceeding pending or, to Seller's Knowledge, threatened against or by Seller which pertain to the Subject Restaurants or any of the Purchased Assets. There are no outstanding material orders, decrees, judgments, settlements, stipulations or agreements issued or enforceable by any Governmental Authority in any proceeding to which the Subject Restaurants or any of the Purchased Assets is subject. To Seller's Knowledge, no event has occurred or circumstances exist that may reasonably give rise or serve as a basis for any such material Action or proceeding.

6.9 No Proceedings. No Action or other proceeding is pending or, to Seller's Knowledge, threatened in writing that challenges or seeks to restrain, prohibit or delay Seller from entering into this Agreement or to prohibit or delay the Closing or the performance of any other obligation hereunder. To Seller's Knowledge, no event has occurred or circumstances exist that may reasonably give rise or serve as a basis for any such Action or proceeding.

6.10 Real Estate.

(a) Seller operates the Subject Restaurants at the locations listed on Schedule 6.10(a), and no franchise or license agreements relating thereto exists or will exist as of the Closing (other than the Franchise Agreements).

(b) Schedule 6.10(b) sets forth a complete and accurate list of the addresses of all real property and interests in real property owned in fee by Seller and related to the Subject Restaurants (the "Owned Real Property").

(c) Schedule 6.10(c) sets forth a complete and accurate list of the addresses of all real property leased, subleased, used or otherwise occupied by Seller and related to the Subject Restaurants (the "Leased Real Property" and, together with the Owned Real Property, collectively, the "Subject Restaurant Real Property"), such description including, for each Leased Real Property, an identification of the Lease therefor, the names of the lessor and lessee (or sublessor or sublessee) thereunder, the address of the premises leased thereunder, the rental amount and other amounts due thereunder and the term thereunder, including any extension options.

(d) Except as set forth on Schedule 6.10(b) and Schedule 6.10(c), Seller holds good and marketable fee or leasehold title (as the case may be) to the Subject Restaurant Real Property, free and clear of any Liens, except for the Permitted Liens that do not and would not reasonably be expected to impair the current or contemplated use, occupancy or operation of the Subject Restaurant Real Property.

(e) Except as set forth on Schedule 6.10(e), Seller maintains title insurance policies covering all of the Subject Restaurant Real Property.

(f) Except as set forth on Schedule 6.10(f), to Seller's Knowledge, all buildings, structures, improvements, fixtures and equipment located on the Subject Restaurant Real Property (i) are structurally sound and free of any material defects, (ii) are suitable, sufficient and appropriate in all material respects for their current uses and for meeting the standards required under the Franchise Agreements and (iii) consist of sufficient land, parking areas, sidewalks, driveways and other improvements to permit the continued use of such facilities in the manner and for the purpose for which they are presently devoted and as required under the Franchise Agreements.

(g) To Seller's Knowledge, the Subject Restaurant Real Property complies in all material respects with all Laws. Except as otherwise disclosed to Buyer on Schedule 6.10(g), no notices of material violation of any Laws have been issued by any Governmental Authority with respect to the Real Property. Notwithstanding anything in this Agreement to the contrary, the Seller is not making any representation or warranty to the effect that any of the Subject

Restaurants are in compliance with the Americans with Disabilities Act of 1990 and Buyer's sole and exclusive remedy with respect to non-compliance with the Americans with Disabilities Act of 1990 shall be as set forth in Section 11.3(a).

(h) Seller holds all material Permits required by any Governmental Authority for the current use and operation of each parcel of Subject Restaurant Real Property and, to the extent the Subject Restaurant was constructed by Seller, the occupancy certificate required with respect to such Subject Restaurant (the "Real Property Permits"). To Seller's Knowledge, each such Permit has been validly issued by the appropriate Governmental Authority and are in full force and effect. Except as set forth on Schedule 6.10(h), the transactions described in this Agreement will not violate or invalidate any Real Property Permit. Seller has complied in all material respects with any and all conditions and requirements of all Real Property Permits. No default or violation, or matter, fact or circumstance with which the lapse of time or giving of notice, or both, would become a default or violation, has occurred in the due observance of, or material compliance with, any of the Real Property Permits.

(i) Except as set forth on Schedule 6.10(i), there is no pending or, to Seller's Knowledge, threatened Action or proceeding by any taxing authority or other Governmental Authority for assessment or collection of material Taxes (other than ordinary real estate Taxes pending or not yet due and payable) affecting any part of the Subject Restaurant Real Property or the Subject Restaurants, and no condemnation or eminent domain proceeding against any part of any of the Subject Restaurant Real Property is pending or, to Seller's Knowledge, threatened.

(j) Except for this Agreement or as set forth on Schedule 6.10(j), Seller has not granted outstanding options and has not entered into outstanding contracts with others for the sale, mortgage, pledge, hypothecation, assignment, sublease, lease or other transfer of all or any part of the Subject Restaurant Real Property. No person or entity has any right or option to acquire, or right of first refusal with respect to, Seller's interest in the Subject Restaurant Real Property or any part thereof. To Seller's Knowledge, there are no unrecorded easements or encroachments affecting any portion of the Subject Restaurant Real Property.

(k) The Subject Restaurant Real Property is properly and duly zoned for its current and contemplated use and is in all material respects a conforming use. To Seller's Knowledge, there are no Actions pending or threatened by any Government Agency threatening to shut down the Subject Restaurants or to prevent the Purchased Assets from being used as presently used.

(l) All of the Leases are valid, binding and in full force and effect. No Lease is subject to any Lien (other than Permitted Liens), sublease, assignment, license or other agreement granting to any third party any interest in such Lease or any right to the use or occupancy of any Leased Real Property. True and complete copies of the Leases have previously been delivered to Buyer. There is no pending or, to Seller's Knowledge, threatened Action which might interfere with the quiet enjoyment of each tenant under the Leases. There are no outstanding defaults or circumstances which, upon the giving of notice or passage of time or both, would constitute a default or breach by either party under any Lease. Except as disclosed in Schedule 6.10(l)(1), the consummation of the transactions contemplated hereby does not require the consent of any lessor, ground lessor, lender or other third party under any Lease and will not

constitute a breach or default under any Lease. Except as set forth on Schedule 6.10(l)(2), Seller has not assigned, mortgaged, pledged or otherwise encumbered or transferred its interest, if any, under any Lease. Seller has exercised within the time prescribed in each Lease to which it is a party any option provided therein to extend or renew the term thereof (other than with respect to those Leases set forth on Schedule 6.10(l)(3) and on Schedule 7.3(b)(v)). Schedule 6.10(l)(4) sets forth each Lease that has an existing term that will expire within five (5) years from the date hereof and the date by which notice is required to be sent to the lessor thereof to renew or extend such term.

(m) To Sellers' Knowledge, to the extent a Subject Restaurant Real Property has a drive-thru, each such drive-thru is legally operational and there are no encroachments or restrictions adversely impacting the drive-thrus.

(n) A complete list of all utility accounts (including but not limited to electric, gas, telephone, public water, sewer, cable, and internet service) for the Subject Restaurants listed for each Restaurant by utility provider and account number set forth on Schedule 6.10(n).

(o) Except for the representations and warranties set forth in Sections 6.4, 6.17 and 6.20, the representations and warranties set forth in this Section 6.10 are Seller's sole and exclusive representations and warranties regarding real property matters.

6.11 Title to Purchased Assets.

(a) Seller has good and valid title to, or a valid leasehold interest in, the Purchased Assets and is selling or assigning the same free and clear of any Lien, except for Permitted Liens. Upon consummation of the transactions contemplated by this Agreement, Seller will have sold, assigned, transferred and conveyed to Buyer, free from all Liens (other than Permitted Liens), all of the Purchased Assets, which, except as set forth in Schedule 6.11(a) constitute all of the properties and assets now held or employed by Seller at the Subject Restaurants in connection with the use, occupancy, and operation of the Subject Restaurants. The transfer of the Purchased Assets to Buyer pursuant to the Agreement, together with the rights granted to Buyer under the Franchise Agreements for each of the Subject Restaurants and the Seller Leases, will allow Buyer to use, occupy, and operate the Subject Restaurants as a going concern unimpaired immediately after the Closing, subject to any Permits that may be required to be obtained by the Buyer. The Purchased Assets located at each Subject Restaurant as of the Closing Date, taken as a whole, together with the Seller Lease and Franchise Agreement relating to such Subject Restaurant, will be sufficient to operate a turn-key Burger King Restaurant in accordance in all material respects with all applicable Burger King Restaurant standards (except with respect to Current Image, as defined in the Franchise Agreements).

(b) Except as set forth on Schedule 6.11(b), all tangible property and assets included in the Purchased Assets are in reasonably serviceable operating condition and repair and are adequate for the uses for which they have been put and comply in all material respects with all standards applicable to Franchisees of a Burger King Restaurant.

6.12 Inventory. The Inventory included on the Worksheets (i) consists (and will consist on the Closing Date) of good and saleable items of a quality and quantity usable or

saleable consistent with good and accepted practices in the restaurant industry and in the ordinary course of business consistent with past practice and (ii) complies in all material respects with all applicable standards and regulations of any Governmental Authority. None of the Inventory is subject to any consignment, bailment, warehousing, or similar agreement. The Inventory will not be materially less than or greater than historical average levels of Inventory typically held in connection with the past operation of the Subject Restaurants.

6.13 Compliance with Laws.

(a) With respect to all aspects of the operations of the Subject Restaurants (including but not limited to the use, occupancy, and operation thereof) and to the Purchased Assets, Seller is not, and has not been in the last two (2) years, in violation in any material respect of (a) any outstanding arbitration award, judgment, order or decree, or (ii) any Law. Notwithstanding anything in this Agreement to the contrary, the Seller is not making any representation or warranty to the effect that any of the Subject Restaurants are in compliance with the Americans with Disabilities Act of 1990 and Buyer's sole and exclusive remedy with respect to non-compliance with the Americans with Disabilities Act of 1990 shall be as set forth in Section 11.3(a).

(b) Seller has all material Permits required for it to conduct its business as presently conducted. To Seller's Knowledge, all such Permits have been validly issued by the appropriate Governmental Authority and are in full force and effect in all material respects. Seller is the holder of all such Permits and is in compliance, in all material respects, with all of the terms and requirements of each such Permit. No default or violation, or matter, fact or circumstance which with the lapse of time or giving of notice, or both, would become a material default or violation, has occurred in the due observance of, or compliance with, any such material Permits.

6.14 Labor Matters and Employee Benefits.

(a) Seller has no employment, consulting, termination, retention or severance Contracts for any Subject Restaurant Employee or any other person or entity providing, or who have provided, services to any Subject Restaurant.

(b) Seller has previously provided to Buyer a true, complete and correct list as of the date set forth therein of each Subject Restaurant Employee, independent contractor or leased employee of Seller utilized in any Subject Restaurant on such date (including those who are actually employed or on layoff, leave, or short-term disability or other permitted absence from employment, but excluding those who are on long-term disability), together with each such individual's (i) starting date of work, (ii) present hourly or, if salaried, annual compensation rate, (iii) the location at which such Person is employed or provides services and (iv) such Person's Accrued Vacation (calculated for each individual, not in the aggregate).

(c) As of the Closing, Seller shall have terminated all Subject Restaurant Employees and no additional payments shall be due and owing to any Subject Restaurant Employee with respect to any period prior to and including the Closing Date (except for any amount claimed by any Subject Restaurant Employee but which has being denied or contested by the Seller in good faith, which shall be an Excluded Liability) or amounts that Seller shall be

obligated to pay (including, without limitation, payments relating to such employees' Accrued Vacation). Seller has complied with all requirements of the Worker Adjustment and Retraining Notification Act of 1988 and has not incurred, nor is reasonably expected to incur, any Losses under such Act.

(d) Except as set forth on Schedule 6.14(d): (1) no charge against Seller or any of the Subject Restaurant Employees is pending before the Equal Employment Opportunity Commission or any other Governmental Authority responsible for the prevention of unlawful employment practices related to the Subject Restaurants; (2) no Actions relating to employment or loss of employment from Seller, directly or indirectly, are pending in any Governmental Authority and no such Actions have been threatened in writing against Seller related to the Subject Restaurants; and (3) no notice of intent of any Governmental Authority responsible for the enforcement of labor or employment regulations to conduct an investigation has been received, and no such investigation is in progress.

(e) Except as set forth on Schedule 6.14(e), each of the Subject Restaurant Employees are employed at will and may be terminated at any time by Seller without the payment of any severance or other penalty and without any requirement that any advance notice be given in connection with such termination.

(f) The Accrued Vacation of the Subject Restaurant Employees has been earned and accrued in the ordinary course of Seller's business consistent with past practices.

(g) Except for the representations and warranties set forth in Sections 6.4, the representations and warranties set forth in this Section 6.14 are Seller's sole and exclusive representations and warranties regarding the Subject Restaurant Employees and employment matters.

6.15 Tax Matters.

(a) Seller has filed all material Tax Returns required to be filed by Seller relating to the Subject Restaurants. Such Tax Returns are true, complete and correct in all material respects. Seller is not currently the beneficiary of any extension of time within which to file any material Tax Return other than extensions of time to file Tax Returns obtained in the ordinary course of business. All material Taxes due and owing by Seller relating to any Subject Restaurant have been paid or accrued.

(b) All material Taxes which Seller is obligated to withhold from amounts owing to any Subject Restaurant Employee, creditor or third party relating to any Subject Restaurant have been withheld and paid to the applicable Governmental Authority.

(c) There are no Liens on any of the Purchased Assets that have arisen in connection with any failure (or alleged failure) to pay any Tax (other than the Tax Liens).

6.16 Assumed Contracts. Schedule 6.16 sets forth a list of each contract included in the Purchased Assets and being assigned to and assumed by Buyer (collectively, the "Assumed Contracts"), true and correct copies of which (together with all amendments, exhibits, attachments, waivers or other changes thereto) have been provided to Buyer prior to the date

hereof. Except as disclosed in Schedule 6.16, each Assumed Contract is in full force and effect and is valid, binding and enforceable against the Seller (and to Seller's Knowledge, the other party thereto), except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights generally and general equitable principles. Except as disclosed in Schedule 6.16, the Assumed Contracts constitute all material Contracts relating to, or reasonably necessary for, the operation of the Subject Restaurants. Except as disclosed in Schedule 6.16, (a) there exists no default or event of default by Seller or, to the Knowledge of Seller, any other party to any Assumed Contract, (b) no Assumed Contract has been canceled by Seller or, to the Knowledge of Seller, any other party thereto, (c) Seller has, or prior to the Closing will have, performed all material obligations under such Assumed Contracts required to be performed by Seller on or before the Closing, (d) to the Knowledge of Seller, there is no event which, upon giving of notice or lapse of time or both, would constitute a breach or default under any such Assumed Contract or would permit the termination, modification or acceleration of such Assumed Contract, (e) there are no re-negotiations of, attempts or requests to re-negotiate or outstanding rights to re-negotiate any Assumed Contract with any Person and (f) Seller has not assigned, delegated or otherwise transferred to any Person any of its rights, title or interest under any such Assumed Contract.

6.17 Environmental Matters.

(a) Except as set forth on Schedule 6.17(a), Seller has not received and is not aware of any written notification from any Person in the last six (6) months relating to Environmental Laws or Hazardous Substances present at, on, upon, in, under, within, adjacent to or near any of the Subject Restaurants, nor have any such written notifications been delivered to any Subject Restaurant.

(b) Except as set forth in the environmental reports given to Buyer by Seller as set forth on Schedule 6.17(b), to Seller's Knowledge, (i) none of the Subject Restaurants have previously been used for storage, manufacture or sale of Hazardous Substances or for any activity involving Hazardous Substances, and (ii) none have been affected by any release of Hazardous Substances, and Seller has not transported, or caused to be transported, any Hazardous Substances to or from any Subject Restaurant, except for Hazardous Substances which are used in the ordinary course of a fast food restaurant business in compliance with Environmental Laws.

(c) Except for the representations and warranties contained in Section 6.4, the representations and warranties contained in this Section 6.17 are Seller's sole representations and warranties regarding environmental matters.

6.18 Bulk Sales. The transactions contemplated under this Agreement are not subject to any bulk sales, transfer or similar Law of any jurisdiction.

6.19 Investment Representations. The Preferred Stock, and the Conversion Shares will be acquired for Seller's own account, not as nominee or agent, and not with a view to the resale or distribution of any part thereof in violation of the Securities Act, and Seller has no present intention of selling, granting any participation in, or otherwise distributing the same in violation of the Securities Act, without prejudice, however, to Seller's right at all times to sell or otherwise dispose of all or any part of such Preferred Stock (or the Conversion Shares) in

compliance with applicable federal and state securities laws and the terms and provisions of the Certificate of Designation and other applicable Transaction Documents. Seller has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of its investment in the Preferred Stock, and Seller is capable of bearing the economic risks of such investment, including a complete loss of its investment in the Preferred Stock. Seller is not a broker-dealer registered with the SEC under the Exchange Act or an entity engaged in a business that would require it to be so registered. Seller understands that the shares of Preferred Stock are characterized as "restricted securities" under the U.S. federal securities laws inasmuch as they are being acquired from Parent in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances.

6.20 Seller Leases.

(a) Seller is the owner of the Owned Real Property in fee simple absolute and Seller has a valid leasehold interest in the Leased Real Property, subject to recorded easements, servitudes, covenants, conditions, restrictions, and other similar matters affecting title to the Subject Restaurant Real Property and other title defects that do not or would not materially impair the use or occupancy of the Subject Restaurant Real Property in the operation of a Subject Restaurant in accordance with the terms of the Franchise Agreement or Buyer's rights under the Seller Lease with respect to such Subject Restaurant.

(b) Seller has full right, power and lawful authority to execute, deliver and perform its obligations under each Seller Lease, in the manner and upon the conditions and provisions therein contained and to grant the estate therein demised, with no other Person needing to join in the execution hereof in order for the Seller Lease to be binding on all parties having an interest in the Subject Restaurant Real Property. The execution and delivery of each Seller Lease by Seller and the due consummation of the transactions contemplated thereby constitute a valid and binding agreement of Seller. Neither the execution and delivery of any Seller Lease nor the consummation by Seller of the transactions contemplated thereby will constitute a violation of any provisions of applicable Law, result in the breach of or the imposition of any Lien on or constitute a default under any indenture or bank loan or credit agreement, license, permit, trust, custodianship or other restriction, which violations, breach, imposition of Lien or default would affect the validity of any Seller Lease.

(c) To Seller's Knowledge, there are no unrecorded easements or encroachments affecting any portion of any Subject Restaurant Real Property.

(d) There are no pending or, to the Seller's Knowledge, threatened Actions which might interfere with the quiet enjoyment of any Subject Restaurant Real Property by Buyer or that might materially impair the use or occupancy of any Subject Restaurant Real Property in the operation of a Subject Restaurant in accordance with the terms of the Franchise Agreement or Buyer's rights under any Seller Lease. There are no outstanding defaults or circumstances which, upon the giving of notice or passage of time or both, would constitute a default or breach by either party under any master lease underlying a Leased Real Property.

(e) To Seller's Knowledge, except as set forth on Schedule 6.20(e), each parcel of Subject Restaurant Real Property is located adjacent to public roads or streets with ingress and egress available between such public roads or streets and such Subject Restaurant, either by direct curb cut or by right of access over and across the adjacent property, for all purposes related to the operations of each Subject Restaurant with respect thereto, and any contemplated expansion thereof.

(f) Buyer has been provided with copies of each master lease underlying any Leased Real Property.

(g) Notwithstanding anything in this Agreement to the contrary, the Seller is not making any representation or warranty to the effect that any of the Subject Restaurants are in compliance with the Americans with Disabilities Act of 1990 and Buyer's sole and exclusive remedy with respect to non-compliance with the Americans with Disabilities Act of 1990 shall be as set forth in Section 11.3(a).

(h) Except for the representations and warranties set forth in Sections 6.4, 6.10 and 6.17, the representations and warranties set forth in this Section 6.20 are Seller's sole and exclusive representations and warranties regarding the Seller Leases.

6.21 No Other Representations and Warranties.

(a) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE VI (INCLUDING THE RELATED PORTIONS OF THE DISCLOSURE SCHEDULES) OR ELSEWHERE IN THIS AGREEMENT, ANY TRANSACTION DOCUMENT OR ANY FRANCHISE DISCLOSURE DOCUMENT PROVIDED TO PARENT OR BUYER, SELLER DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT MADE OR INFORMATION COMMUNICATED (WHETHER ORALLY OR IN WRITING) TO BUYER OR ANY OF ITS AFFILIATES (INCLUDING, WITHOUT LIMITATION, ANY OPINION, INFORMATION OR ADVICE WHICH MAY HAVE BEEN PROVIDED TO BUYER OR ANY OF ITS AFFILIATES BY ANY DIRECTOR, OFFICER, EMPLOYEE, ACCOUNTING FIRM, LEGAL COUNSEL OR OTHER AGENT, CONSULTANT OR REPRESENTATIVE OF SELLER), INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(b) SELLER MAKES NO REPRESENTATIONS OR WARRANTIES TO THE BUYER AND ITS AFFILIATES EXCEPT AS CONTAINED IN THIS ARTICLE VI OR ELSEWHERE IN THIS AGREEMENT, ANY TRANSACTION DOCUMENT OR ANY FRANCHISE DISCLOSURE DOCUMENT PROVIDED TO PARENT OR BUYER, AND ANY AND ALL STATEMENTS MADE OR INFORMATION COMMUNICATED BY THE SELLER OR ANY OF ITS REPRESENTATIVES OUTSIDE OF THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT (INCLUDING BY WAY OF THE DOCUMENTS PROVIDED IN RESPONSE TO ANY WRITTEN DUE DILIGENCE REQUEST FROM BUYER OR ANY OF ITS AFFILIATES) OR ANY FRANCHISE DISCLOSURE DOCUMENT PROVIDED TO PARENT OR BUYER, WHETHER MADE VERBALLY OR IN WRITING, ARE DEEMED TO HAVE BEEN SUPERSEDED BY THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS AND SUCH FRANCHISE DISCLOSURE DOCUMENT.

(c) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER WITH RESPECT TO THE TRANSFERRED EMPLOYEE RECORDS INCLUDING, WITHOUT LIMITATION, AS TO THE COMPLETENESS OR ACCURACY OF SUCH TRANSFERRED EMPLOYEE RECORDS.

ARTICLE VII
PRE-CLOSING COVENANTS OF THE PARTIES

7.1 Access. From the date of this Agreement until the Closing Date, Seller shall (i) provide, or cause to be provided, to Buyer, Carrols, Parent, and their respective representatives, reasonable access to the offices, properties, books and records and representatives of the Subject Restaurants, (ii) furnish to Buyer, Carrols and Parent and their representatives, such financial and operating data related to the Subject Restaurants as such Persons reasonably request, including auditors' workpapers, (iii) cause any of its corporate officers and personnel and any Subject Restaurant Employee or independent contractor of the Subject Restaurants to be available to meet with Buyer, Carrols and Parent and their representatives to discuss the Subject Restaurants and Purchased Assets, and (iv) cooperate with, and cause its representatives to cooperate with, Buyer, Carrols and Parent in their investigation of the properties of Seller related to the Subject Restaurants and of its financial and legal condition related to the Subject Restaurants; provided, however, that any such investigation described in clauses (i) through (iv) shall be conducted during normal business hours upon reasonable advance notice to Seller, under the supervision of Seller's personnel and in such a manner as not to interfere with the normal operations of the Seller.

7.2 Cooperation With Financing Sources. Seller recognizes and acknowledges that Buyer, Carrols and/or Parent shall seek Financing in order to effectuate the transactions contemplated by this Agreement and Seller shall provide, or cause to be provided, to Buyer, Carrols and/or Parent's actual or prospective Financing Sources reasonable access to such information concerning Seller or the Subject Restaurants as may be reasonably requested by such Financing Source(s) in order to secure the Financing (provided that, pursuant to the terms of the Confidentiality Agreement, Buyer shall indemnify Seller for any unauthorized use by such Financing Source(s) of any confidential information relating to Seller or the Subject Restaurants provided to such Financing Source(s) in connection herewith) and prepare such financial statements as may be reasonably requested by such Financing Source(s). In connection with the transactions contemplated by this Agreement, Buyer and/or Parent may assign or pledge all or any portion of its rights or obligations under this Agreement to such Financing Sources(s) in connection with the Financing provided that such assignment or pledge shall not relinquish Buyer or Parent from their obligations hereunder. Seller will, and will cause its personnel to, reasonably cooperate with Buyer, Carrols and Parent and any potential Financing Source in connection with the procurement of the Financing.

7.3 Covenants Related to the Conduct of Business Prior to the Closing.

(a) Except as otherwise consented to in writing by Buyer and Parent (which consent shall not be unreasonably withheld or delayed), or as otherwise expressly permitted by this Agreement, from the date of this Agreement until the Closing, Seller shall conduct the business of the Subject Restaurants only in the ordinary course of business consistent with past practice and (i) use its commercially reasonable efforts to keep available the services of its Supervisors (provided, that the parties acknowledge and agree that increases in salaries, benefits or other payments in order to keep available the services of such Supervisors shall not be deemed to be commercially reasonable hereunder), (ii) use its commercially reasonable efforts to preserve (A) its relationships with suppliers, licensers, licensees, advertisers, distributors and others having business dealings with the Subject Restaurants and (B) the goodwill of the Subject Restaurants; (iii) confer with Buyer, Parent and their representatives on a regular basis concerning material operational matters related to the Subject Restaurants; (iv) report to Buyer and Parent as and when reasonably requested, concerning the status of the Subject Restaurants, and its operations and finances and (v) not engage in any action, or refrain from taking any action, which would constitute a breach of the representations and warranties contained in Article VI (had such action or omission occurred as of the date hereof).

(b) Without limiting the generality of the foregoing, and except as (x) otherwise expressly provided in this Agreement, (y) required by Law, or (z) set forth on Schedule 7.3(b), from the date of this Agreement until the Closing, Seller shall not, without the written consent of Buyer and Parent:

(i) waive, amend or allow to lapse any material term or condition of any Lease (other than as set forth on Schedule 7.3(b)(i)) or Assumed Contract, except for any such actions taken in the ordinary course of business consistent with past practice;

(ii) enter into, modify or amend any Assumed Contract applicable to or binding upon any Subject Restaurant or the Purchased Assets or accelerate, terminate, modify or cancel any such Assumed Contract;

(iii) enter into any transaction with any Affiliate of Seller involving the Subject Restaurants or the Purchased Assets;

(iv) sell, lease, encumber or otherwise dispose of, or agree to sell, lease, encumber or otherwise dispose of any of the Purchased Assets, except for sales of Inventory in the ordinary course of business;

(v) except as otherwise set forth on Schedule 7.3(b)(v) hereto, enter into, amend, extend or renew any Lease related to the Subject Restaurants or send any notice with respect thereto provided that as to those Leases so designated on Schedule 7.3(b)(v), Seller shall timely take all necessary action to extend or renew the terms of such Leases;

(vi) remove any Purchased Assets from the Subject Restaurants (except for sales of Inventory in the ordinary course of business), unless the same are replaced prior to Closing with similar items of equal or greater quality;

(vii) reassign any of the Supervisors to any other location or restaurant or otherwise within Seller's organization (other than in the ordinary course of business or within any district in which any Subject Restaurant is located);

(viii) increase or decrease the compensation of any Subject Restaurant Employee, other than as provided for in any written agreements or in the ordinary course of business;

(ix) adopt, amend or modify any Benefit Plan applicable to an Subject Restaurant Employee (other than in the ordinary course of business);

(x) take, enter into or consummate any transaction, agreement or action outside the ordinary course of Seller's business or inconsistent with past practice or not of substantially the same character, type or magnitude as incurred in the past, in each case with respect to the Subject Restaurants; or

(xi) take, or agree in writing or otherwise to take, any of the foregoing actions.

(c) Except as otherwise consented to in writing by Seller (which consent shall not be unreasonably withheld or delayed), or as otherwise expressly permitted or contemplated by this Agreement (including the Spin-Off), from the date of this Agreement until the Closing, Parent shall conduct its business only in the ordinary course of business consistent with past practice.

7.4 Governmental Approvals and Other Third-Party Consents.

(a) Each party hereto shall, as promptly as possible, use its commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement (the "Governmental Consents"). Each party shall cooperate fully with the other party in promptly seeking to obtain all such Governmental Consents.

(b) Seller shall use commercially reasonable efforts to give all notices to, and seek all consents from, all third parties that are described in Section 6.4 and listed in the Schedules referenced therein (the "Required Consents").

(c) Seller shall cause Parent, Buyer and Carrols Corporation to be added as named insureds under each of its environmental insurance policies, with respect to the Subject Restaurants, from the Closing Date through the earlier of 12:01 AM standard time on May 1, 2015 or the date that Seller ceases to have any fee or leasehold interest in the Subject Restaurant; provided, however, that solely Seller shall have the right to exercise the rights of ownership of such policies, including, but not limited to, the ability to increase or decrease coverage and agree to modifications or waivers of such policies; provided, further, that to the extent that each of Seller and Buyer have a claim under any such policy with respect to a Subject Restaurant, Seller shall have the sole authority to direct such claims process. Buyer shall have the ability, at its own cost, to participate in such claims process. Buyer shall be responsible for any deductible payable

with respect to any such environmental insurance policy to the extent the facts and circumstances giving rise to the applicable claim occurred on or after the Closing and Seller shall be responsible for any deductible payable with respect to any such environmental insurance policy to the extent the facts and circumstances giving rise to the applicable claim occurred prior to the Closing.

7.5 Notice of Certain Events. From the date of this Agreement until the Closing Date, to the extent Seller has Knowledge of: (i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the execution, delivery or performance of this Agreement or the consummation of the transactions contemplated hereby; (ii) any material Action or material complaint, investigation or hearing by any Governmental Authority (or communications indicating that the same may be contemplated) related to or impacting the Subject Restaurants or the Purchased Assets; (iii) any material Actions or investigations commenced or, to the Knowledge of Seller, threatened against, relating to or involving or otherwise affecting the Subject Restaurants; (iv) any order or notification relating to any material violation or claimed violation of Law involving or otherwise affecting the Subject Restaurants or the Purchased Assets; (v) any action or event which causes, or could reasonably be expected to cause, a breach of Section 7.3; (vi) any Material Adverse Effect on the Subject Restaurants or the Purchased Assets; (vii) any material breach of a representation or warranty made by it herein; (viii) any termination or change in employment status or any reassignment of any Supervisor; or (ix) any failure of Seller to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder, Seller agrees that it will promptly notify Buyer and Parent in writing; provided that no notice of the facts, conditions or circumstances referred to therein delivered pursuant to this Agreement may be considered in determining the fulfillment of the conditions set forth in Section 9.2 hereof or be effective to cure or correct any breach of a representation, warranty or covenant which would have existed by reason of Seller not giving such notice and will not limit or otherwise affect the remedies available to Buyer and/or Parent.

7.6 Utilities and Contracts. Seller shall terminate all of the Subject Restaurant's utility accounts effective as of the Closing Date and shall provide such reasonable cooperation, as requested by Buyer, to establish new utility accounts at the Subject Restaurants in the name of the Buyer. For the avoidance of doubt, in no event will Seller be required to transfer any utility accounts and/or related deposits to Buyer.

7.7 Exclusivity. From the date hereof until the earlier of the date this Agreement is terminated or the Closing Date, Seller and its employees, agents and representatives will not (i) initiate or encourage the initiation by others of, or engage in discussions or negotiations with, any Person or respond to solicitations by any Person relating to any sale or other disposition of all or any material part of the Purchased Assets or the Subject Restaurants, or (ii) enter into any agreement or commitment (whether or not binding) with respect to any of the foregoing transactions. Seller will immediately notify Buyer and Parent in writing if any third party attempts to initiate any solicitation, discussion or negotiation or present any offer with respect to any of the foregoing transactions.

ARTICLE VIII
ADDITIONAL COVENANTS AND AGREEMENTS

8.1 Further Assurances. Each party shall execute and deliver such additional instruments and other documents and shall use commercially reasonable efforts to take such further actions as may be reasonably necessary to effectuate, carry out and comply with all of the terms of this Agreement and the transactions contemplated hereby. From the date hereof until the Closing, each party hereto shall use commercially reasonable efforts to take such actions as are necessary to satisfy the closing conditions set forth in Article IX hereof. In addition, Seller shall provide reasonable cooperation, as requested by Buyer, to aid in the transition and procurement of any other third party services required to be obtained by Buyer in order to operate the Subject Restaurants following the Closing in substantially the same manner as the Subject Restaurants were operated prior to Closing.

8.2 Books and Records.

(a) In order to facilitate the resolution of any claims made against or incurred by Seller prior to the Closing, or for any other reasonable purpose, for a period of seven (7) years after the Closing, Buyer shall:

(i) retain the books and records (including personnel files) of Seller relating to periods prior to the Closing in a manner reasonably consistent with the prior practices of Seller; and

(ii) upon reasonable notice, afford the representatives, advisors and consultants of Seller reasonable access (including the right to make, at Seller's expense, photocopies), during normal business hours, to such books and records.

(b) No party shall be obligated to provide any other party with access to any books or records (including personnel files) pursuant to this Section 8.2 where such access would violate any Law or order of any Governmental Authority.

8.3 Confidentiality. Each of the parties acknowledges and agrees that the Confidentiality Agreement remains in full force and effect and, in addition, covenants and agrees to keep confidential, in accordance with the provisions of the Confidentiality Agreement, information provided by such other party pursuant to this Agreement and the Confidentiality Agreement. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement and the provisions of this Section 8.3 shall nonetheless continue in full force and effect. At Closing, the Confidentiality Agreement shall remain in full force and effect, other than with respect to Buyer's, Parent's and Carrol's obligations relating to the Subject Restaurants and Purchased Assets, which shall terminate at such time, other than any obligations relating to trade secrets of the Seller.

8.4 Certain Tax Returns and Indemnity. Notwithstanding anything to the contrary set forth herein, all transfer, documentary, sales, use or registration Taxes incurred in connection with the sale or transfer of the Purchased Assets shall be paid 50% by Buyer and 50% by Seller. Each party to this Agreement will cooperate in the timely making of all filings, returns, reports and forms required in connection with this Agreement. Seller shall be liable for the payment of all of its Taxes. In no event will Buyer or Parent be liable for any income Taxes of Seller. Seller shall also be liable for the payment of all Taxes relating to the Purchased Assets for all taxable

periods ending on or before the Closing Date, regardless of when assessed, and including any interest or penalties thereon. In the case of any taxable period that includes (but does not end on) the Closing Date (a "Straddle Period"), the Taxes of the Seller for the Straddle Period for which Seller is liable will be computed as follows: any Tax based directly or indirectly on receipts and any credits, losses or deductions available with respect to any Tax, shall be allocated by assuming that the relevant taxable period ended on the Closing Date, and any other Tax shall be allocated based on a fraction, the numerator of which is the number of days in the portion of the taxable period ending on the Closing Date and the denominator of which is the total number of days in the taxable period. Any credit or refund resulting from an overpayment of Taxes for a Straddle Period shall be prorated based upon the method employed in this paragraph, taking into account the type of Tax to which the refund relates. All determinations necessary to effect the foregoing allocations shall be made in a manner consistent with prior practice of the Seller, to the extent consistent with applicable Laws. The Buyer shall timely prepare and file with the appropriate Tax authority all Tax Returns for Straddle Periods. Any such Straddle Period Tax Return shall be furnished to the Seller for its review, comment and approval (which shall not be unreasonably withheld) at least fifteen (15) days prior to the due date (or extended due date) for filing such Tax Returns.

8.5 Employee Matters.

(a) The Seller shall terminate each Subject Restaurant Employee effective as of the Closing. Prior to the Closing, Seller shall permit Buyer to contact and make arrangements with any or all of the Subject Restaurant Employees, in the presence of representatives of the Seller, for the purpose of securing their employment by Buyer immediately after the Closing and for the purpose of ensuring the continuity of the Subject Restaurants after the Closing.

(b) The parties agree that (i) Buyer shall not assume, continue or maintain any Seller Benefit Plan; (ii) no assets or liabilities of any Seller Benefit Plan shall be transferred to, or assumed by, Buyer or Buyer's benefit plans; and (iii) Seller shall be responsible solely for funding and/or paying any benefits under any Seller Benefit Plan, including any termination benefits and other employee entitlements accrued under such plans by or attributable to employees of Seller prior to the Closing Date. Buyer shall have no liabilities whatsoever in connection with the Seller Benefit Plans and Seller shall indemnify Buyer for any such liabilities pursuant to Article XI as Excluded Liabilities.

(c) Nothing in this Agreement, express or implied, shall confer upon any employee of Seller, or any representative of any such employee, any rights or remedies, including any right to employment or continued employment for any period, of any nature whatsoever.

(d) At or prior to Closing, Seller shall pay to, or on behalf of, the Subject Restaurant Employees all amounts which are due or may hereafter become due, for service performed by the Subject Restaurant Employees for or on behalf of Seller until the time of the Closing, under any Seller Benefit Plan or otherwise including, without limitation, any severance pay, sick or holiday pay or Accrued Vacation payable pursuant to any policy, program or arrangement maintained by Seller or imposed by applicable Law or regulation and will make all other payments thereunder that may be required after the Closing Date.

8.6 Publicity. Except as required by applicable Law, any exchange or organization on which Parent's or Seller's securities trade, or any Governmental Authority (in which case the other parties will be provided with an advance copy), no press release or other public announcement related to this Agreement or the transactions contemplated hereby shall be issued by any party hereto without the prior approval of the other parties hereto, which shall not be unreasonably withheld or delayed.

8.7 Required Stockholder Approval; Listing.

(a) Parent shall provide each stockholder entitled to vote at the annual meeting of the stockholders of Parent to be held in 2012, which shall be held no later than August 31, 2012 (the "Stockholder Meeting Deadline"), or at any special meeting of the stockholders of the Company held prior to such date (as applicable, the "Stockholder Meeting"), a proxy statement meeting the requirements of Section 14 of the Exchange Act and the related rules and regulations promulgated thereunder (the "Proxy Statement") soliciting each such stockholder's affirmative vote at the Stockholder Meeting for the stockholder approval contemplated by Section 6(b) of the Certificate of Designation (the "Stockholder Approval"), and Parent shall use its commercially reasonable efforts to solicit its stockholders' approval of such resolutions (which efforts shall include, without limitation, the requirement to hire a reputable proxy solicitor selected by Parent in its sole discretion) and to cause the board of directors of Parent to recommend to the stockholders that they approve such resolutions, unless the board of directors of Parent determines, after consultation with outside legal counsel, that making such recommendation would reasonably be expected to cause the board of directors to be in breach of its fiduciary duties under applicable law. If the Stockholder Approval is not obtained at the Stockholder Meeting, then Parent will use its commercially reasonable efforts (including continuing to recommend the Stockholder Approval to the stockholders to obtain the Stockholder Approval at each of the following meetings of the stockholders of Buyer until such Stockholder Approval is obtained.

(b) The Company shall provide the Seller's legal counsel with reasonable opportunity to review and comment on the contents of the Proxy Statement solely relating to the matter scheduled for stockholder approval referenced in subparagraph (a) above. The Company shall keep the Seller reasonably apprised of the status of matters relating to the Proxy Statement and the Stockholder Meeting, in each case solely relating to such matter, including promptly furnishing the Seller and its counsel with copies of notices or other communications related to the Proxy Statement, the Stockholder Meeting or the transactions contemplated hereby received by Parent from the SEC or NASDAQ.

(c) On or prior to the Closing Date, Parent shall apply or provide applicable notices to cause the Conversion Shares to be listed for trading on the NASDAQ Global Market.

8.8 Board Composition. On or prior to Closing, Parent shall have received the resignation of a sufficient number of current directors of Parent's board of directors (which resignation may be conditioned upon the Closing of the transactions contemplated hereby) (the "Director Resignations") to allow for the election of the BK Director Nominees (as hereinafter defined). "BK Director Nominees" means two (2) persons nominated by Seller to the Parent's board of directors. The initial BK Director Nominees shall be Daniel Schwartz and Steve Wiborg.

8.9 Required Financials. No later than (a) April 6, 2012, Seller shall deliver to Buyer copies of all of the Required Financials relating to the fiscal years ending December 31, 2009, December 31, 2010 (including the applicable predecessor and successor reporting periods) and December 31, 2011 and (b) thirty (30) days following the end of any interim period for which Required Financials must be delivered hereunder, Seller shall deliver to Buyer such interim Required Financials. The Required Financials shall be prepared in accordance with GAAP and shall comply with the requirements of the SEC as set forth in the SEC Letter, and will fairly present in all material respects the Purchased Assets, Assumed Liabilities, Revenues and Direct Operating Expenses of the Subject Restaurants as of the date, and for the periods, indicated therein (subject to, in the case of the unaudited statements, normal year end audit adjustments, none of which shall, in the aggregate, be material). The Required Financials that are audited will be accompanied by an unqualified opinion of Seller's auditor.

8.10 Payment of Pro-rations.

(a) Buyer shall pay over and remit to Seller, promptly upon receipt, Seller's pro-rata portion of any RSI Dividends paid to Buyer after the Closing, and any and all other amounts payable by Buyer to Seller pursuant to Section 2.7 hereof.

(b) Seller shall pay over and remit to Buyer, promptly upon receipt, Buyer's pro-rata portion of any rebates paid to Seller after the Closing under the Soft Drink Agreements, and any and all other amounts payable by Seller to Buyer pursuant to Section 2.7 hereof.

8.11 Notice of Breaches. Each party hereto shall give the other parties hereto written notice if and when such party obtains Knowledge of any fact or circumstance that would cause the representations or warranties of another party hereunder to be untrue.

8.12 Tax Liens. Seller shall use commercially reasonable efforts to remove any Tax Liens on the Purchased Assets, Leases or Subject Real Property Leases no later than twenty (20) days following the Closing Date and Seller shall indemnify Buyer for any Losses related to such Tax Liens.

8.13 Estoppel Certificates. Seller shall use commercially reasonable efforts following the Closing to obtain estoppel certificates from those lessors or sublessors of Leased Real Properties that do not require the consent of such lessor or sublessor to enter into the Seller Leases in substantially the form attached hereto as Exhibit K (an "Estoppel Certificate").

8.14 Non-Consented Properties.

(a) For any Non-Consented Properties for which a Management Agreement has been entered into in accordance with Section 9.1(g), if the Subject Restaurant still remains a Non-Consented Property after the end of the last renewal term of such Management Agreement, Buyer may, in its sole discretion, opt to, by written notice to Seller promptly following the end of such renewal term, (a) enter into a new Management Agreement with respect to such Subject Restaurant in substantially the form of the original Management Agreement with respect to such

Subject Restaurant or (b) take such commercially reasonable actions as are necessary in order to transfer all rights and assets with respect to such Subject Restaurant back to Seller and, in such case and upon transfer of such rights and assets, Seller shall pay Buyer an amount equal to the EBITDA for such Subject Restaurant as set forth on Schedule 6.6(a) multiplied by the Valuation Multiple (provided, however, that if the EBITDA for such Subject Restaurant as set forth on Schedule 6.6(a) is zero or negative, then no payment shall be due and owing).

(b) Seller agrees that Buyer, notwithstanding anything to the contrary in the Operating Agreement or Remodeling Plan for such Subject Restaurant, shall not be required to remodel any Subject Restaurant located on a Non-Consented Property until such time as such property is no longer a Non-Consented Property at which time Buyer shall be obligated to remodel in accordance with the Operating Agreement and Remodeling Plan or, if the time which such Remodeling Plan was to be commenced has already passed, to begin the remodeling as promptly as practicably after receipt of such consent.

(c) At such time that consent is received from the lessor or sub-lessor of a Non-Consented Property, Buyer and Seller shall promptly enter into a Franchise Agreement and Seller Lease with respect to the Subject Restaurant located on such previously Non-Consented Property and Buyer shall pay all franchise fees and other amounts due and owing with respect thereto.

ARTICLE IX
CONDITIONS TO CLOSING

9.1 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(b) All Governmental Consents shall have been received, in form and substance reasonably satisfactory to the parties, and no such Governmental Consent shall have been revoked.

(c) No Action shall be pending seeking to restrain, prevent, change or materially delay the consummation of the transactions contemplated hereunder.

(d) The Spin-Off shall have been consummated on or prior to Closing.

(e) The Financing shall have been consummated, in such amount and on terms and conditions reasonably satisfactory to Seller, Parent and Buyer.

(f) Seller shall have received consents from the applicable lessor or sublessor in substantially the form attached hereto as Exhibit L for no less than (i) the number of Leased

Real Properties that require the consent of the lessor and/or sublessor thereof to enter into the Seller Leases (such list of consents is set forth on Schedule 6.10(l)(1)), in each case duly and properly executed by the lessor or sublessor, as the case may be, less (ii) no more than fifteen (15) such consents. The Leased Real Properties that require the consent of the lessor and/or sublessor thereof to enter into the Seller Leases for which a consent has not been received are referred to herein as the "Non-Consented Properties").

(g) Management Agreements. For any Non-Consented Property, Buyer and Seller shall have entered into a management agreement that provides the economic benefit of the Subject Restaurant located on such Non-Consented Property to Buyer without violating the terms of the applicable lease or sub-lease for such Non-Consented Property (the "Management Agreements"). The Management Agreements shall be in form and substance reasonably satisfactory to Buyer and Seller and shall contain the following provisions unless otherwise agreed to by Buyer and Seller: (i) 90 day initial term, one additional automatic 30-day renewal term for so long as the consent of the lessor or sublessor for such Non-Consented Property has not been obtained, and, subject to the final sentence of this Section 9.1(g), two optional 30-day renewal terms thereafter, which may be exercised solely by Buyer for so long as the consent of the lessor or sublessor for such Non-Consented Property has not been obtained, and (ii) immediate termination of the Management Agreement upon receipt of the consent of the lessor or sublessor for such Non-Consented Property and a duly executed Franchise Agreement and Seller Lease between Buyer and Seller for such Non-Consented Property. Notwithstanding the foregoing, the two optional 30-day renewal terms shall be automatic renewals and not at the election of the Buyer for the first five Non-Consented Properties for which the consent of the lessor or sublessor for such Non-Consented Property has not been obtained after the initial 30-day renewal term and, to the extent there are more than five such Non-Consented Properties after the end of the initial 30-day renewal term, Buyer and Seller shall mutually agree which five of the Non-Consented Properties are subject to the two automatic 30-day renewal terms and which are subject to the two 30-day renewal terms at the option of Buyer.

9.2 Conditions to Obligations of Buyer and Parent. The obligations of Buyer and Parent to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Buyer's and Parent's waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of Seller contained in Article VI shall be true and correct in all material respects at and as of the Closing Date (unless qualified by materiality or Material Adverse Effect, in which case such representations and warranties shall be true and correct in all respects) as if made at and as of such time (other than those made at and as of a specified date, which shall be true and correct in all material respects at and as of such specified date (unless qualified by materiality or Material Adverse Effect, in which case such representations and warranties shall be true and correct in all respects)).

(b) Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by Seller prior to or on the Closing Date.

(c) Seller shall have delivered the Required Financials in accordance with Section 8.9.

(d) Seller shall have delivered to Buyer and Parent:

(i) a certificate, dated as of the Closing Date and signed by a duly authorized officer of Seller, that each of the conditions set forth in Section 9.2(a) and 9.2(b) have been satisfied.

(ii) a certificate from the Secretary of Seller certifying on the Closing Date that the following are true, correct and complete and attaching a copy thereof: (a) Seller's articles of incorporation and bylaws as in effect immediately prior to the Closing, (b) resolutions unanimously and duly and validly adopted by Seller's board of directors authorizing this Agreement and the transactions contemplated hereby, (c) an incumbency certificate, and (d) a certificate of good standing of Seller issued by the Secretary of State of Florida as of a date not more than ten days prior to the Closing Date;

(iii) the Bill of Sale and Assignment and Assumption Agreement, duly executed by Seller, in substantially the form attached hereto as Exhibit D (the "Bill of Sale");

(iv) duly executed franchise agreements for each of the Subject Restaurants (other than with respect to any Subject Restaurant located on a Non-Consented Property) for the terms set forth in Schedule 9.2(d)(iv) in the form attached hereto as Exhibit E (the "Franchise Agreements"), executed by Seller;

(v) the Required Consents (other than those contemplated by Section 9.1(f));

(vi) duly executed leases and subleases for the Subject Restaurant Real Property (other than with respect to any Non-Consented Property) in substantially the form attached hereto as Exhibit F (the "Seller Leases"), executed by Seller;

(vii) an affidavit described in Section 1445(b)(2) of the Code from Seller in form and substance reasonably satisfactory to Buyer;

(viii) a duly executed operating agreement in substantially the form attached hereto as Exhibit G (the "Operating Agreement"), executed by Seller;

(ix) duly executed voting agreements in substantially the form attached hereto as Exhibit H (the "Voting Agreements"), executed by Seller;

(x) a duly executed registration rights agreement in substantially the form attached hereto as Exhibit I (the "Registration Rights Agreement"), executed by Seller; and

(xi) such other bills of sale, assignments and other instruments of transfer or conveyance as Buyer may reasonably request or as may otherwise be necessary to evidence and effect the sale, assignment, transfer, conveyance and delivery of the Purchased Assets to Buyer and assumption of Assumed Liabilities by Buyer.

(e) No event or circumstance shall have occurred or exist which constitutes a Material Adverse Effect.

(f) All Liens on the Purchased Assets shall have been released other than Permitted Liens.

9.3 Conditions to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Seller's waiver (subject to any conditions below), at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of Buyer contained in Article IV shall be true and correct in all material respects at and as of the Closing Date (unless qualified by materiality or Material Adverse Effect, in which case such representations and warranties shall be true and correct in all respects) as if made at and as of such time (other than those made at and as of a specified date, which shall be true and correct in all material respects at and as of such specified date (unless qualified by materiality or Material Adverse Effect, in which case such representations and warranties shall be true and correct in all respects)).

(b) Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) The representations and warranties of Parent contained in Article V shall be true and correct in all material respects at and as of the Closing Date (unless qualified by materiality or Material Adverse Effect, in which case such representations and warranties shall be true and correct in all respects) as if made at and as of such time (other than those made at and as of a specified date, which shall be true and correct in all material respects at and as of such specified date (unless qualified by materiality or Material Adverse Effect, in which case such representations and warranties shall be true and correct in all respects)).

(d) Parent shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(e) Parent shall have filed the Certificate of Designation with the Secretary of State of the State of Delaware, and shall have delivered to the Seller, at least one (1) day prior to Closing, evidence reasonably satisfactory to Seller that the Certificate of Designations was accepted by the Secretary of State and was effective to amend Parent's Restated Certificate as set forth therein.

(f) Buyer shall have delivered to Seller:

(i) a certificate, dated as of the Closing Date and signed by a duly authorized officer of Buyer, that each of the conditions set forth in Section 9.3(a) and 9.3(b) have been satisfied.

(ii) a certificate from the Secretary of Buyer certifying on the Closing Date that the following are true, correct and complete and attaching a copy thereof: (a) the Buyer's formation documents and operating agreement as in effect immediately prior to the Closing, (b) resolutions unanimously and duly and validly adopted by Buyer's sole member authorizing this Agreement and the transactions contemplated hereby, (c) an incumbency certificate, and (d) a certificate of good standing of Buyer issued by the Secretary of State of the State of Delaware as of a date not more than ten days prior to the Closing Date;

(iii) evidence of the satisfaction of all amounts due and payable under the Buyer Credit Facility;

(iv) the Bill of Sale, duly executed by Buyer;

(v) the Franchise Agreements, duly executed by Buyer;

(vi) the Seller Leases, duly executed by Buyer;

(vii) the Operating Agreement, duly executed by Buyer; and

(viii) Such other bills of sale, assignments, assumptions and other instruments of transfer or conveyance as Seller may reasonably request or as may otherwise be necessary to evidence and effect the sale, assignment, transfer, conveyance and delivery of the Purchased Assets to Buyer and the assumption of the Assumed Liabilities by Buyer.

(g) Parent shall have delivered to Seller:

(i) a certificate, dated as of the Closing Date and signed by a duly authorized officer of Parent, that each of the conditions set forth in Section 9.3(c) and 9.3(d) have been satisfied.

(ii) a certificate from the Secretary of Parent certifying on the Closing Date that the following are true, correct and complete and attaching a copy thereof: (a) the Parent's incorporation documents and by-laws as in effect immediately prior to the Closing, (b) resolutions unanimously and duly and validly adopted by Parent's board of directors authorizing this Agreement and the issuance of the Preferred Stock, (c) an incumbency certificate, and (d) a certificate of good standing of Parent issued by the Secretary of State of the State of Delaware as of a date not more than ten days prior to the Closing Date;

(iii) certificates representing the Preferred Stock, duly issued by Parent;

(iv) evidence of the Director Resignations and the appointment of the initial BK Director Nominees in accordance with Section 8.8;

(v) (A) a Voting Agreement, duly executed by Jefferies Capital Partners IV L.P., Jefferies Employee Partners IV LLC and JCP Partners IV LLC (the "Jefferies Voting Agreement"), (B) the Amendment (as defined in the Jefferies Voting Agreement) and (C) a Voting Agreement, duly executed by Daniel T. Accordino; and

(vi) the Registration Rights Agreement, duly executed by Parent.

(h) Seller shall have received an opinion from Parent's outside legal counsel covering the matters set forth on Exhibit J and otherwise in form and substance reasonably satisfactory to Seller.

(i) Seller shall have received the Required Consents (other than those contemplated by Section 9.1(f)).

(j) No event or circumstance shall have occurred or exist which constitutes a Parent Material Adverse Effect.

ARTICLE X
TERMINATION

10.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Seller and Buyer and Parent;

(b) by Buyer and Parent by written notice to Seller if: (i) any of the representations and warranties of Seller contained in Article VI shall fail to be true and correct as of the date made or (ii) there shall be a breach by Seller of any covenant or agreement of Seller in this Agreement that, in either case (i) or (ii), (A) would result in the failure of a condition set forth in Section 9.1 or 9.2 and (B) is not curable or, if curable, is not cured on or before the earlier of (x) the thirtieth (30th) day after Buyer and Parent provide Seller written notice thereof and (y) the day that is two (2) Business Days prior to the End Date; provided, that Buyer and Parent may not terminate this Agreement pursuant to this Section 10.1(b) if Buyer or Parent is in material breach of this Agreement;

(c) by Seller by written notice to Buyer and Parent if: (i) any of the representations and warranties of Buyer or Parent contained in Article IV or V, respectively, shall fail to be true and correct as of the date made or (ii) there shall be a breach by Buyer or Parent of any of its respective covenants or agreements in this Agreement that, in either case (i) or (ii), (A) would result in the failure of a condition set forth in Section 9.1 or 9.3 and (B) is not curable or, if curable, is not cured on or before the earlier of (x) the thirtieth (30th) day after Seller provides Buyer and Parent written notice thereof and (y) the day that is two (2) Business Days prior to the End Date; provided, that Seller may not terminate this Agreement pursuant to this Section 10.1(c) if Seller is in material breach of this Agreement; or

(d) by Buyer, Parent or Seller in the event that:

(i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited;

(ii) any Governmental Authority shall have issued an order restraining or enjoining the transactions contemplated by this Agreement, and such order shall have become final and nonappealable; or

(iii) the Closing has not occurred on or prior to the End Date.

10.2 Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, written notice thereof shall forthwith be given to the other party or parties specifying the provision hereof pursuant to which such termination is made, and this Agreement shall be terminated and become void and have no effect, and there shall be no Liability hereunder on the part of Parent, Buyer or Seller, except with respect to any breach of this Agreement by such party prior to termination and subject to the right to seek specific performance pursuant to Section 12.8 hereof. Notwithstanding the foregoing, Sections 8.3, 8.6 and Article XII, and this Section 10.2, shall survive any termination of this Agreement.

ARTICLE XI
INDEMNIFICATION PROCEDURES

11.1 Indemnity Obligations of Seller. Subject to the limitations set forth herein, after the Closing, Seller covenants and agrees to defend, indemnify and hold harmless Buyer and Parent, and their respective Affiliates and the respective officers, directors, employees, agents, advisers and representatives of the foregoing (collectively, and for the avoidance of doubt excluding Seller, the "Purchaser Indemnitees"), from and against, and to pay or reimburse Purchaser Indemnitees for, any and all Losses, based on, resulting from, arising out of or relating to:

(a) any misrepresentation or breach of any warranty of Seller contained in this Agreement or in any certificate or agreement delivered in connection herewith; provided that in determining whether any such misrepresentation or breach occurred, any "materiality" qualifiers and "Material Adverse Effect" qualifiers contained in any representation or warranty herein shall be disregarded;

(b) any failure of Seller to perform any covenant or agreement made or contained in this Agreement, or fulfill any obligation in respect thereof;

(c) any and all Excluded Liabilities and Excluded Assets; and/or

(d) any third party claim based upon, arising out of or relating to the Subject Restaurants or the Purchased Assets existing, arising or accruing in whole or in part on or prior to the Closing Date, without regard to whether such claim is pending on the Closing Date or arises at any time thereafter, or any failure to obtain any Required Consent as of Closing.

11.2 Indemnity Obligations of Buyer and Parent. Subject to the limitations set forth herein, after the Closing, each of Buyer and Parent covenants and agrees to defend, indemnify and hold harmless Seller, its Affiliates and their respective officers, directors, employees, agents, advisers and representatives (collectively, and for the avoidance of doubt excluding Buyer, the "Seller Indemnitees") from and against any and all Losses based on, resulting from, arising out of or relating to:

(a) any misrepresentation or breach of any warranty of Buyer or Parent contained in this Agreement or in any certificate delivered in connection herewith; provided that in determining whether any such misrepresentation or breach occurred, any "materiality" qualifiers and "Material Adverse Effect" qualifiers contained in any representation or warranty herein shall be disregarded;

(b) any failure of Buyer or Parent to perform any covenant or agreement made or contained in this Agreement, or fulfill any other obligation in respect thereof

(c) any and all Assumed Liabilities; and/or

(d) any third party claim based upon, arising out of or relating to the Subject Restaurants or the Purchased Assets arising or accruing solely after the Closing Date (other than with respect to any Excluded Liabilities).

11.3 Special Indemnities.

(a) Notwithstanding anything in this Agreement to the contrary, Seller covenants and agrees to defend, indemnify and hold harmless the Purchaser Indemnities from and against any and all Losses based on, resulting from, arising out of or relating to any actual or alleged violation of the Americans with Disabilities Act of 1990 (an "ADA Violation") at any Subject Restaurant existing, arising or accruing in whole or in part on or prior to, (i) with respect to the Subject Restaurants that are not subject to the Remodeling Plan, the one (1) year anniversary of the Closing Date, and (ii) with respect to the Subject Restaurants that are subject to the Remodeling Plan, the date that is the earlier of (the "Remodeling Completion Date") (A) the date on which the Remodeling Plan is completed with respect to such Subject Restaurant and (B) December 31 of the year in which the Remodeling Plan is currently scheduled to occur with respect to such Subject Restaurant, in each case without regard to whether such claim is pending on the Closing Date or the Remodeling Completion Date, as applicable, or arises at any time thereafter, but excluding any Losses resulting solely from actions taken by the Buyer after the Closing. Nothing set forth elsewhere in this Article XI shall limit or restrict the special indemnity provided for in this Section 11.3(a).

(b) Notwithstanding anything in this Agreement to the contrary, Seller covenants and agrees that if Buyer loses possession of all or part of a Subject Restaurant located on a property for which an Estoppel Certificate has not been obtained prior to such time, (i) solely as a result of an action or omission on the part of Seller that results in Seller's breach of the underlying master lease with respect to such Subject Restaurant, Seller will pay to Buyer an amount equal to the EBITDA for such Subject Restaurant as set forth on Schedule 6.6(a) multiplied by the Valuation Multiple (provided, however, that if the EBITDA for such Subject Restaurant as set forth on Schedule 6.6(a) is zero or negative, then no payment shall be due and owing) or (ii) as a result of an action or omission taken by a third party, then Seller shall pursue all commercially reasonable remedies available to Seller with respect to such action or omission and pay the proceeds of such remedies to Buyer and, for the avoidance of doubt, in each instance the applicable Seller Lease and Franchise Agreement shall be terminated with no further obligations thereunder and a pro-rata portion of any franchise fee paid by Buyer to Seller with respect to such Subject Restaurant shall be returned to Buyer as well as any unamortized costs incurred by Buyer in connection with any Remodeling Plan at such Subject Restaurant. For the avoidance of doubt, if the breach of the underlying master lease results from any action or omission by Buyer, then the provisions of this Section 11.3(b) shall not apply. Notwithstanding

anything to the contrary contained in this Agreement, this shall be the sole and exclusive remedy of the Buyer and any other Purchaser Indemnitee with respect to a breach by Seller of any master lease with respect to a Subject Restaurant.

11.4 Indemnification Procedures. A party responsible for indemnifying another party or parties against any matter pursuant to this Agreement is referred to herein as the "Indemnifying Party", and a party or parties entitled to indemnity is referred to as the "Indemnified Party." An Indemnified Party under this Agreement shall, with respect to claims asserted against such party by any third party, give written notice to the Indemnifying Party of any Liability which might give rise to a claim for indemnity under this Agreement within ten (10) Business Days of the receipt of any written claim from any such third party, and with respect to other matters for which the Indemnified Party may seek indemnification, give prompt written notice to the Indemnifying Party of any Liability which might give rise to a claim for indemnity; provided, however, that any failure to give such notice will not waive any rights of the Indemnified Party except to the extent the rights of the Indemnifying Party are materially prejudiced. As to any Action or proceeding by a third party, the Indemnifying Party shall be entitled, together with the Indemnified Party, to participate in the defense, compromise or settlement of any such matter through the Indemnifying Party's own attorneys and at its own expense. At the Indemnifying Party's expense, the parties shall provide such cooperation and such access to their books, records and properties as any party shall reasonably request with respect to such matter; and the parties hereto agree to cooperate with each other in order to ensure the proper and adequate defense thereof; it being understood that the Indemnified Party shall control any such defense (including any settlement thereof) through its own counsel, all at the Indemnifying Party's expense. An Indemnifying Party shall not make any settlement of any claims without the written consent of the Indemnified Party. Without limiting the generality of the foregoing, it shall not be deemed unreasonable to withhold consent to a settlement involving injunctive or other equitable relief against the Indemnified Party or its assets, employees or business. With regard to third party claims for which indemnification is payable hereunder, such indemnification shall be paid by the Indemnifying Party upon the earliest to occur of: (a) the entry of a judgment against the Indemnified Party and the expiration of any applicable appeal period, or if earlier, ten (10) days prior to the date that the judgment creditor has the right to execute the judgment; (b) the entry of an unappealable judgment or final appellate decision against the Indemnified Party; (c) a settlement of the claim; or (d) with respect to indemnities for Tax Liabilities, upon the issuance of any binding resolution by a taxation authority. Notwithstanding the foregoing, expenses of counsel to the Indemnified Party shall be reimbursed on a current basis by the Indemnifying Party. With regard to other claims for which indemnification is payable hereunder, such indemnification shall be paid promptly by the Indemnifying Party upon demand by the Indemnified Party.

11.5 Expiration of Representations and Warranties. All representations and warranties in this Agreement will survive the Closing hereunder and continue in full force and effect thereafter for a period of eighteen (18) months and will thereupon expire together with any right to indemnification for breach thereof; provided, that the representations and warranties contained in Sections 4.1, 4.2, 4.3, 4.4, 5.1, 5.2, 5.3(b), 5.5, 5.6, 5.11, 6.1, 6.2, 6.3, 6.5, 6.11(a), 6.15 and 6.19 hereof (the "Transactional Reps") will survive until thirty (30) days following the end of the applicable statute of limitations. In addition, the representations and warranties contained in Section 6.20 shall survive, with respect to each Seller Lease, for the shorter of 20

years or the duration of the applicable Seller Lease (so long as Seller is the lessor under such Seller Lease) to which such representation or warranty relates. Notwithstanding the foregoing, all claims (and matters relating thereto) made in writing prior to the expiration of the applicable survival period shall not thereafter be barred by the expiration of such survival period and shall survive until finally resolved. All covenants and agreements shall survive the Closing indefinitely (except for those covenants and agreements required to be performed at or prior to the Closing, which covenants and agreements shall not survive the Closing).

11.6 Certain Limitations. The indemnification provided for in Section 11.1 and 11.2 shall be subject to the following limitations:

(a) Except as provided in Section 11.6(c), Seller shall not be liable to Purchaser Indemnitees for indemnification under Section 11.1(a) until the aggregate amount of all Losses in respect of indemnification under Section 11.1(a) exceeds $250,000 (the "Deductible"), and thereafter shall be liable only for such Losses in excess of the Deductible, subject to the other limitations set forth herein. Notwithstanding the foregoing, the aggregate liability of Seller for indemnification pursuant to Section 11.1(a) shall not exceed $4,000,000 (the "Cap"). Notwithstanding anything to the contrary set forth herein, the limitations set forth in this Section 11.6(a) shall not apply to Losses relating to Excluded Assets or Excluded Liabilities or any other indemnity provided for herein other than pursuant to Section 11.1(a), and such Losses shall not be counted toward Seller's Deductible.

(b) Buyer shall not be liable to Seller Indemnitees for indemnification under Section 11.2(a) until the aggregate amount of all Losses in respect of indemnification under Section 11.2(a) exceeds the Deductible, and thereafter shall be liable only for such Losses in excess of the Deductible, subject to the other limitations set forth herein. Notwithstanding the foregoing, the aggregate liability of the Buyer for indemnification pursuant to Section 11.2(a) shall not exceed the Cap.

(c) Notwithstanding anything to the contrary set forth herein, the limitations set forth in Sections 11.6(a) and 11.6(b) shall not limit Liability of any Indemnifying Party for breaches of Transactional Reps, a breach of the representations or warranties set forth in Section 5.7(a), intentional breach, intentional misrepresentation or fraud, and all Losses based on, resulting from, arising out of or relating to such matters shall not be counted toward the Deductible.

(d) Payments by an Indemnifying Party pursuant to Section 11.1 or Section 11.2 in respect of any Losses shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment actually received by the Indemnified Party in respect of any such claim, less any related costs and expenses, including the aggregate cost of pursuing any related insurance claims and any related increases in insurance premiums or other chargebacks (it being agreed that neither party shall have any obligation to seek to recover any insurance proceeds in connection with making a claim under this Article XI and that, promptly after the realization of any insurance proceeds, indemnity, contribution or other similar payment, the Indemnified Party shall reimburse the Indemnifying Party for such reduction in Losses for which the Indemnified Party was indemnified prior to the realization of reduction of such Losses).

(e) Notwithstanding anything to the contrary contained herein, in the case of a breach of a representation, warranty or covenant of Seller hereunder that results in Buyer's complete loss of or inability to operate a Subject Restaurant or that results in the permanent inability to operate a drive-thru at such Subject Restaurant (to the extent such Subject Restaurant had an operating drive-thru at any time during fiscal year 2011), then, in each case, without duplication, Buyer shall be permitted to seek indemnification in an amount equal to the EBITDA for such Subject Restaurant as set forth on Schedule 6.6(a) multiplied by the Valuation Multiple (provided, however, that if the EBITDA for such Subject Restaurant as set forth on Schedule 6.6(a) is zero or negative, then no payment shall be due and owing) and, for the avoidance of doubt, in each instance the applicable Seller Lease and Franchise Agreement shall be terminated with no further obligations thereunder. In addition, a pro-rata portion of any franchise fee paid by Buyer to Seller with respect to such Subject Restaurant shall be returned to Buyer as well as any unamortized costs incurred by Buyer in connection with any Remodeling Plan at such Subject Restaurant. However, if Buyer seeks such indemnity, it shall be the sole and exclusive remedy of the Buyer and any other Purchaser Indemnitee with respect to such breach by Seller and Buyer and any other Purchaser Indemnitee shall not be permitted to seek any additional Losses with respect to such breach. For the avoidance of doubt, the limitations set forth in Sections 11.6(a) and 11.6(b) shall not limit the Liability of Seller for Losses based on, resulting from, arising out of or under Section 11.3(b) and this Section 11.6(e).

(f) In connection with any indemnity claim brought by a Purchaser Indemnitee for a breach of the representation and warranty made by Seller in the second sentence of Section 6.6(a), no Purchaser Indemnitee shall be deemed to have suffered any Losses if the information contained on Schedule 6.6(a) fairly and accurately presents in all material respects the EBITDA for the Subject Restaurants taken as a whole.

11.7 Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price. In determining the amount of any indemnification payment for a Loss suffered or incurred by an Indemnified Party, the amount of such Loss shall be (i) increased to take into account any additional Tax cost incurred by the Indemnified Party arising from the receipt of indemnification payments hereunder ("Tax Costs") and (ii) decreased to take into account any deduction, credit or other Tax benefit actually realized by the Indemnified Party with respect to such Loss ("Tax Benefits"). In computing the amount of any such Tax Cost or Tax Benefit, the Indemnified Party shall be deemed to recognize all other items of income, gain, loss, deduction or credit before recognizing any item arising from the receipt of any indemnification payment hereunder or the incurrence or payment of any indemnified Loss. To the extent a Tax Cost or Tax Benefit cannot be determined at the time an indemnity payment would otherwise be due hereunder, the indemnity payment shall be made without taking into account such Tax Cost or Tax Benefit and if and when the Tax Cost or Tax Benefit is actually determined and realized, the parties shall make any payments necessary to cause the indemnity payment to be what it would have been had such Tax Cost or Tax Benefit been determined and realized at the time the indemnity payment was originally made.

11.8 Right to Indemnification Not Affected by Knowledge or Waiver. The right to indemnification, payment of Losses or other remedy based upon breach of representations, warranties, covenants, agreements or obligations will not be affected by any investigation

conducted with respect to, or knowledge acquired (or capable of being acquired) at any time, whether before or after the Closing Date, with respect to the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant, agreement or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant, agreement or obligation, will not affect the right to indemnification, payment of Losses or other remedy based on such representations, warranties, covenants, agreements and obligations.

11.9 Sole Remedy. Except as provided in Section 12.8 and for the additional indemnity provisions set forth in Sections 7.4(c), 8.5(b) and 8.12, the indemnification provided for in this Article XI shall be the sole remedy of the parties for monetary damages with respect to breaches of this Agreement. For the avoidance of doubt, nothing contained in this Agreement shall limit the ability of either party to exercise its rights under any of the Franchise Agreements, Seller Leases or any other agreement other than this Agreement.

ARTICLE XII
GENERAL PROVISIONS

12.1 Entire Agreement; No Third Party Beneficiaries; Amendment; Waiver; Remedies. This Agreement (including the exhibits and schedules attached hereto), the Confidentiality Agreement and the other documents executed and delivered at the Closing pursuant hereto, contain the entire understanding of the parties in respect of the subject matter hereof and thereof and supersede all prior agreements, representations, warranties, covenants and understandings (oral or written) between or among the parties with respect to such subject matter. Except for Carrols and as provided in Article XI with respect to Persons entitled to indemnification hereunder, this Agreement is not intended to confer upon any Person, other than the parties hereto, any rights or remedies hereunder. This Agreement may not be modified, amended, supplemented, canceled or discharged and no waiver hereunder may be granted, except by written instrument executed by all of the parties hereto. No failure to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege hereunder preclude the exercise of any other right, power or privilege. No waiver of any breach of any provision shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision, nor shall any waiver be implied from any course of dealing between the parties. No extension of time for performance of any obligations or other acts hereunder or under any other agreement shall be deemed to be an extension of the time for performance of any other obligations or any other acts. The rights and remedies of the parties under this Agreement are in addition to all other rights and remedies, at law or in equity, that they may have against each other.

12.2 Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing, shall be delivered in person, by facsimile or by a nationally recognized overnight delivery and shall be deemed given (a) when delivered in person, (b) on the day sent by facsimile, (c) on the day sent by email or (d) the Business Day after delivered to a nationally recognized overnight courier (postage pre-paid) for next Business Day delivery, in each case, at the following addresses (or at such other addresses as a party shall designate by written notice to the other party pursuant to this Section):

if to Buyer or Parent:

Carrols Restaurant Group, Inc.
968 James St.
Syracuse, NY 13203
Attention: Daniel T. Accordino, Chief Executive Officer
Facsimile: (315) 475-9616
Email: daccordino@carrols.com

with copies (that shall not constitute notice) to:

Akerman Senterfitt
335 Madison Avenue
26th Floor
New York, NY 10017
Attention: Wayne Wald
Facsimile: (212) 880-8965
Email: wayne.wald@akerman.com

if to Seller:

Burger King Corporation
5505 Blue Lagoon Drive
Miami, FL 33126
Attn: Jill Granat, General Counsel
Facsimile: (305) 378-3326
Email: jgranat@whopper.com

with copies (that shall not constitute notice) to:

Greenberg Traurig LLP
401 East Las Olas Boulevard
Suite 2000
Fort Lauderdale, FL 33301
Attention: Kara MacCullough
Facsimile: 954.765.1477
Email: macculloughk@gtlaw.com

12.3 Expenses; Legal Fees. In connection with this Agreement or any transaction contemplated hereby, each party shall pay its respective expenses, including, but not limited to, legal, accounting, brokers' and investment banking fees and expenses. In the event of any dispute relating to this Agreement, the non-prevailing party shall pay the expenses and costs of the prevailing party, including but not limited to legal fees and costs.

12.4 Binding Effect; Assignment. The rights and obligations of this Agreement shall bind and inure to the benefit of the parties and their respective successors and assigns and shall be enforceable by any such successors and assigns. Except as otherwise set forth herein, this Agreement and any rights and obligations hereunder (a) may not be assigned by Buyer or Parent

without the prior written consent of Seller and (b) may not be assigned by Seller without the prior written consent of Buyer and Parent, in the case of each (a) and (b), which will not be unreasonably withheld; provided, however, that Buyer and Parent may without the consent of Seller assign their rights under this Agreement for collateral security purposes to any Financing Source(s) providing financing to Carrols, Parent, Buyer and/or any of their Affiliates.

12.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument. A facsimile or .pdf signature of any party shall be considered to have the same binding legal effect as an original signature.

12.6 Severability. If any word, phrase, sentence, clause, section, subsection or provision of this Agreement as applied to any party or to any circumstance is adjudged by a court to be invalid or unenforceable, the same will in no way affect any other circumstance or the validity or enforceability of any other word, phrase, sentence, clause, section, subsection or provision of this Agreement.

12.7 Arm's Length Negotiations. Each party herein expressly represents and warrants to all other parties hereto that (a) before executing this Agreement, said party has fully informed itself of the terms, contents, conditions and effects of this Agreement; (b) said party has relied solely and completely upon its own judgment in executing this Agreement; (c) said party has had the opportunity to seek and has obtained the advice of its own legal, tax and business advisors before executing this Agreement; and (d) this Agreement is the result of arm's length negotiations conducted by and among the parties and their respective counsel.

12.8 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to seek specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

12.9 Governing Law and Venue; Waiver of Jury Trial.

(a) THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAW OF THE STATE OF FLORIDA, WITHOUT REGARD TO THE CONFLICT OF LAW PRINCIPLES THEREOF. The parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the State of Florida and the federal courts of the United States of America located in the State of Florida in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any Action or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such Action or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such Action or proceeding shall be heard and determined in such a Florida state or federal court. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and over the subject matter of such dispute

and agree that mailing of process or other papers in connection with any such Action or proceeding in the manner provided herein or in such other manner as may be permitted by applicable Law, shall be valid and sufficient service thereof.

(b) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (iv) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS IN THIS SECTION.

[Signature Page To Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

SELLER:

BURGER KING CORPORATION

By: /s/ Bernardo Hees
Name: Bernardo Hees
Title: CEO

BUYER:

CARROLS LLC

By: /s/ Daniel T. Accordino
Name: Daniel T. Accordino
Title: President

PARENT:

CARROLS RESTAURANT GROUP, INC.

By: /s/ Daniel T. Accordino
Name: Daniel T. Accordino
Title: President

List of Exhibits

Exhibit A:	Subject Restaurants
Exhibit B:	Form of Certificate of Designation
Exhibit C:	Intentionally Omitted
Exhibit D:	Form of Bill of Sale and Assignment and Assumption Agreement
Exhibit E:	Form of Franchise Agreement
Exhibit F:	Form of Seller Lease
Exhibit G:	Form of Operating Agreement
Exhibit H:	Form of Voting Agreement
Exhibit I:	Form of Registration Rights Agreement
Exhibit J:	Opinions of Counsel to Parent
Exhibit K:	Form of Estoppel Certificate
Exhibit L:	Form of Lessor/Sublessor Consent

CARROLS RESTAURANT GROUP, INC.

FORM OF CERTIFICATE OF DESIGNATION

OF

SERIES A CONVERTIBLE PREFERRED STOCK

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Carrols Restaurant Group, Inc., a Delaware corporation (the "**Company**"), hereby certifies that:

A. The Restated Certificate of Incorporation of the Company (the "**Certificate of Incorporation**") fixes the total number of shares of capital stock that the Company shall have the authority to issue at 100,000,000 shares of common stock, par value $0.01 per share, and 20,000,000 shares of preferred stock, par value $0.01 per share (the "**Preferred Stock**").

B. The Certificate of Incorporation expressly vests the Board of Directors of the Company with authority from time to time to provide for the issuance of shares of one or more series of the undesignated Preferred Stock and in connection therewith to fix by resolution or resolutions providing for the issue of any such series, the number of shares to be included therein, the voting powers thereof, and such of the designations, preferences and relative participating, optional or other special rights and qualifications, limitations and restrictions of each such series, including, without limitation, dividend rights, voting rights, rights of redemption, conversion rights, and liquidation preferences.

C. Pursuant to the authority vested in the Board of Directors by the Certificate of Incorporation, the Board of Directors, by action duly taken on [—], 2012, adopted resolutions establishing a series of Preferred Stock and fixing the designation, powers, preferences and rights of the shares of this series of Preferred Stock and the qualifications, limitations or restrictions thereof as follows:

Section 1. Designation; Number of Shares; Restrictions.

(a) *Designation; Number of Shares*. The designation of the series of Preferred Stock shall be "Series A Convertible Preferred Stock" (the "**Series A Convertible Preferred Stock**"). The number of authorized shares of Series A Convertible Preferred Stock shall be 100.

(b) *Legend*. During the Holding Period, each certificate representing Series A Convertible Preferred Stock and Conversion Shares shall include the following legend:

"THE DIRECT OR INDIRECT SALE, ASSIGNMENT, TRANSFER, PLEDGE, OFFER, EXCHANGE, DISPOSITION, ENCUMBRANCE, ALIENATION OR OTHER DISPOSITION ("TRANSFER"), WHETHER BY OPERATION OF LAW

OR OTHERWISE, OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE ENTERING INTO OF ANY CONTRACT, OPTION OR OTHER AGREEMENT WITH RESPECT TO, OR THE CONSENT TO, A TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE OR THE HOLDER'S VOTING OR ECONOMIC INTEREST THEREIN, BY THE HOLDER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS STRICTLY PROHIBITED IN ACCORDANCE WITH THE CERTIFICATE OF DESIGNATION OF THE SERIES A CONVERTIBLE PREFERRED STOCK OF THE ISSUER, AND ANY TRANSFER MADE, OR CONTRACT, OPTION OR OTHER AGREEMENT ENTERED INTO, IN VIOLATION OF THIS PROHIBITION WILL NOT BE BINDING UPON OR RECOGNIZED BY THE ISSUER."

(c) *Transfer Restriction*. Investor shall not engage in a Prohibited Transfer during the Holding Period. In the event of a Prohibited Transfer during the Holding Period by the Investor and in addition to any other remedies as may be available at law, in equity or under this Certificate of Designation, the Company shall not be required (i) to transfer on its books any Series A Convertible Preferred Stock or any Conversion Shares which shall have been transferred in violation of any of the provisions set forth in this Certificate of Designation; or (ii) to treat as owner of such Series A Convertible Preferred Stock or Conversion Shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom of any Series A Convertible Preferred Stock or any Conversion Shares shall have been transferred in violation of any of the provisions set forth in this Certificate of Designation.

Section 2. Definitions.

Unless the context otherwise requires, each of the terms defined in this Section 2 shall have, for all purposes of this Certificate of Designation, the meaning herein specified (with terms defined in the singular having comparable meanings when used in the plural):

"**Affiliate**" as applied to any Person, means any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and, in addition to the foregoing, a Person shall be deemed to control another Person if the controlling Person owns 20% or more of any class of voting securities (or other ownership interest) of the controlled Person.

"**Board of Directors**" means the Board of Directors of the Company.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

"**By-Laws**" means the Company's Amended and Restated By-Laws, as amended, as in effect on the date of this Certificate of Designation.

"**Capital Stock**" means any and all shares, interests, participations or other equivalents in the equity interest (however designated) in the Company.

"**Certificate of Incorporation**" means the Company's Restated Certificate of Incorporation, as in effect on the date of this Certificate of Designation.

"**Class A Director**" means each individual elected by the Investor to serve as a member of the Board of Directors pursuant to the terms and subject to the conditions of Section 8 hereof.

"**Common Share Equivalents**" means securities, options, warrants, derivatives, debt instruments or other rights convertible into, or exercisable or exchangeable for, or entitling the holder thereof to receive directly or indirectly, Common Stock.

"**Common Stock**" means the common stock, $0.01 par value per share, of the Company or any other Capital Stock into which such shares of common stock shall be reclassified or changed.

"**Common Stock Transfer Agent**" has the meaning set forth in Section 6(c) hereof.

"**Company**" means Carrols Restaurant Group, Inc., a Delaware corporation, and its successors and assigns.

"**Company's Organizational Documents**" means the Certificate of Incorporation, this Certificate of Designations, any other certificate of designations issued pursuant to the Certificate of Incorporation, and the By-Laws.

"**Conversion Number**" has the meaning set forth in Section 6(a) hereof.

"**Conversion Shares**" has the meaning set forth in Section 6(b) hereof.

"**Converted Shares**" has the meaning set forth in Section 6(c).

"**Converting Shares**" has the meaning set forth in Section 6(c).

"**DGCL**" means the General Corporation Law of the State of Delaware.

"**Director Cessation Date**" means the earlier of the (a) first date following the Issue Date on which the number of shares of Common Stock into which the outstanding shares of Series A Convertible Preferred Stock held by the Investor are then convertible constitute less than 10% of the total number of outstanding shares of Common Stock or (b) date on which there is any Prohibited Transfer or attempted Prohibited Transfer during the Holding Period of any Series A Convertible Preferred Stock or any Conversion Shares.

"**Director Step-Down Date**" means the first date following the Issue Date on which the number of shares of Common Stock into which the outstanding shares of Series A Convertible Preferred Stock held by the Investor are then convertible constitute less than 14.5% of the total number of outstanding shares of Common Stock.

"**Holders**" means the record holders of the shares of Series A Convertible Preferred Stock, as shown on the books and records of the Company.

"**Holding Period**" means a three (3) year period commencing on the Issue Date and ending on the third anniversary of the Issue Date.

"**Investor**" means Burger King Corporation, a Florida corporation.

"**Issue Date**" means [—], 2012.

"**Junior Stock**" has the meaning set forth in Section 3 hereof.

"**Liquidation Event**" means (i) any voluntary or involuntary liquidation, dissolution or winding-up of the Company, (ii) the consummation of a merger or consolidation in which the stockholders of the Company prior to such transaction own less than a majority of the voting securities of the entity surviving such transaction, or (iii) the sale, distribution or other disposition of all or substantially all of the Company's assets.

"**Liquidation Preference**" has the meaning set forth in Section 5(a) hereof.

"**Market Price**" means the last reported sale price of the Common Stock on the primary U.S. national securities exchange, automated quotation system or inter-dealer quotation system upon which the Common Stock is then traded or quoted.

"**Maximum Number**" means [—][1] (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalizations affecting the Common Stock).

"**Operating Agreement**" means the Operating Agreement, dated as of , 2012, among Investor and Carrols LLC.

"**Parity Stock**" has the meaning set forth in Section 3 hereof.

"**Person**" includes all natural persons, corporations, business trusts, limited liability companies, associations, companies, partnerships, joint ventures and other entities, as well as governments and their respective agencies and political subdivisions.

"**Prohibited Transfer**" means (a) any Transfer, whether by operation of law or otherwise, of any Series A Convertible Preferred Stock or any Conversion Shares; and (b) the entering into of any contract, option or other agreement with respect to, or consent to, a Transfer of the Series A Convertible Preferred Stock or any Conversion Shares or Investor's voting or economic interest therein.

"Remodel Plan" has the meaning set forth in the Operating Agreement.

"**SEC**" means the United States Securities and Exchange Commission.

[1] 19.9% of the outstanding shares of Common Stock as of the Issue Date.

"**Senior Stock**" has the meaning set forth in Section 3 hereof.

"**Series A Convertible Preferred Stock**" has the meaning set forth in Section 1 hereof.

"**Stated Value**" means $0.01 per share of Series A Convertible Preferred Stock, as may be adjusted for any stock split, dividend or similar event relating to the Series A Convertible Preferred Stock.

"**Stockholder Approval**" has the meaning set forth in Section 6(b) hereof.

"**Transfer**" means the direct or indirect sale, assignment, transfer, pledge, offer, exchange, disposition, encumbrance, alienation or other disposition.

"**Transfer Agent**" means the entity designated from time to time by the Company to act as the registrar and transfer agent for the Series A Convertible Preferred Stock or, if no entity has been so designated to act in such capacity, the Company.

Section 3. Ranking.

The Series A Convertible Preferred Stock shall, with respect to rights on the liquidation, winding-up and dissolution of the Company (as provided in Section 5 below), rank (a) senior to all classes of Common Stock and to each other class of Capital Stock or series of Preferred Stock established hereafter by the Board of Directors the terms of which expressly provide that such class ranks junior to the Series A Convertible Preferred Stock as to rights on the liquidation, winding-up and dissolution of the Company (collectively referred to as the "**Junior Stock**"), (b) on a parity with each other class of Capital Stock or series of Preferred Stock established hereafter by the Board of Directors with the written consent of the Holders of at least a majority of the outstanding shares of Series A Convertible Preferred Stock, the terms of which expressly provide that such class or series ranks on a parity with the Series A Convertible Preferred Stock as to rights on the liquidation, winding-up and dissolution of the Company (collectively referred to as the "**Parity Stock**") and (c) junior to any future class of Preferred Stock established hereafter by the Board of Directors, the terms of which expressly provide that such class ranks senior to the Series A Convertible Preferred Stock as to rights on the liquidation, winding-up and dissolution of the Company (collectively referred to as the "**Senior Stock**").

The Series A Convertible Preferred Stock shall, with respect to rights to dividends (as provided in Section 4 below), rank on a parity with each class of Common Stock.

Section 4. Dividends.

The Company shall not declare, pay or set aside any dividends on shares of Common Stock (other than dividends on shares of Common Stock payable solely in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Company's Organizational Documents) the Holders simultaneously receive a dividend on each outstanding share of Series A Convertible Preferred Stock in an amount equal to that dividend per share of Series A Convertible Preferred Stock as would equal the product of the dividend payable on each share of Common Stock and the number of shares of Common Stock then issuable upon conversion of one share of Series A Convertible Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend and without regard to any limitation on conversion set forth in Section 6(b) hereof.

Section 5. Liquidation Preference.

(a) Except as otherwise provided in Section 6(h), upon any Liquidation Event, each Holder shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders, on account of each share of Series A Convertible Preferred Stock held by such Holder, (i) prior to the holders of any class or series of Common Stock and Junior Stock, (ii) pro rata with the holders of any Parity Stock and (iii) after the holders of any Senior Stock, an amount (such amount, the "**Liquidation Preference**") equal to the Stated Value.

(b) Except as otherwise provided in Section 6(h), upon any Liquidation Event, after the payment of the Liquidation Preference the remaining assets of the Company available for distribution to its stockholders shall be distributed among the Holders and the holders of the shares of Capital Stock, pro rata, based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of this Certificate of Designation (or any other applicable certificate of designation) immediately prior to such Liquidation Event without regard to any limitation on conversion set forth in Section 6(b) hereof.

Section 6. Conversion.

(a) *Right to Convert*. Subject to the provisions of Section 6(b) hereof, each Holder shall have the right, upon the delivery of a written notice to the Company, to convert any share of Series A Convertible Preferred Stock held by it into that number of fully paid and nonassessable shares of Common Stock equal to the Conversion Number at the time in effect. Any Holder may convert all or less than all of the shares of Series A Convertible Preferred Stock held by it at any time. Any Holder's conversion of shares of Series A Preferred Stock under this Section 6(a) shall not be effective unless such Holder has also complied with the provisions set forth in Section 6(c) hereof at the time of delivery of its aforesaid written notice to the Company. The initial "**Conversion Number**" per share of Series A Convertible Preferred Stock shall be [—][2]; *provided*, *however*, that the Conversion Number in effect from time to time shall be subject to adjustment as provided hereinafter.

(b) *Limitation on Conversion*. Notwithstanding anything herein to the contrary, the Company shall not issue to any Holder, and the Holders shall not have the right to the issuance of any shares of Common Stock issuable upon conversion of Series A Convertible Preferred Stock ("**Conversion Shares**"), to the extent that such shares, after giving effect to such issuance after conversion and when added to the number of shares of Common Stock previously issued upon the conversion of any shares of Series A Convertible Preferred Stock, would exceed the Maximum Number, unless and until the Company obtains stockholder approval permitting such issuances in accordance with applicable NASDAQ Stock Market Rules ("**Stockholder Approval**"). If on any attempted conversion of Series A Convertible Preferred Stock, the

[2] Amount equal to (i) the aggregate number of shares of common stock of the Company on a fully diluted basis outstanding immediately prior to the issuance of Series A Preferred Stock ("Outstanding Shares") divided by 71.1%, minus (ii) the Outstanding Shares, multiplied by (iii) .01.

issuance of Conversion Shares, together with all previously issued Conversion Shares, would exceed the Maximum Number, and the Company shall not have previously obtained Stockholder Approval at the time of such conversion, then the Company shall issue to the Holder requesting conversion such number of Conversion Shares as may be issued so that all outstanding Conversion Shares do not exceed the Maximum Number, and the remainder of the aggregate number of Conversion Shares underlying such Series A Convertible Preferred Stock shall not be issuable until and unless Stockholder Approval has been obtained and shall remain issued and outstanding. Notwithstanding anything herein to the contrary, in no event shall the Company issue or the Holders have the right to the issuance of shares of Common Stock in the aggregate which exceeds the Maximum Number prior to the date and time on which Stockholder Approval has been obtained.

(c) *Conversion Procedures*. Each conversion of shares of Series A Convertible Preferred Stock into shares of Common Stock shall be effected by the surrender of the certificate(s) evidencing the shares of Series A Convertible Preferred Stock to be converted (the "**Converting Shares**") at the principal office of the Company (or such other office or agency of the Company as the Company may designate by notice in writing to the Holders of the Series A Convertible Preferred Stock) at any time during its usual business hours, together with written notice by the holder of such Converting Shares, (i) stating that the Holder desires to convert the Converting Shares, or a specified number of such Converting Shares, evidenced by such certificate(s) into shares of Common Stock (the "**Converted Shares**"), and (ii) giving the name(s) (with addresses) and denominations in which the Converted Shares should either be registered with the Company's transfer agent and registrar for the Common Stock (the "**Common Stock Transfer Agent**") on its records in book-entry form under The Direct Registration System or certificated, and, in either case, instructions for the delivery of a statement evidencing book-entry ownership of the Converted Shares or the certificates evidencing the Converted Shares. Upon receipt of the notice described in the first sentence of this Section 6(c), together with the certificate(s) evidencing the Converting Shares, the Company shall be obligated to, and shall, cause to be issued and delivered in accordance with such instructions, as applicable, either (x) a statement from the Common Stock Transfer Agent evidencing ownership of the Converted Shares, registered in the name of the Holder or its designee on the Common Stock Transfer Agent's records in book-entry form under The Direct Registration System or (y) certificate(s) evidencing the Converted Shares and, if applicable, a certificate (which shall contain such applicable legends, if any, as were set forth on the surrendered certificate(s)) representing any shares which were represented by the certificate(s) surrendered to the Company in connection with such conversion but which were not Converting Shares and, therefore, were not converted. All or some Converted Shares so issued whether in book-entry form under the Direct Registration System or in certificated form may be subject to restrictions on transfer as required by applicable federal and state securities laws. Any such Converted Shares subject to restrictions on transfer under applicable federal and state securities laws shall be encumbered by stop transfer orders and restrictive legends (or equivalent encumbrances). Such conversion, to the extent permitted by law, shall be deemed to have been effected as of the close of business on the date on which such certificate(s) shall have been surrendered and such written notice shall have been received by the Company unless a later date has been specified by such Holder, and at such time the rights of the Holder of such Converting Shares as such Holder shall cease, and the Person(s) in whose name or names the Converted Shares are to be issued either in book-entry form or certificated form, as applicable, upon such conversion shall be deemed to have become the holder(s) of record of the Converted Shares.

(d) *Effect of Conversion*. Upon the issuance of the Converted Shares in accordance with Section 6, such shares shall be deemed to be duly authorized, validly issued, fully paid and non-assessable.

(e) *Adjustments for Common Stock Dividends and Distributions*. If the Company at any time or from time to time makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, in each such event the Conversion Number then in effect shall be increased as of the time of such issuance or, in the event such record date is fixed, as of the close of business on such record date, by multiplying the Conversion Number then in effect by a fraction (i) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution and (ii) the denominator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date. To the extent an adjustment is made in respect of the foregoing pursuant to Section 6(f) or the Holder actually receives the dividend to which any such adjustment relates, an adjustment shall not be made pursuant to this Section 6(e).

(f) *Conversion Number Adjustments for Subdivisions, Combinations or Consolidations of Common Stock*.

(i) In the event the Company should at any time or from time to time fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of shares of Common Stock entitled to receive a dividend or other distribution payable in additional Common Share Equivalents, without payment of any consideration by such holder for additional Common Share Equivalents (including the additional Common Stock issuable upon conversion, exchange or exercise thereof), then, as of such record date (or the date of such dividend, distribution, split or subdivision if no record date is fixed), the Conversion Number then in effect shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each such share of such Series A Convertible Preferred Stock shall be increased in proportion to such increase of outstanding shares of Common Stock and shares issuable with respect to Common Share Equivalents.

(ii) If the number of shares of Common Stock outstanding at any time is decreased by a combination, consolidation, reclassification or reverse stock split of the outstanding shares of Common Stock or other similar event, then, following the record date of such combination, the Conversion Number then in effect shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each such share of such Series A Convertible Preferred Stock shall be decreased in proportion to such decrease in outstanding shares of Common Stock.

(g) *Recapitalizations*. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination, merger or sale of

assets transaction provided for elsewhere in this Section 6), provision shall be made so that the Holders shall thereafter be entitled to receive upon conversion of the Series A Convertible Preferred Stock the number of shares of Capital Stock or other securities or property of the Company to which a holder of Common Stock would have been entitled on recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 6 with respect to the rights of the Holders after the recapitalization to the end that the provisions of this Section 6 (including adjustment of the Conversion Number then in effect and the number of shares issuable upon conversion of the Series A Convertible Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

(h) *Mergers and Other Reorganizations*. If at any time or from time to time there shall be a reclassification of the Common Stock (other than a subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 6) or a merger or consolidation of the Company with or into another entity or the sale of all or substantially all of the Company's properties and assets to any other Person, then, as a part of and as a condition to the effectiveness of such reclassification, merger, consolidation or sale, lawful and adequate provision shall be made so that the Holders shall thereafter be entitled to receive upon conversion of the Series A Convertible Preferred Stock the number of shares of Capital Stock or other securities or property, if any, of the Company or of the successor entity resulting from such reclassification, merger or consolidation or sale, to which a holder of Common Stock deliverable upon conversion would have been entitled in connection with such reclassification, merger, consolidation or sale. In any such case, appropriate provision shall be made with respect to the rights of the Holders after the reclassification, merger, consolidation or sale to the end that the provisions of this Section 6 (including, without limitation, provisions for adjustment of the Conversion Number and the number of shares purchasable upon conversion of the Series A Convertible Preferred Stock) shall thereafter be applicable, as nearly as may be, with respect to any shares of Capital Stock, securities or property to be deliverable thereafter upon the conversion of the Series A Convertible Preferred Stock.

Each Holder, upon the occurrence of a reclassification, merger or consolidation of the Company or the sale of all or substantially all its assets and properties, as such events are more fully set forth in the first paragraph of this Section 6(h), shall have the option of electing treatment of its shares of Series A Convertible Preferred Stock under either this Section 6(h) or Section 5 hereof, notice of which election shall be submitted in writing to the Company at its principal offices no later than ten (10) days before the effective date of such event, provided that any such notice of election shall be effective if given not later than fifteen (15) days after the date of the Company's notice pursuant to Section 6(i) hereof with respect to such event, and, provided, further, that if any Holder fails to give the Company such notice of election, the provisions of this Section 6(h) shall govern the treatment of such Holder's shares of Series A Convertible Preferred Stock upon the occurrence of such event.

(i) *Notices of Record Date*. In the event (i) the Company fixes a record date to determine the holders of Common Stock who are entitled to receive any dividend or other distribution, or (ii) there occurs any capital reorganization of the Company, any reclassification or recapitalization of the Common Stock of the Company, any merger or consolidation of the Company, or any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to each Holder at least ten (10) days prior to the record date

specified therein, a notice specifying (a) the date of such record date for the purpose of such dividend or distribution and a description of such dividend or distribution, (b) the date on which any such reorganization, reclassification, consolidation, merger, dissolution, liquidation or winding up is expected to become effective, and (c) the time, if any, that is to be fixed, as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock or other securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, dissolution, liquidation or winding up.

(j) *No Impairment*. The Company will not, by amendment of its Certificate of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Section 6 and in the taking of all such actions as may be necessary or appropriate in order to protect the conversion rights of the Holders against impairment.

(k) *Fractional Shares and Certificate as to Adjustments*. In lieu of any fractional shares to which a Holder would otherwise be entitled upon conversion, the Company shall pay cash equal to such fraction multiplied by the Market Price of one share of Common Stock, as determined in good faith by the Board of Directors. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Convertible Preferred Stock of each Holder at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

Upon the occurrence of each adjustment or readjustment of the Conversion Number of any share of Series A Convertible Preferred Stock pursuant to this Section 6, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each Holder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any Holder, furnish or cause to be furnished to such Holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Number at the time in effect, and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of such Holder’s shares of Series A Convertible Preferred Stock. The provisions of Section 6(e), (f), (g) and (h) shall apply to any transaction and successively to any series of transactions that would require any adjustment pursuant thereto.

(l) *Reservation of Stock Issuable Upon Conversion*. The Company shall at all times reserve and keep available out of its authorized but unissued Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Convertible Preferred Stock (taking into account the adjustments required by this Section 6), such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Convertible Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Convertible Preferred Stock, in addition to such other remedies as shall be available to the Holders, the Company will, as soon as is reasonably

practicable, take all such action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

Section 7. Voting Rights.

(a) *General*. Each Holder, except as otherwise required under the DGCL or as set forth herein (including, without limitation, in Sections 7(b), 7(c) and 8 below), shall be entitled or permitted to vote on all matters required or permitted to be voted on by the holders of Common Stock of the Company and shall be entitled to that number of votes equal to the largest number of whole shares of Common Stock into which such Holder's shares of the Series A Convertible Preferred Stock could then be converted, pursuant to the provisions of Section 6 hereof, at the record date for the determination of stockholders entitled to vote on such matter or, if no such record date is established, at the date such vote is taken or any written consent of stockholders is solicited. Except as otherwise expressly provided herein or as otherwise required by law, the Series A Convertible Preferred Stock and the Common Stock shall vote together (or render written consents in lieu of a vote) as a single class on all matters upon which the Common Stock is entitled to vote.

(b) *Limitation on Voting*. Notwithstanding anything herein to the contrary, unless and until such time as the Stockholder Approval is obtained, the Company shall not give effect to any voting rights of the Series A Convertible Preferred Stock (or any previously issued Converted Shares) pursuant to Section 7(a) hereof, and any Holder shall not have the right to exercise voting rights with respect to any Series A Convertible Preferred Stock pursuant to Section 7(a) hereof, to the extent that giving effect to such voting rights would result in the Holders (together with any Holders of previously issued Converted Shares) having the right to vote in the aggregate shares in excess of the Maximum Number, and in any such case the aggregate voting rights of all such Holders shall be proportionately reduced such that they are entitled to vote, in the aggregate, that number of shares equal to the Maximum Number.

(c) *Voting by Investor With Respect to Certain Matters*. In addition to any other rights provided by law or set forth herein, during the period commencing on the Issue Date and ending on the Director Cessation Date, the Company shall not without first obtaining the approval (by vote or written consent, as provided by law) of the Investor:

(i) approve the Company's annual budget for each of the first two full fiscal years immediately following the Issue Date;

(ii) modify the Remodel Plan;

(iii) alter, amend or repeal the Company's Organizational Documents;

(iv) amend the size of the Board of Directors (other than pursuant to Section 8 hereof);

(v) authorize or consummate any Liquidation Event , except as permitted pursuant to the Operating Agreement;

(vi) engage in any business other than the ownership, operation, development and acquisition of Burger King restaurants and matters incidental thereto; *provided* that this clause (vi) shall not apply from and after the occurrence of any bankruptcy filing or reorganization or insolvency proceeding by or against Burger King Holdings, Inc. or Burger King Corporation or their respective successors or assigns, which filing shall not have been dismissed within 60 days;

(vii) issue, in any single transaction or series of related transactions, shares of Common Stock in an amount exceeding 35% of the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance;

(viii) declare or pay any special cash dividend;

(ix) except for management fees or transactions entered into or contemplated on or prior to the Issue Date and included in the Company's public filings with the SEC (including, without limitation, pursuant to any agreements entered into in connection with the spin-off of Fiesta Restaurant Group, Inc. by the Company), approve or pay any management fee or enter into any other transaction with Affiliates of the Company or its subsidiaries, or permit subsidiaries of the Company to enter into any transaction with Affiliates of the Company or its subsidiaries; or

(x) initiate or settle any lawsuit (other than with respect to any Holder) in which the damages (or claimed damages, as applicable) would exceed U.S. $10 million.

Section 8. Board Representation.

(a) On the Issue Date, the Board of Directors shall set the size of the Board of Directors at seven and shall cause two of the director positions to be filled by two Class A Directors upon the receipt of written notice from the Investor. The Class A Directors shall be a separate class of directors on the Board of Directors from the Class I, Class II and Class III directors of the Board of Directors. Class A Directors shall be elected by the Investor for terms expiring at the next annual meeting of stockholders.

(b) From the Issue Date until the Director Step-Down Date, the Investor, voting as a separate class, shall have the right to elect two Class A Directors to the Board of Directors at each annual meeting of stockholders or pursuant to each consent of the Company's stockholders for the election of directors, and to remove from office any such Class A Director and to fill any vacancy caused by the resignation, death or removal of any such Class A Director. Each share of Series A Convertible Preferred Stock shall be entitled to one vote and any election or removal of the Class A Director shall be subject to the affirmative vote of the Investor. On the Director Step-Down Date, the Investor shall cause one Class A Director to submit his or her resignation as a Class A Director to the Board of Directors; provided that if such Class A Director does not resign as a Class A Director on the Director Step-Down Date, the Board of Directors may vote to remove such Class A Director without cause at any time following the Director Step-Down Date.

(c) From the Director Step-Down Date until the Director Cessation Date, the Investor, voting as a separate class, shall have the right to elect one Class A Director to the Board of Directors at each annual meeting of stockholders or pursuant to each consent of the

Company's stockholders for the election of directors, and to remove from office such Class A Director and to fill any vacancy caused by the resignation, death or removal of such Class A Director. Each share of Series A Convertible Preferred Stock shall be entitled to one vote and any election or removal of the Class A Director shall be subject to the affirmative vote of the Investor. On the Director Cessation Date, the Investor shall cause all Class A Directors to submit his or her resignation as Class A Directors to the Board of Directors; provided that if such Class A Director(s) does or do not resign as a Class A Director or as Class A Directors, as the case may be, on the Director Cessation Date, the Board of Directors may vote to remove such Class A Director(s) without cause at any time following the Director Cessation Date.

(d) Each Class A Director, in his capacity as a member of the Board of Directors, shall be afforded the same rights and privileges as the other members of the Board of Directors, including, without limitation, rights to indemnification, insurance, notice, information and the reimbursement of expenses. Nothing in this paragraph (d) is intended to limit any such Class A Director's rights to indemnification, and the rights set forth herein are in addition to any and all other rights to indemnification.

Section 9. Reissuance of Shares of Series A Convertible Preferred Stock.

Shares of Series A Convertible Preferred Stock that have been issued and reacquired in any manner, including shares purchased, redeemed, converted or exchanged, shall (upon compliance with any applicable provisions of the DGCL) be permanently retired or cancelled and shall not under any circumstances be reissued. The Company shall from time to time take such appropriate action as may be required by applicable law to reduce the authorized number of shares of Series A Convertible Preferred Stock by the number of shares that have been so reacquired.

Section 10. Notices.

Any and all notices, consents, approval or other communications or deliveries required or permitted to be provided under this Certificate of Designation shall be in writing and shall be deemed given and effective on the earliest of (a) the date of receipt, if such notice, consent, approval or other communication is delivered by hand (with written confirmation of receipt) or via facsimile to the Company or the Holders, as applicable, at the facsimile number specified in the register of Holders of Series A Convertible Preferred Stock maintained by the Transfer Agent prior to 5:00 p.m. (New York City time) on a Business Day, (b) the next Business Day after the date of receipt, if such notice, consent, approval or other communication is delivered via facsimile to the Company or the Holder, as applicable, at the facsimile number specified in the register of Holders of Series A Convertible Preferred Stock maintained by the Transfer Agent on a day that is not a Business Day or later than 5:00 p.m. (New York City time) on any Business Day, or (c) the third Business Day following the date of deposit with a nationally recognized overnight courier service for next Business Day delivery and addressed to the Company or the Holder, as applicable, at the address specified in the register of Holders of Series A Convertible Preferred Stock maintained by the Transfer Agent.

Section 11. Headings.

The headings of the various sections and subsections hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

Section 12. Severability of Provisions.

If any powers, preferences and relative, participating, optional and other special rights of the Series A Convertible Preferred Stock and the qualifications, limitations and restrictions thereof set forth in this Certificate of Designation (as it may be amended from time to time) is invalid, unlawful or incapable of being enforced by reason of any rule or law or public policy, all other powers, preferences and relative, participating, optional and other special rights of the Series A Convertible Preferred Stock and the qualifications, limitations and restrictions thereof set forth in this Certificate of Designation (as so amended) which can be given effect without the invalid, unlawful or unenforceable powers, preferences and relative, participating, optional and other special rights of the Series A Convertible Preferred Stock and the qualifications, limitations and restrictions thereof shall, nevertheless, remain in full force and effect, and no powers, preferences and relative, participating, optional or other special rights of the Series A Convertible Preferred Stock and the qualifications, limitations and restrictions thereof herein set forth shall be deemed dependent upon any other such powers, preferences and relative, participating, optional or other special rights of Preferred Stock and qualifications, limitations and restrictions thereof unless so expressed herein.

[Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, this Certificate of Designation has been executed on behalf of the Company by its this day of , 2012.

CARROLS RESTAURANT GROUP, INC.

By: _____
Name:
Title:

FORM OF REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is entered into as of , 2012, by and between Carrols Restaurant Group, Inc., a Delaware corporation (the "Company") and Burger King Corporation, a Florida corporation (the "Investor").

WHEREAS, the Company, Carrols, LLC and the Investor have entered into that certain Asset Purchase Agreement, dated as of March 23, 2012 (as may be amended from time to time, the "Purchase Agreement"), providing for, among other things, the acquisition by the Company of certain assets of the Investor in exchange for, among other things, the issuance by the Company to the Investor of 100 shares of newly-designated Series A Convertible Preferred Stock, par value $.01, of the Company (the "Preferred Stock"); and

WHEREAS, as a condition to its obligations to close the transactions contemplated by the Purchase Agreement, the Investor has required that the Company enter into this Agreement in order to grant certain registration rights to the Investor.

NOW, THEREFORE, the Company and the Investor hereby agree as follows:

1. **Definitions**. When used in this Agreement, the following terms shall have the meanings indicated below:

(a) "Adverse Disclosure" means, in the good faith determination of the Board, material undisclosed circumstances or developments with respect to which the disclosure that would be required in a Registration Statement would be premature and would have an adverse effect on the Company.

(b) "Affiliate" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

(c) "Agreement" has the meaning set forth in the preamble to this Agreement.

(d) "Approved Block Trade" means a block sale or non-marketed underwritten offering of Registrable Securities (i) for a sales price per share of no less than 90% of the average closing price of the Common Stock on the NASDAQ Global Market for the five trading days ending immediately prior to such sale or offering (excluding any commissions paid in connection with such block sale or offering) and (ii) for not less than 300,000 shares of Common Stock, in the case of each of clauses (i) and (ii), in a bid process effected through an underwriter.

(e) "Board" means the board of directors of the Company.

(f) "Commission" means the United States Securities and Exchange Commission.

(g) "Common Stock" means the common stock, par value $.01, of the Company.

(h) "Company" has the meaning set forth in the preamble to this Agreement.

(i) "Company Indemnified Party" has the meaning set forth in Section 10(a) of this Agreement.

(j) "Demand Registration" has the meaning set forth in Section 3(a) of this Agreement.

(k) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(l) "Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

(m) "Inspectors" has the meaning set forth in Section 7(i) of this Agreement.

(n) "Investor" has the meaning set forth in the preamble to this Agreement.

(o) "Investor Indemnified Party" has the meaning set forth in Section 10(b) of this Agreement.

(p) "Jefferies Investors" has the meaning set forth in Section 13(a) of this Agreement.

(q) "Management Investors" has the meaning set forth in Section 13(a) of this Agreement.

(r) "Person" means any individual, partnership, corporation, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

(s) "Piggyback Registration" has the meaning set forth in Section 4(a) of this Agreement.

(t) "Preferred Stock" has the meaning set forth in the preamble to this Agreement.

(u) "Prospectus" means the prospectus included in any Registration Statement, as amended or supplemented by any Prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference in such Prospectus.

(v) "Purchase Agreement" has the meaning set forth in the preamble to this Agreement.

(w) "Records" has the meaning set forth in Section 7(i) of this Agreement.

(x) "Registrable Securities" means, at any time, all of the shares of Common Stock issued or issuable to the Investor upon conversion of any shares of Preferred Stock and any shares of Common Stock issued or issuable to the Investor with respect to such shares by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (i) a Registration Statement covering such securities has been declared effective by the Commission and such securities have been disposed of pursuant to such effective Registration Statement, (ii) such securities may be sold under circumstances in which all of the applicable conditions of Rule 144 under the Securities Act are met without volume limitations or other restrictions on transfer thereunder, (iii) such securities shall have ceased to be outstanding or (iv) such securities are no longer owned by Investor or issuable upon conversion to Investor.

(y) "registered" and "registration" means a registration effected pursuant to an effective Registration Statement under the Securities Act.

(z) "Registration Statement" means any registration statement of the Company which covers any of the Registrable Securities pursuant to the provisions of this Agreement, together with the Prospectus, any amendment and/or supplement to such Registration Statement (including any post-effective amendment), all exhibits to such registration statement, and all materials incorporated by reference in such registration statement.

(aa) "Rule 144" means Rule 144 promulgated under the Securities Act, or any successor or complementary rule thereto.

(bb) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(cc) "Selling Expenses" means all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities, in each case not customarily paid by the issuers of securities and all expenses of Investors' legal counsel in connection with such sale.

(dd) "Shelf Offering" has the meaning set forth in Section 3(a) of this Agreement.

(ee) "Shelf Period" has the meaning set forth in Section 2(b) of this Agreement.

(ff) "Shelf Registration Statement" means a Registration Statement in connection with a Shelf Offering.

(gg) "Underwritten Offering" has the meaning set forth in Section 3(a) of this Agreement.

2. S-3 Shelf Registration.

(a) Filing. At any time after the 36 month anniversary of the date of the closing of the Purchase Agreement, to the extent that the Company is eligible to register the resale of shares on Form S-3; then upon the written request of the Investor, the Company shall file, as promptly as practicable thereafter, with the Commission a Shelf Registration Statement on Form S-3 relating to the offer and sale of an amount of Registrable Securities requested by the Investor; provided, however, that, unless consented to by the Company, each such request must cover at least 30% of the Registrable Securities then held by the Investor. The Company shall use its reasonable best efforts to cause such Shelf Registration Statement to be declared effective under the Securities Act (unless it becomes effective automatically upon filing). The Company shall not be required to effect more than one (1) Shelf Registration pursuant to this Section 2.

(b) Continued Effectiveness. Subject to the permitted Suspension Periods set forth in Section 7(h) hereof, the Company shall use its reasonable best efforts to keep such Shelf Registration Statement (or a replacement Shelf Registration Statement) continuously effective under the Securities Act in order to permit the Prospectus forming a part thereof to be usable by the Investor until the earlier of (i) the date as of which all Registrable Securities covered by such Shelf Registration Statement have been sold and (ii) the date as of which the Investor is permitted to sell its Registrable Securities without Registration pursuant to Rule 144 without volume limitations or other restrictions on transfer thereunder (such period of effectiveness, the "Shelf Period").

3. Demand Registration.

(a) Subject to the limitations contained in this Section 3, at any time following the 30 month anniversary of the date of the closing of the Purchase Agreement, the Investor may at any time and from time to time request that the Company register for sale all or any of its Registrable Securities under the Securities Act in connection with an Underwritten Offering by sending the Company a written request setting forth such request and specifying the number of Registrable Securities required to be registered and the intended method of disposition (any such registration being referred to herein as a "Demand Registration"); provided that the minimum number of Registrable Securities to be registered on behalf of the Investor in any Demand Registration must be equal to at least (i) 33.3% of the Registrable Securities held by Investor (on an as converted basis) on the date hereof. For the avoidance of doubt, the Investor's right to Demand Registration includes, without limitation, the right to require registration of an underwritten public offering of Registrable Securities (an "Underwritten Offering") or the right to require the filing of a preliminary and final prospectus supplement to the extent that a Shelf

Registration Statement is then effective. However, the registration of shares of Common Stock pursuant to any continuous offering of Registrable Securities pursuant to Rule 415 promulgated under the Securities Act (a "Shelf Offering") shall be governed by Section 2 hereof.

(b) Subject to the limitations contained in this Section 3, upon the receipt by the Company of a written request for a Demand Registration pursuant to Section 3(a), the Company shall cause a Registration Statement on Form S-3 (or, if the Company is not then eligible to register the Shares for resale on Form S-3, on another appropriate form in accordance with the Securities Act) to be filed within sixty (60) days after the date on which the initial request is given (provided, however, that no filing of a Demand Registration shall be made earlier than the 36 month anniversary of the date of the closing of the Purchase Agreement) and shall use its reasonable best efforts to cause such Registration Statement to be declared effective by the Commission as soon as practicable thereafter covering all of the Registrable Securities requested to be registered in the Demand Registration. The Company shall not be required to effect more than three (3) Demand Registrations pursuant to this Section 3. Any registration initiated as a Demand Registration pursuant to Section 3(a) shall not count as a Demand Registration unless and until the Registration Statement with respect to such registration shall have become effective.

(c) The Company shall not be obligated to effect any Demand Registration within one-hundred eighty (180) days after the effective date of a previous Demand Registration or a previous registration in which the Investor was given Piggyback Registration rights. The Company may postpone the filing or effectiveness of a Registration Statement for a Demand Registration (i) for up to ninety (90) days if the Company, in good faith, determines that such Demand Registration would reasonably be expected to result in an Adverse Disclosure or (ii) for up to ninety (90) days, if the Company, in good faith, intends to conduct a primary offering of Common Stock within ninety (90) days of the proposed Demand Registration; provided, that in such event the Investor shall be entitled to withdraw such request and, if such request is withdrawn, such Demand Registration shall not count as one of the permitted Demand Registrations hereunder and the Company shall pay all registration expenses in connection with such registration.

(d) The Investor may withdraw its Registrable Securities from a Demand Registration at any time prior to the effectiveness of the applicable Registration Statement. Upon receipt of notice from the Investor to such effect, the Company shall cease all efforts to secure effectiveness of the applicable Registration Statement and such registration shall nonetheless be deemed a Demand Registration hereunder unless the withdrawal is made after a material adverse change to the Company or after notice of a postponement based on an Adverse Disclosure pursuant to Section 3(c).

(e) In the case of any Demand Registration that relates to an Underwritten Offering, the Investor shall select the investment banking firms as the Investor and Company may mutually agree to act as the managing underwriter or underwriters in connection with such Underwritten Offering.

4. Piggyback Registration.

(a) Whenever the Company proposes to register any shares of its Common Stock under the Securities Act (other than (i) a registration effected solely to implement an employee benefit plan or a transaction to which Rule 145 of the Securities Act is applicable, or (ii) a Registration Statement on Form S-4, S-8 or any successor form thereto or another form not available for registering the Registrable Securities for sale to the public), whether for its own account or for the account of one or more stockholders of the Company, the Company shall give prompt written notice (in any event no later than thirty (30) days prior to the filing of such Registration Statement) to the Investor of its intention to effect such a registration and, subject to Section 4(b) and Section 4(c), shall include in such registration all Registrable Securities requested to be included by the Investor within fifteen (15) days after the Company's notice (a "Piggyback Registration"). The Investor may withdraw all or any part of its Registrable Securities from a Piggyback Registration at any time. For the avoidance of doubt, no registration of Registrable Securities effected pursuant to a request under this Section 4 shall be deemed to have been effected pursuant to Section 3 of this Agreement or shall relieve the Company of its obligations under Section 3. The Company may postpone for up to one-hundred twenty (120) days the filing or effectiveness of a Piggyback Registration if the Company in good faith determines that such Piggyback Registration would reasonably be expected to have a material adverse effect on any proposal or plan by the Company or any of its Subsidiaries to engage in any acquisition of assets (other than in the ordinary course of business) or any merger, consolidation, tender offer, reorganization or similar transaction.

(b) If a Piggyback Registration is initiated as a primary underwritten offering on behalf of the Company and the managing underwriter advises the Company and the Investor (if the Investor has elected to include Registrable Securities in such Piggyback Registration) in writing that in its opinion the number of shares of Common Stock proposed to be included in such registration, including all Registrable Securities and all other shares of Common Stock proposed to be included in such underwritten offering, exceeds the number of shares of Common Stock which can be sold in such offering and/or that the number of shares of Common Stock proposed to be included in any such registration would adversely affect the marketability of such offering, the Company shall include in such registration (i) first, the number of shares of Common Stock that the Company proposes to sell; (ii) second, the number of shares of Common Stock requested to be included by any stockholder having registration rights with priority over the registration rights of the Investor; (iii) third, the number of shares of Common Stock requested to be included therein by the Investor; and (iv) fourth, the number of shares of Common Stock requested to be included therein by holders of Common Stock (other than the Investors and the Jefferies Investors and the Management Investors), allocated among such holders in such manner as they may agree.

(c) If any Piggyback Registration is initiated as a primary underwritten offering on behalf of the Company, the Company shall select the investment banking firm or firms to act as the managing underwriter or underwriters in connection with such offering.

(d) If a Piggyback Registration is initiated as an underwritten offering on behalf of a holder of Common Stock other than the Investor, and the managing underwriter advises the Company in writing that in its opinion the number of shares of Common Stock

proposed to be included in such registration, including all Registrable Securities and all other shares of Common Stock proposed to be included in such underwritten offering, exceeds the number of shares of Common Stock which can be sold in such offering and/or that the number of shares of Common Stock proposed to be included in any such registration would adversely affect the marketability of such offering, the Company shall include in such registration (i) first, the number of shares of Common Stock requested to be included by any stockholder having registration rights with priority over the registration rights of the Investor; (ii) second, the number of shares of Common Stock requested to be included therein by the Investor; and (iii) third, the number of shares of Common Stock requested to be included therein by holders of Common Stock (other than the Investors and the Jefferies Investors and the Management Investors (as defined in Section 13 of the Agreement)), allocated among such holders in such manner as they may agree.

5. Block Trades.

(a) To the extent that a Shelf Registration Statement is effective, the Investor shall have the right to request that the Company file a prospectus supplement in connection with an Approved Block Trade, and the filing of such prospectus supplement shall not count as a Demand Registration. The Investor and the Company shall equally split the fees of the Company's independent public accountants, and printing expenses associated with the preparation and distribution of the requested prospectuses and prospectus supplements associated with up to two (2) Approved Block Trades. The Investor shall pay all other costs and expenses associated with an Approved Block Trade, including all of its costs and expenses associated with such sales (including attorney fees of the Investor and applicable stock transfer taxes and underwriting discounts and commissions) provided, however, that the Company shall pay the fees and expenses of its attorneys in connection with such Approved Block Trades. With respect to any additional Approved Block Trades, above the initial two (2), the Investor shall be responsible for all associated costs.

(b) In connection with an Approved Block Trade, to the extent required by the relevant underwriters, the Company shall obtain so-called "comfort letters" from the Company's independent public accountants, and legal opinions of counsel to the Company addressed to the underwriters and the Commission, in customary form and covering such matters as are customarily covered by such letters and opinions and shall enter into such other agreements, including underwriting agreements in customary form. Delivery of any such opinions or comfort letters shall be subject to the recipient furnishing such written representations or acknowledgements as are customarily provided by underwriters who receive such comfort letters or opinions. In connection with an Approved Block Trade, the Company shall make available for inspection by (i) one authorized representative of the Investor, (ii) any underwriter participating in an Approved Block Trade and (iii) each of their representatives, all financial and other information as shall be reasonably requested by them, and provide such persons the opportunity to discuss the business affairs of the Company with its principal executives and independent public accountants who have certified the audited financial statements included in the Registration Statement in each case as necessary to enable them to exercise their due diligence responsibility under the Securities Act; provided, however, that the information that the Company determines, in good faith, to be confidential shall not be disclosed unless such person signs a confidentiality agreement reasonably satisfactory to the Company. In addition, the Company shall take such other actions as are reasonably required and customary in order to expedite or facilitate an Approved Block Trade.

6. Lock-up Agreements.

(a) The Investor agrees that in connection with any underwritten public offering of the Company's Common Stock, and upon the request of the managing underwriter in such offering, the Investor shall enter into such customary lock-up agreements as may be requested by the managing underwriter pursuant to which the Investor shall agree to not (i) offer, pledge, sell, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, hedge the beneficial ownership of or otherwise dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into, exercisable for or exchangeable for shares of Common Stock, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership and/or beneficial ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise, subject to customary exceptions and provided, that the period of any such lock-up shall not exceed the lesser of (x) the shortest period that any executive officer or director is subjected to and (y) one-hundred eighty (180) days. The Investor agrees to execute and deliver such other customary agreements as may be requested by the Company or the managing underwriter which are consistent with the foregoing or which are necessary to give further effect thereto.

(b) Notwithstanding anything to the contrary contained in this Agreement,

(i) the provisions of this Section 6 shall not apply to sales of Registrable Securities to be included in an underwritten offering pursuant to Section 4(a);

(ii) the provisions of this Section 6 shall not apply to the Investor unless all directors and executive officers of the Company are subject to the same restrictions; and

(iii) in the event that the managing underwriter or the Company permit any discretionary waiver or termination of the restrictions of any lock-up agreement pertaining to any officer, director or holder of greater than five (5)% of the outstanding Common Stock, the Investor shall be released from any lock-up agreement entered into pursuant to this Section 6 to the same extent as such officer, director or holder.

(c) In the case of a registration of Registrable Securities pursuant to Section 3 for an Underwritten Offering, the Company agrees, if requested by the managing underwriter or underwriters, to enter into such customary lock-up agreements as may be requested by the managing underwriter pursuant to which the Company shall agree to not (i) offer, pledge, sell, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, hedge the beneficial ownership of or otherwise dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into, exercisable for or exchangeable for shares of Common Stock, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership and/or beneficial ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled

by delivery of Common Stock or such other securities, in cash or otherwise, subject to customary exceptions (including the ability to sell shares of common stock pursuant to Form S-4 or Form S-8, pursuant to any employee benefit plan then in effect or pursuant to any other contractual obligations that that the Company may then have), and provided, that the period of any such lock-up shall not exceed the lesser of (x) the shortest period that the Investor is subjected to and (y) one-hundred eighty (180) days. The Company agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the managing underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. Without limiting the foregoing, if after the date hereof the Company grants any Person (other than the Investor) any rights to demand or participate in a registration, the Company agrees that the agreement with respect thereto shall include such Person's agreement to comply with any black-out period required by this Section 6(c) as if it were the Company hereunder.

7. Registration Procedures. If and whenever the Investor requests that any Registrable Securities be registered pursuant to the provisions of this Agreement, the Company shall use its reasonable best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as soon as practicable:

(a) subject to Section 3(c), prepare and file with the Commission a Registration Statement with respect to such Registrable Securities and use its reasonable best efforts to cause such Registration Statement to become effective as soon as practicable;

(b) prepare and file with the Commission such amendments, post-effective amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for a period of not less than one-hundred eighty (180) days (or for the Shelf Period in the case of a Shelf Registration), or if earlier, until all of such Registrable Securities have been disposed of, and to comply with the provisions of the Securities Act with respect to the disposition of such Registrable Securities in accordance with the intended methods of disposition set forth in such Registration Statement;

(c) at least five (5) business days before filing such Registration Statement, Prospectus or amendments or supplements thereto, furnish to counsel for the Investor copies of such documents proposed to be filed, which documents shall be subject to the review, comment and approval of such counsel within three (3) business days after receipt thereof with respect to only those sections of the Registration Statement containing information about or provided in writing by or on behalf of the Investor, including, without limitation, the Selling Securityholder section and the Plan of Distribution section (and the Company shall not file any such document to which the Investor reasonably objects);

(d) notify the Investor, promptly after the Company receives notice thereof, of the time when such Registration Statement has been declared effective or a supplement to any Prospectus forming a part of such Registration Statement has been filed;

(e) furnish to the Investor such number of copies of the Prospectus included in such Registration Statement (including each preliminary Prospectus) and any supplement thereto

(in each case including all exhibits and documents incorporated by reference therein) and such other documents as the Investor may request in order to facilitate the disposition of the Registrable Securities;

(f) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as the Investor requests and do any and all other acts and things which may be necessary or advisable to enable the Investor to consummate the disposition of Registrable Securities in such jurisdictions; provided, that the Company shall not be required to qualify generally to do business, subject itself to general taxation or consent to general service of process in any jurisdiction where it would not otherwise be required to do so but for this Section 7(f);

(g) notify the Investor, at any time when a Prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the Prospectus included in such Registration Statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, at the request of the Investor, the Company shall prepare a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such Prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading;

(h) notify the Investor with at least two (2) days' prior written notice, at any time when the continued use of a Registration Statement filed would require the Company to make an Adverse Disclosure and as a result the Company needs to suspend the use of the Registration Statement (each a "Suspension Period"); provided, however, (i) no Suspension Period shall exceed ninety (90) days, (ii) the Company shall not be permitted to have more than two Suspension Periods in any twelve month period and (iii) the aggregate amount of all Suspension Periods in any twenty-four month period shall not exceed one-hundred eighty (180) days. In the case of a suspension, the Investor agrees, promptly upon receipt of the notice, to suspend use of the applicable Prospectus in connection with any sale or purchase of, or offer to sell or purchase, Registrable Securities. The Company shall immediately notify the Investor upon the termination of any suspension, amend or supplement the Prospectus, if necessary, so it does not contain any untrue statement or omission and furnish to the Investor such numbers of copies of the Prospectus as so amended or supplemented as the Investor may reasonably request. The Company agrees, if necessary, to promptly supplement or make amendments to the Registration Statement, if required by the registration form used by the Company for the Registration or by the instructions applicable to such registration form or by the Securities Act or the rules or regulations promulgated thereunder or as may reasonably be requested by the Investor;

(i) make available for inspection by the Investor, any underwriter participating in any disposition pursuant to such Registration Statement and any attorney, accountant or other agent or representative of the Investor or such underwriter (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records"), and cause the Company's officers, directors and employees to supply all information requested by any such Inspector in connection with such Registration Statement;

(j) provide a transfer agent and registrar (which may be the same entity) for all such Registrable Securities not later than the effective date of such registration;

(k) use its reasonable best efforts to cause such Registrable Securities to be listed on each securities exchange on which the Common Stock is then listed;

(l) in connection with an underwritten offering, take all such customary actions as the managing underwriter of such offering requests in order to expedite or facilitate the disposition of such Registrable Securities (including, without limitation, making appropriate officers of the Company available to participate in "road show" and other customary marketing activities (including one-on-one meetings with prospective purchasers of the Registrable Securities));

(m) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Commission and make available to its stockholders an earnings statement (in a form that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder) no later than ninety (90) days after the end of the 12-month period beginning with the first day of the Company's first full fiscal quarter after the effective date of such Registration Statement, which earnings statement shall cover said 12-month period, and which requirement will be deemed to be satisfied if the Company timely files complete and accurate information on Forms 10-Q, 10-K and 8-K under the Exchange Act and otherwise complies with Rule 158 under the Securities Act;

(n) furnish to each underwriter, if any, with (i) a legal opinion of the Company's outside counsel, dated the effective date of such Registration Statement (and, if such registration includes an Underwritten Offering, dated the date of the closing under the underwriting agreement), in form and substance as is customarily given in opinions of a registrant's counsel to underwriters in underwritten public offerings; and (ii) a "comfort" letter signed by the Company's independent certified public accountants in form and substance as is customarily given in accountants' letters to underwriters in Underwritten Offerings;

(o) without limiting Section 7(f) above, use its reasonable best efforts to cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the Investor to consummate the disposition of such Registrable Securities in accordance with its intended method of distribution thereof;

(p) notify the Investor promptly of any request by the Commission for the amending or supplementing of such Registration Statement or Prospectus or for additional information (and provide copies of the relevant documents to the Investor);

(q) advise the Investor, promptly after it shall receive notice or obtain knowledge thereof, of (i) the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for such purpose and promptly use its best efforts to prevent the issuance of any stop order or to obtain its withdrawal at the earliest possible moment if such stop order should be issued, (ii) any written comments by the Commission or any request by the Commission or any other federal or

state governmental authority for amendments or supplements to such Registration Statement or such Prospectus or for additional information (and provide copies of the relevant documents to the Investor) and (iii) the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(r) otherwise use its reasonable best efforts to take all other steps necessary to effect the registration of such Registrable Securities contemplated hereby.

8. Deemed Underwriter. If any Registration Statement refers to the Investor by name or otherwise as the holder of any securities of the Company and if in its sole and exclusive judgment the Investor is or might be deemed to be an underwriter or a controlling person of the Company, the Investor shall have the right to require (i) the insertion therein of language, in form and substance reasonably satisfactory to the Investor and presented to the Company in writing, to the effect that the holding by the Investor of such securities is not to be construed as a recommendation by the Investor of the investment quality of the Company's securities covered thereby and that such holding does not imply that the Investor shall assist in meeting any future financial requirements of the Company, or (ii) in the event that such reference to the Investor by name or otherwise is not required by the Securities Act or any similar federal statute then in force, the deletion of the reference to the Investor. In no event shall the Investor be named as an underwriter in any Registration Statement without its prior written consent; provided, however, that if the failure to provide such consent requires, in the reasonable opinion of counsel to the Company, the withdrawal of the Investor's Registrable Securities from a Demand Registration, then such Registrable Securities shall be so withdrawn, the Company shall cease all efforts to secure effectiveness of such Registration Statement if the Registrable Securities are the only securities covered by such Registration Statement and such Registration Statement shall nonetheless be deemed a Demand Registration hereunder.

9. Expenses. Except as set forth in Section 5, all expenses (other than Selling Expenses) incurred by the Company in complying with its obligations pursuant to this Agreement and in connection with the registration and disposition of Registrable Securities, including, without limitation, all registration and filing fees, underwriting expenses (other than fees, commissions or discounts), expenses of any audits incident to or required by any such registration, and fees and expenses of complying with securities and "blue sky" laws, printing expenses, fees and expenses of the Company's counsel and accountants shall be paid by the Company. All Selling Expenses relating to Registrable Securities registered pursuant to this Agreement shall be paid by the Investor. The Company shall pay the reasonable fees and expenses of one counsel for the Investor up to $50,000 in the aggregate for any registration hereunder, subject to the limitations set forth herein.

10. Indemnification.

(a) Indemnification by the Company. In connection with any registration effected under this Agreement, the Company shall indemnify the Investor, each underwriter (if any) of the securities so registered, each of their respective officers, directors, managers, members, partners, stockholders and Affiliates, and each Person who controls any of the foregoing within the meaning of the Securities Act (each a "Company Indemnified Party")

against any and all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of any material fact contained in any Prospectus, offering circular or other document incident to any registration, qualification or compliance (or in any related Registration Statement, notification or the like) or any omission (or alleged omission) to state therein any material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by the Company of any rule or regulation promulgated under the Securities Act applicable to the Company and relating to any action or inaction required of the Company in connection with any such registration, qualification or compliance, and the Company will promptly reimburse each of the Company Indemnified Parties for any reasonable legal and any other expenses reasonably incurred by them in connection with investigating or defending any such claim, loss, damage, liability or action, whether or not otherwise resulting in liability; provided, however, that the Company will not be liable in any such case to the extent that any such claim, loss, damage or liability arises out of or is based on any untrue statement or omission based upon written information furnished to the Company by such Company Indemnified Party or its counsel or representative and specifically for use in such Prospectus, offering circular or other document (or related Registration Statement, notification or the like).

(b) Indemnification by the Investor. In connection with any registration effected under this Agreement, the Investor shall indemnify each underwriter (if any) of the securities so registered, the Company, each of their respective officers, directors, managers, members, partners, stockholders and Affiliates, and each Person who controls any of the foregoing within the meaning of the Securities Act (each an "Investor Indemnified Party") against any and all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of any material fact contained in any Prospectus, offering circular or other document incident to any registration, qualification or compliance (or in any related Registration Statement, notification or the like) or any omission (or alleged omission) to state therein any material fact required to be stated therein or necessary to make the statement therein not misleading, and the Investor will promptly reimburse each Investor Indemnified Party for any reasonable legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, whether or not otherwise resulting in liability; provided, however, that this Section 10(b) shall apply only if (and only to the extent that) such statement or omission was made in reliance upon written information furnished to such underwriter or the Company by the Investor or its counsel or representative specifically for use in such Prospectus, offering circular or other document (or related Registration Statement, notification or the like); and, provided further, that the Investor's liability hereunder with respect to any particular registration shall be limited to an amount equal to the net proceeds received by the Investor from the Registrable Securities sold by it in such registration.

(c) Indemnification Proceedings. Promptly after receipt by an indemnified party of notice of the commencement of any action involving a claim referred to in this Section 10, such indemnified party shall, if a claim in respect thereof is made against an indemnifying party, give written notice to the latter of the commencement of such action. The failure of any indemnified party to notify an indemnifying party of any such action shall not (unless such failure shall have prejudiced the indemnifying party) relieve the indemnifying party from any liability in respect of such action that it may have to such indemnified party hereunder. In case

any such action is brought against an indemnified party, the indemnifying party shall be entitled to participate in and to assume the defense of the claims in any such action that are subject or potentially subject to indemnification hereunder, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after written notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be responsible for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof; provided, that if (i) any indemnified party shall have reasonably concluded that there may be one or more legal or equitable defenses available to such indemnified party which are additional to or conflict with those available to the indemnifying party, or that such claim or litigation involves or could have an effect upon matters beyond the scope of the indemnity provided hereunder, or (ii) such action seeks an injunction or equitable relief against any indemnified party or involves actual or alleged criminal activity, the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party without such indemnified party's prior written consent (but, without such consent, shall have the right to participate therein with counsel of its choice) and such indemnifying party shall reimburse such indemnified party and any Person controlling such indemnified party for that portion of the fees and expenses of any counsel retained by the indemnified party which is reasonably related to the matters covered by the indemnity provided hereunder. If the indemnifying party is not entitled to, or elects not to, assume the defense of a claim, it shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim.

(d) Contribution in Lieu of Indemnification. If the indemnification provided for hereunder is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, claim, damage, liability or action referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amounts paid or payable by such indemnified party as a result of such loss, claim, damage, liability or action in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions which resulted in such loss, claim, damage, liability or action as well as any other relevant equitable considerations; provided, that the maximum amount of liability in respect of such contribution shall be limited, in the case of the Investor, to an amount equal to the net proceeds (after deducting underwriting fees, commissions or discounts) actually received by the Investor from the sale of Registrable Securities effected pursuant to such registration. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties agree that it would not be just and equitable if contribution pursuant hereto were determined by pro rata allocation or by any other method or allocation which does not take account of the equitable considerations referred to herein. No Person guilty or liable of fraudulent misrepresentation shall be entitled to contribution from any Person.

11. Participation in Underwritten Registrations. No Person may participate in any registration hereunder which relates to an Underwritten Offering unless such Person (a) agrees to

sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements; provided, that in no event shall the Investor be required to make any representations or warranties to the Company or the underwriters (other than representations and warranties regarding the Investor, the Investor's ownership of its shares of Common Stock to be sold in the offering, the Investor's intended method of distribution and other customary representations and warranties of selling stockholders) or to undertake any indemnification obligations to the Company or the underwriters with respect thereto, except as is customary for selling stockholders in Underwritten Offerings and as otherwise provided in Section 10. In the case of an Underwritten Offering pursuant to Section 3 above, the price, underwriting discount and other financial terms for the Registrable Securities shall be determined by the Investor. In addition, in the case of any Underwritten Offering, each of the Holders may withdraw their request to participate in the registration pursuant to Section 3 or 4 after being advised of such price, underwriting discount and other financial terms and shall not be required to enter into any agreements or documentation that would require otherwise.

12. Rule 144.

The Company shall make publicly available and available to the Investor such information as shall be necessary to enable the Investor to make sales of Registrable Securities pursuant to Rule 144 of the Securities Act. The Company shall cause any restrictive legends and/or stop-transfer orders to be removed or lifted with respect to any Registrable Securities promptly following receipt by the Company from the Investor of a certificate certifying: (i) that the Investor has held such Registrable Securities for the applicable holding period under Rule 144, (ii) that the Investor has not been an affiliate (as defined in Rule 144) of the Company during the ninety (90) days preceding and has complied with all of the requirements of Rule 144 in connection with any such sale of shares and (iii) as to such other matters relating to Rule 144 as the Company or counsel to the Company may request and may be appropriate in accordance with such Rule.

13. Miscellaneous.

(a) Preservation of Rights. The Company is currently a party to the Registration Rights Agreement, dated as of June 16, 2009, by and among the Company, Jefferies Capital Partners IV LP, Jefferies Employee Partners IV LLC and JCP Partners IV LLC (collectively, the "Jefferies Investors") and the Registration Rights Agreement, dated as of March 27, 1997, by and among the Company, Atlantic Restaurants, Inc., Madison Dearborn Capital Partners, L.P., Madison Dearborn Capital Partners II, L.P., BIB Holdings (Bermuda) Ltd, Alan Vituli, Daniel T. Accordino and Joseph A. Zirkman (Messrs. Vituli, Accordino and Zirkman are collectively referred to as the "Management Investors"). Under such agreements, the Company is permitted to grant rights to other persons to participate in Piggyback Registrations so long as such rights are subordinate to the rights of the Jefferies Investors and the Management Investors with respect to such Piggyback Registrations. The Company shall not (i) grant any registration rights to third parties which are more favorable than or inconsistent with the rights granted hereunder or the registration rights agreements referred to in this Section 13(a), or (ii) enter into any agreement, take any action, or permit any change to occur, with respect to

its securities that violates or subordinates the rights expressly granted to the Investor in this Agreement or to the Jefferies Investors or the Management Investors in the registration rights agreements referred to in this Section 13(a).

(b) Termination. This Agreement shall terminate and be of no further force or effect when there shall no longer be any Registrable Securities outstanding; provided that the provisions of Section 9 and Section 10 shall survive any such termination.

(c) Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (i) when delivered by hand (with written confirmation of receipt); (ii) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (iii) on the date sent by facsimile (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (iv) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at their respective addresses set forth in Section 12.2 of the Purchase Agreement (or at such other address for a party as shall be specified in a notice given in accordance with this Section 13(c)).

(d) Entire Agreement. This Agreement, together with the Purchase Agreement and any related exhibits and schedules thereto, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. Notwithstanding the foregoing, in the event of any conflict between the terms and provisions of this Agreement and those of the Purchase Agreement, the terms and conditions of this Agreement shall control.

(e) Successor and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Investor may not assign this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the Company other than to controlled Affiliates of the Investor.

(f) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

(g) Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

(h) Amendment, Modification and Waiver. The provisions of this Agreement may only be amended, modified, supplemented or waived with the prior written consent of the Company and the Investor. No waiver by any party or parties shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in

exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(i) Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

(j) Remedies. The Investor, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The Company acknowledges that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and the Company hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(k) Governing Law; Submission to Jurisdiction. THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE CONFLICT OF LAW PRINCIPLES THEREOF. The parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the State of Delaware and the federal courts of the United States of America located in the State of Delaware in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Florida state or federal court. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided herein or in such other manner as may be permitted by applicable law, shall be valid and sufficient service thereof.

(l) Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby. Each party to this Agreement certifies and acknowledges that (i) no representative of any other party has represented, expressly or otherwise, that such

other party would not seek to enforce the foregoing waiver in the event of a legal action, (ii) such party has considered the implications of this waiver, (iii) such party makes this waiver voluntarily, and (iv) such party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 13(l).

(m) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

(n) Further Assurances. The Investor agrees to execute and deliver such other agreements and take all such other acts as may be reasonably requested by the Company or the managing underwriter in any Underwritten Offering that are consistent with the terms of this Agreement or which are reasonably necessary to effect any of the registrations described herein.

[*Signature Page Follows*.]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

CARROLS RESTAURANT GROUP, INC.

By: _____
Name:
Title:

BURGER KING CORPORATION

By: _____
Name:
Title:

FORM OF OPERATING AGREEMENT

THIS AGREEMENT is made on , 2012 ("Effective Date") by and among:

(1) BURGER KING CORPORATION, a corporation organized under the laws of Florida having its principal place of business at 5505 Blue Lagoon Drive, Miami, FL 33126 **("BKC")**; and

(2) CARROLS LLC, a limited liability company organized under the laws of Delaware having its principal place of business at 968 James St., Syracuse, NY 13203 ("**Carrols**").

For the purposes of this Agreement, the above parties shall be individually referred to as a "**Party**" and collectively referred to as the "**Parties**".

INTRODUCTION

A. BKC has acquired the exclusive right to use the unique BURGER KING® System and the Burger King Marks for the development and operation of quick service restaurants known as BURGER KING® Restaurants in the U.S. ("Restaurants").

B. BKC has established a reputation and image with the public as to the quality of products and services available at Burger King Restaurants, which reputation and image have been and continue to be unique benefits to BKC and its franchisees.

C. Carrols recognizes the benefits to be derived from being identified with and licensed by BKC and from being able to utilize the Burger King System including the Burger King Marks which BKC makes available to its franchisees.

D. Carrols has franchising rights to operate certain Burger King Restaurants throughout the United States under existing franchise agreements ("Existing Franchise Agreements") and is currently a franchisee of BKC operating approximately 300 Restaurants in the U.S. under the Existing Franchise Agreements ("Existing Carrols Restaurants").

E. Carrols has requested BKC to grant Carrols the right to develop, acquire, remodel, open and operate additional Restaurants in the U.S.

F. Carrols acknowledges that it is entering into this Agreement after having made an independent investigation of BKC's operations and not upon any representation as to the profits and/or sales volumes which it might be expected to realize, or upon any representations or promises made by BKC or any person on its behalf which are not contained in this Agreement.

G. BKC is transferring to Carrols 278 of its company Restaurants as listed on **SCHEDULE A-1** attached hereto and made a part hereof ("Transferred Restaurants") in a single refranchising transaction (the "Refran") occurring on the Effective Date, pursuant to that certain Asset Purchase Agreement, dated as of , 2012, by and among BKC, Carrols, and Carrols Restaurant Group, Inc. (the "Asset Purchase Agreement").

H. Carrols intends to remodel the Existing Carrols Restaurants as well as the Transferred Restaurants, to close certain Restaurants and also currently plan to grow their portfolio of Restaurants via new restaurant development and acquisition of Restaurants operated by other franchisees of BKC.

ARTICLE I: TERM

Unless terminated earlier as provided herein, this Agreement shall expire twenty (20) years from the Effective Date ("Term") or the date that Carrols has 1,000 Restaurants in its portfolio, whichever comes first. Except as provided herein, Carrols and BKC have no right to any extension or renewal of this Agreement.

ARTICLE II: FRANCHISE AGREEMENTS

2.1 On the Effective Date, Carrols and BKC will enter into new franchise agreements ("New Franchise Agreements") for all of the Transferred Restaurants. The New Franchise Agreements shall provide for: (a) a 4.5% Royalty payment; (b) a 4% Advertising Contribution payment to BKC; (c) a commitment to investment spending during the term of no less than 0.75% of gross sales in each of the DMAs (provided that if any investment spending contract approved by 66.7% of the franchisees in a DMA calls for investment spending of less than 0.75% of gross sales, FRANCHISEE shall only be obligated to investment spending in the amount set forth in such investment spending contract); (d) a term length as set forth on **SCHEDULE A-1** attached hereto and made a part hereof; and (e) shall otherwise be in form and content as set forth on **SCHEDULE A-2** attached hereto and made a part hereof.

2.2 On the Effective Date, Carrols and BKC will amend the Existing Franchise Agreements to add a commitment by Carrols to collective investment spending the during the term of each of the Existing Franchise Agreements of no less than 0.75% of gross sales in each of the DMAs (provided that if any investment spending contract approved by 66.7% of the franchisees in a DMA calls for investment spending of less than 0.75% of gross sales, FRANCHISEE shall only be obligated to investment spending in the amount set forth in such investment spending contract) all in form and content as set forth on **SCHEDULE 2** attached hereto and made a part hereof.

ARTICLE III: GRANT

BKC grants Carrols a non-exclusive right to develop Restaurants within the specific geographic areas set forth on **SCHEDULE 3** attached hereto and made a part hereof ("DMAs"). Except to the extent that the Franchise Pre-Approval rights set forth in Section 4.6 hereof apply, Carrols will submit proposed target areas within the DMAs to BKC for approval and such target areas will not be final until BKC grants written confirmation of clearance pursuant to the development process described in Article IV below. The Parties will review the target areas as needed throughout the term of this Agreement and may make amendments to the target areas as mutually agreed in writing by the Parties. No exclusive rights are granted to Carrols in this Agreement. Carrols acknowledges that BKC has Target Reservation Agreements, Multiple Target Reservation Agreements and other forms of agreements with other franchisees for Restaurants at institutional locations, including, but not limited to, public buildings, schools, hospitals, airports, factories, turnpikes, toll roads, universities, and existing or hereafter established U.S. Military establishments; and rights or approvals previously granted by BKC to other persons or entities are not affected by this Agreement.

ARTICLE IV: DEVELOPMENT PROCEDURE

4.1 Franchise Approval. Carrols must apply for and meet BKC's current operational, financial, credit, legal and other criteria for developing and operating a new Restaurant (hereinafter referred to as "Franchise Approval") applicable to all U.S. franchisees of BKC for Restaurants ("BKC Franchisees"). Carrols understands and accepts that BKC may change its criteria for Franchise Approval as it applies to all BKC Franchisees during the term of this Agreement.

4.2 Site Approval.

4.2.1 Site Approval Process. After obtaining Franchise Approval, Carrols shall apply for and obtain site approval from BKC for any site on which Carrols proposes to construct a Restaurant under this Agreement in accordance with BKC's standard site approval procedures applicable to all BKC Franchisees (hereinafter referred to as "Site Approval"). Site Approval is a prerequisite to authorization by Carrols to construct a Restaurant at a particular location. Carrols shall commence the Site Approval process by completing and submitting to BKC the then current form of BKC's "Site Acquisition Package" with a request for Site Approval. BKC agrees to notify Carrols of BKC's decision to grant or deny Site Approval within 30 days of receipt of a completed Site Acquisition Package and all other requested information. Carrols acknowledges that Site Approval can be granted only by means of a written approval duly executed by an authorized representative of BKC and no other approval, whether oral or written, shall be effective or binding on BKC. Carrols shall not, except at their own risk, enter into any binding real estate contracts for a property for which Carrols is seeking Site Approval until BKC has given Site Approval in writing.

4.2.2 Denial of Site Approval. Without limiting any of the foregoing, Carrols acknowledges that BKC may, in its sole discretion, deny Site Approval for any site if, for any reason, the site does not meet BKC's criteria for Site Approval. If BKC believes in its sole and absolute discretion that development of a Restaurant at the site proposed by Carrols will have a material and unreasonable impact upon sales to or at an existing Restaurant operated by BKC or another BKC Franchisee, BKC may, in its sole discretion, deny Site Approval. Carrols agrees to participate and cooperate in any mediation or arbitration conducted pursuant to the BKC Procedures for Resolving Development Disputes in the event an objection is received by BKC from another BKC Franchisee in connection with the development of a site.

4.3 Construction Approval. After obtaining Site Approval, the following requirements relating to site acquisition and construction shall apply.

(a) Carrols assumes all responsibility for locating, acquiring and developing the real estate site and for construction of the Restaurant to be developed, at no cost, liability or expense to BKC. If Carrols acquires a leasehold interest in the site, such lease shall be for a term extending at least through the then current term of the Franchise Agreement applicable to the site.

(b) Any Restaurant shall be constructed to BKC's 20/20 Image Standards (or BKC's then Current Image standard, if higher) in a manner authorized and approved by BKC and equipped and furnished in accordance with BKC approved plans and specifications (which equipment, furnishings, and approval of plans and specifications shall be consistent with and no more onerous than the criteria applicable to all BKC Franchisees), subject to local planning and contractual restrictions.

(c) BKC shall make available to Carrols, for its information, BKC's standard plans and specifications for Restaurants. If Carrols requires architectural and engineering services, then Carrols shall contract for those services independently at its own expense. Carrols shall, as a condition precedent to the development of a Restaurant, obtain from BKC prior written architectural and design approval of the Carrols plans (hereinafter referred to as "Construction Approval"). Any subsequent material changes to the approved plans must be approved by BKC's Vice President of Development. BKC must approve the type of facility, site layout, and equipment configuration for the restaurant to be developed hereunder, including the building design, style, size and interior décor, as well as the type of equipment, service format and equipment arrangement for any restaurant, which may be changed, amended or modified by BKC from time to time (provided that any such modification shall be consistent with and no more onerous than the criteria applicable to all BKC Franchisees). The above notwithstanding, Carrols shall be responsible for constructing the Restaurant in accordance with all federal, state and local statutes, laws, regulations and codes.

4.4 No Franchise Without Site Approval. Nothing in this Agreement shall be construed as obligating BKC to grant a Franchise Agreement for any site which has not been approved or in a case in which the completed building does not conform to plans and specifications as approved by BKC.

4.5 No Representation Regarding Site. Carrols agrees that BKC's approval of any site or BKC's approval of any specifications or other matters relating to the development of a Restaurant does not amount to a representation or warranty relating directly or indirectly to the success or viability of the Restaurant. Carrols shall not rely upon any warranty, representation or advice that may be given by any person by or on behalf of BKC directly or indirectly relating` to the success or viability of a Restaurant, unless such representation, warranty or advice is given, in writing, by a member of the board of directors of BKC.

4.6 Franchise Pre-Approvals. Notwithstanding anything to the contrary set forth herein, BKC hereby grants Carrols franchise pre-approval ("Franchise Pre-Approval") to expand in the Burger King system by building new Restaurants or acquiring Restaurants from other franchisees in the DMAs. Franchise Pre-Approval will expire at such time the Carrols portfolio contains 1,000 operating Restaurants. The purpose of Franchise Pre-Approval is to facilitate growth transactions via new restaurant growth ("NRG") and in no way diminishes Carrols' obligations to obtain Site Approval for all new restaurant builds. Carrols' Franchise Pre-Approval will be suspended for any period of time that (a) Carrols fails to comply with the development procedures in Article IV of this Agreement; (b) Carrols fails to comply with terms of any Franchise Agreement with BKC; (c) at least 90% of Carrols' entire portfolio of Restaurants do not meet or exceed the national average for any of the Operations Metrics (as defined in Section 10.1 of this Agreement) after the Cure Period as set forth in Section 10.3 of this Agreement; or (d) any lawsuits are pending between Carrols and BKC. Such suspension of Carrols' Franchise Pre-Approval shall automatically end on the date that the Carrols comes into compliance with development procedures and the Article IV of this Agreement, comes back into compliance with all Franchise Agreements with BKC, at least 90% of Carrols' entire portfolio of Restaurants meets or exceeds the national average for each of the Operations Metrics, and pending lawsuits are settled, dismissed, withdrawn, adjudicated by final judgment or order, or are terminated.

4.7 New Restaurant Growth ("NRG"). Carrols shall have no obligation to construct any new Restaurants prior to January 1 of the calendar year following the third anniversary of the Effective Date. Commencing on January 1 of the calendar year following the third anniversary of

the Effective Date and for each calendar year thereafter during the term of this Agreement ("NRG Growth Period"), a minimum of 10% of the NRG ("Minimum NRG") in the Carrols portfolio in each calendar year must come from new Restaurants (including offsets). In the event that Carrols does not meet the Minimum NRG for any calendar year during the NRG Growth Period, Franchise Pre-Approval for the calendar year immediately following will be suspended until such time as Carrols opens a number of new Restaurants equal to the difference between the required Minimum NRG and the actual number of new Restaurants opened by Carrols for such prior calendar year.

ARTICLE V: FRANCHISEE-TO-FRANCHISEE TRANSFERS

BKC has the right to approve all sales or assignments of Restaurants from one franchisee to another in a Franchisee-to-Franchisee transfer ("F-to-F"). BKC's rights in such F-to-F's are granted and limited by the language in the assignment provisions of the U.S. BKC franchise agreement as well as, in some cases, state law. If Carrols negotiates to acquire another franchisee's Restaurants in an F-to-F, such F-to-F requires the approval of BKC which approval is subject to BKC's sole but reasonable discretion and will be granted or denied on a deal by deal basis. Notwithstanding the foregoing or anything else to the contrary set forth herein, in the event Carrols proposes an F-to-F in one of the DMAs where Carrols has Burger King restaurants prior to the F-to-F, then, in such case, Carrols will be deemed to have Franchise Pre-Approval.

ARTICLE VI: RIGHT OF FIRST REFUSAL

6.1 Right of First Refusal Notification. Pursuant to each Franchise Agreement covering Restaurants, BKC has a right of first refusal ("ROFR") to purchase all of the assets constituting the Restaurant or all or substantially all of the voting stock of a franchisee, whether direct or indirect, on the same terms as contained in a purchase agreement between such franchisee and a third party purchaser ("Purchase Agreement"). BKC hereby grants to Carrols the exclusive right to each such ROFR in the DMAs on SCHEDULE 6.1 according to the provisions of this Article VI. During the Term, BKC shall notify Carrols (the "ROFR Notice") in writing as soon as possible but in no event more than three business days after each and every time that BKC receives a notice from a franchisee proposing to sell ("Selling Franchisee") Restaurants or direct or indirect ownership interests of the franchisee ("Offered Restaurants") within the DMAs on SCHEDULE 6.1. Additionally, BKC shall provide Carrols with written notice that a Selling Franchisee has sold or transferred its Restaurant or Restaurants or its direct or indirect ownership interests of the franchisee in its Restaurant or Restaurants in violation of the ROFR as soon as possible but in no event more than three business days after each and every time that BKC receives a notice of the same. Procedures for assignment and exercise of the ROFR will be mutually agreed to be BKC and Carrols.

6.2

Fee for ROFR Assignment and Franchise Pre-Approval: Carrols will pay to BKC Three Million Eight Hundred Four Thousand and Five Hundred Forty-Five Dollars ($3,804,545.00 for the rights granted to Carrols in this Article VI and the development rights granted to Carrols in Section 4.6 of Article IV of this Agreement (collectively the "ROFR/Franchise Pre-Approval Payment"). The ROFR/Franchise Pre-Approval Payment shall be paid to BKC over a five year period in twenty quarterly installment payments of One Hundred Ninety Thousand and Two Hundred Twenty-Seven Dollars ($190,227.00) (the Quarterly ROFR/Franchise Pre-Approval Payment"). The first of these Quarterly ROFR/Franchise Pre-Approval Payments shall be paid

on the date of this Agreement. The Quarterly ROFR/Franchise Pre-Approval Payment must be paid each quarter regardless of whether or not the ROFR has been suspended as described in Article VII hereof or the Franchise Pre-Approval has been suspended as described in Section 4.6 hereof.

ARTICLE VII: REMODELING

Carrols shall remodel its entire portfolio of Restaurants in compliance with the Remodel Plan set forth on **SCHEDULE 7** attached hereto and made a part hereof. BKC's sole remedy for Carrols' failure to be in compliance with the Remodel Plan will be the suspension of Carrols' rights under Article VI by written notice given by BKC to Carrols on or before January 31 of the calendar year following the year on which Carrols does not meet the Remodel Plan. Any such suspension of Article VI rights shall begin in the calendar year following calendar year of such non-compliance, and such suspension shall automatically terminate as soon as Carrols comes back into compliance with the Remodel Plan. Carrols will be deemed in compliance with the Remodel Plan in each calendar year so long as Carrols completes at least 90% of the Remodel Plan for such calendar year. In any calendar year that Carrols completes 90% but less than 100% of the Remodel Plan for that calendar year, Carrols must complete the shortfall of remodels plus 90% of the Remodel Plan for the next calendar year in order to remain in compliance with the Remodel Plan. In any calendar year that Carrols' rights under Article VI have been suspended under this Article VII, Carrols will be deemed to be back in compliance with the Remodel Plan and all rights under Article VI shall automatically be restored as soon as Carrols completes 100% of the remodels that were required for the calendar year resulting in the suspension of rights under Article VI (assuming that all remodels completed in such subsequent year shall first apply to remedying the prior year's shortfall). Anything to the contrary in this Agreement or otherwise notwithstanding, for any remodel required under the Remodel Plan that requires the consent of a master landlord or other third party, if the consent of such master landlord or third party is not obtained Carrols shall not be obligated to undertake such remodel and shall not be deemed in default of this Agreement or the Remodel Plan for not completing such remodel and such site shall be excluded from the calculation to determine whether Carrols has completed the required remodels as provided in this Article VIII.

ARTICLE VIII: CLOSURES/EXTENSIONS

Carrols and BKC agree to close certain Transferred Restaurants and extend the terms of certain Existing Carrols Restaurants as described in SCHEDULE 8 attached hereto and made a part hereof.

ARTICLE IX: SHOWS OF SUPPORT/HIYW FOUNDATION

9.1 Shows of Support. From time to time, BKC polls its franchisees to gauge the level of national support for certain product, price, promotion or marketing initiatives via a "Show of Support" ("SOS"). Each of Carrols' Restaurants has one vote in each SOS. As long as (a) BKC has at least one seat on the Board of Directors of Carrols, and (b) BKC reviews the content of such SOS with the CEO of Carrols and allows the CEO to provide comments and input to the SOS prior to the distribution of the SOS to the rest of the Burger King system, Carrols will vote all its Restaurants as a "Yes" vote on any SOS conducted during the Term of this Agreement. The terms and content of any SOS shall remain in the sole discretion of BKC.

9.2 HAVE IT YOUR WAY® Foundation. Carrols will continue to require the Transferred Restaurants to participate in the fundraising and charitable efforts of the HAVE IT YOUR WAY® Foundation (the "Foundation") during the thirty-six (36) months following the execution of this Agreement (the "Three Year Period") as follows: (a) Carrols will keep the Foundation's cash collection boxes ("Collection Boxes") in the Transferred Restaurants for the purpose of collecting customer contributions to the Foundation and for no other charitable entities. If any Collection Boxes are broken or damaged Carrols will replace them as soon as possible and may pay for such replacement Collection Boxes by deducting such cost from cash collections if such a deduction is allowed by the applicable state law; (b) Carrols will provide one $1,000 scholarship through the BK Scholars Program for each of the 278 Transferred Restaurants and will do so even if the number of Transferred Restaurants operated by Carrols decreases during the Three Year Period due to restaurant closures. Scholarship monies are normally collected in one year and then, due to school year calendars, funded in the following calendar year (the "Grant Year"). Therefore, money collected in the Collection Boxes in calendar 2011 will be used to fund scholarships in 2012 and money collected in calendar years 2012, 2013 and 2014 will be used to fund scholarships in the Grant Years 2013, 2014 and 2015 respectively and (c) Carrols require the Transferred Restaurants to continue to participate in all Fall Fundraisers conducted by the Foundation as long as the contributions in the Collection Boxes equal the amount of scholarships committed to by Carrols in (b) above. Under no circumstances will Carrols be required to participate, although they may do so voluntarily, in any other in-restaurant fundraisers above and beyond that which is referenced in (a) and (b) above. Failure to comply with the terms of this section 9 will be an event of default under the franchise agreement for the Transferred Restaurant deemed to not be in compliance.

ARTICLE X: OPERATIONS METRICS

10.1 Performance Expectations. In consideration for the rights granted to Carrols by BKC herein, Carrols agrees to operate its Restaurants at or above the U.S. Burger King system's national average (measured on a quarterly basis) for the following operational metrics: (i) Speed of Service; (ii) Operational BKC Visits (OER or its current equivalent); (iii) Food Safety Scores; and (iv) Guest Trac (or the then current guest recovery program) (the "Operations Metrics").

10.2 Grace Period. With regard to the Transferred Restaurants, Carrols will have a six-month grace period commencing on the first day of the first full month following the Effective Date within which to meet the Operations Metrics, with the exception of Food Safety Scores, which must be met on a quarterly basis by the end of the first full completed quarter after the Effective Date.

10.3 Bottom Performers. From and after the grace periods set forth in Section 10.2 above, if more than 10% of Carrols' entire portfolio of Restaurants are rated below the national average for any of the individual Operations Metrics for more than two (2) consecutive quarters, BKC and Carrols shall meet and develop a cure period for and a cure plan ("Cure Plan") that details how Carrols will address the operational issues and by what date bring Carrols' performance up to and exceed the national average ("Cure Period"). If at least 90% of Carrols' entire portfolio of Restaurants do not meet or exceed the national average for any of the Operations Metrics after the Cure Period, Franchise Pre-Approval for F-to-F Transfers or NRG shall be suspended until such time as at least 90% of Carrols' entire portfolio of Restaurants meets or exceeds the national average for each of the Operations Metrics.

ARTICLE XI: INDEMNIFICATION

11.1 Indemnification by Carrols. Except as expressly set forth in this Agreement to the contrary, Carrols is responsible for all losses, damages and/or contractual liabilities to third parties arising out of or relating to any of the obligations, undertakings, promises and representations of Carrols under this Agreement, and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom. Carrols agrees, to the fullest extent provided by law, to defend, indemnify and save BKC and BKC's officers, directors, agents, employees, attorneys, accountants, subsidiaries, affiliates and parent company harmless of, from and with respect to any such claims, demands, losses, obligations, costs, expenses, liabilities, debts or damages (including, without limitation, reasonable attorney's fees).

11.2 Indemnification by BKC. Except as expressly set forth in this Agreement to the contrary, BKC is responsible for all losses, damages and/or contractual liabilities to third parties arising out of or relating to any of the obligations, undertakings, promises and representations of BKC under this Agreement, and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom. BKC agrees, to the fullest extent provided by law, to defend, indemnify and save Carrols and its respective officers, directors, agents, employees, attorneys, accountants, subsidiaries, affiliates and parent company harmless of, from and with respect to any such claims, demands, losses, obligations, costs, expenses, liabilities, debts or damages (including, without limitation, reasonable attorney's fees).

11.3 Indemnification Procedures. Any Party seeking indemnification from the other Party under this Agreement shall give notice of any such claims, and the Party from whom indemnification is sought shall be given the opportunity to assume the defense of the matter. If the Party from whom indemnification is sought fails to assume the defense and is ultimately found to have had the obligation to do so, the Party seeking indemnification may defend the action in the manner it deems appropriate, and upon being found to have had the obligation to do so, the Party from whom indemnification was sought shall pay to the indemnified Party all costs, including reasonable attorney fees, incurred by the indemnified Party in effecting such defense. The rights to indemnity under this Agreement shall arise and be valid notwithstanding that joint or concurrent liability may be imposed by statute, ordinance, regulation or other law.

ARTICLE XII: SEVERABILITY

If any of the provisions of this Agreement may be construed in more than one way, one of which would render the provision illegal or otherwise void, voidable or unenforceable, such provision shall have the meaning which renders it valid and enforceable. This Agreement shall be construed according to its fair meaning and not strictly against any Party. If any court or other government authority determines that any provision is not enforceable as written, the Parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the Parties the same basic rights and obligations and has the same economic effect. If any provision is held invalid or otherwise unenforceable, such findings shall not invalidate the remainder of the agreement.

ARTICLE XIII: MISCELLANEOUS

13.1 Notice. Any notice shall be in writing and shall be delivered or sent by registered or certified mail postage fully prepaid or by national overnight courier service for overnight delivery, if to BKC to: Burger King Corporation, 5505 Blue Lagoon Drive, Miami, Florida 33126, Attn: General Counsel, if to Carrols: Carrols, LLC, 968 James Street, Syracuse, NY 13203, Attn: Daniel Accordino, CEO. All such notices shall be deemed delivered on the earlier of actual receipt or the third (3rd) day after being deposited in the US Mail or the day after being deposited with a national overnight Courier service for overnight delivery.

13.2 Assignment. This Agreement may not be directly or indirectly assigned, transferred or encumbered to a third party by Carrols or BKC.

13.3 Non-Waiver. Failure of any Party to insist upon strict performance of any terms of this Agreement shall not be deemed a waiver of any subsequent breach or default. Acceptance by any Party of any money under this Agreement or under any Franchise Agreement shall not constitute a waiver of any breach or default of this Agreement or any Franchise Agreement.

13.4 Relationship of Parties. The Parties to this Agreement are not partners, joint venturers, or agents of each other and there is no fiduciary relationship between the Parties. BKC does not have the right to bind or obligate Carrols in any way and shall not represent that it has any such right, and Carrols does not have the right to bind or obligate BKC in any way and shall not represent that they have any such right. This Agreement is not a franchise for the operation of a BURGER KING restaurant.

13.5 Governing Law/Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. The Parties hereto acknowledge and agree that the United States District Court for the Southern District Court of Florida, or if such court lacks jurisdiction, the 11th Judicial Court (or its successor) in and for Miami-Dade County, Florida, shall be the venue and exclusive proper forum in which to adjudicate any case or controversy arising, either directly or indirectly, under or in connection with this Agreement, any Franchise Agreements or related documentation and any other agreement between the Parties, and the Parties further agree that, if litigation arises out of, or in connection with this Agreement, any Franchise Agreements, or related documentation or any other agreement between the Parties in these courts, they will not contest or challenge the personal jurisdiction or venue of these courts.

13.6 Incorporation of Recital, Preamble, and Whereas Paragraphs**.** The recital, preamble, and whereas paragraphs set forth above are incorporated herein by this reference with the same force and effect as if they were more specifically set forth herein.

13.7 Impossibility. If any Party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, terrorism, acts of enemies, strikes, lockouts, labor troubles, inability to procure materials, laws, adverse weather, unusual delay in transportation or other cause without fault and beyond the control of the Party obligated (financial inability excepted), then upon written notice to the other Party, the performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay; provided, however, the Party so delayed shall exercise its best efforts to remedy any such cause of delay or cause preventing performance.

13.8 Binding Nature. All of the covenants, agreements, terms and conditions to be observed and performed by the Parties hereto shall be applicable to and binding upon their respective successors and permitted assigns.

13.9 Enforcement. If any Party hereto fails to perform its obligations under this Agreement, or if a dispute arises concerning the meaning or interpretation of any provision of this Agreement and any action or steps are taken in furtherance thereof including, but not limited to, the commencement of legal proceedings, lawsuits, arbitration, or other proceedings arising out of, relating to, or based in any way on this Agreement, including without limitation, tort actions and actions for injunctive and declaratory relief, the non-prevailing Party in the dispute shall pay any and all actual reasonable costs and expenses incurred by the prevailing Party in enforcing or establishing its rights hereunder, including, without limitation, all court costs, all fees and costs incurred in any appellate process, and all actual attorney's fees and in-house counsel costs and the costs of paralegals. For purposes of calculating the value of in-house counsel under this Agreement, it is agreed and established that in-house counsel shall have a billable rate of three hundred fifty and no/100 dollars ($350.00) per hour or any fraction thereof.

13.10 Counterpart Execution. To facilitate execution, this Agreement may be executed in any number of counterparts as may be convenient or necessary, and it shall not be necessary that the signatures of all Parties hereto be contained on any one counterpart hereof. Additionally, the Parties hereto hereby covenant and agree that, for purposes of facilitating the execution of this Agreement, (a) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts and (b) a facsimile or PDF or electronic form of signature shall be deemed to be an original signature. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts taken together shall constitute one and the same agreement.

13.11 Dates. If the final date of any deadline under this Agreement falls upon a Saturday, Sunday, or holiday recognized by the U.S. Postal Service, then in such event the time of such deadline shall be extended to the next day that is not a Saturday, Sunday, or holiday recognized by the U. S. Postal Service. Whenever the words "day" or "days" are used in this Agreement, it shall be considered to mean "calendar days" and not "business days" unless an express statement to the contrary is made.

13.12 Amendment. This Agreement shall not be amended or modified except by a written instrument signed by all Parties.

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Signature Page to Follow

THIS AGREEMENT is executed by the Parties as of the day and year indicated on the first page of this Agreement.

BURGER KING CORPORATION ("BKC")

By: _____

Title: _____

Printed Name: _____

CARROLS LLC

By: _____

Title: _____

Printed Name: _____

VOTING AGREEMENT

This Voting Agreement (this "**Agreement**"), dated as of March 26, 2012 between the undersigned stockholder ("**Stockholder**") of Carrols Restaurant Group, Inc., a Delaware corporation (the "**Company**"), and Burger King Corporation, a Florida corporation ("**BK**").

WHEREAS, the Company and BK have entered into that certain Asset Purchase Agreement, dated as of the date hereof (as the same may be amended from time to time, the "**Purchase Agreement**"), providing for, among other things, the acquisition by the Company of certain assets of BK in consideration for the issuance by the Company to BK of shares of newly-designated Series A Convertible Preferred Stock, in each case pursuant to the terms and conditions of the Purchase Agreement;

WHEREAS, the Company has agreed in the Purchase Agreement to provide each stockholder of the Company entitled to vote at the annual meeting of the stockholders of the Company to be held in 2012, or at any special meeting of the stockholders of the Company held prior to such date, a proxy statement soliciting each such stockholder's affirmative vote at the Stockholder Meeting for the stockholder approval contemplated by Section 6(b) of the Certificate of Designation (the "**Issuance Resolutions**");

WHEREAS, in order to induce BK to enter into the Purchase Agreement, Stockholder agreed to execute and deliver this Agreement and to make certain representations, warranties, covenants and agreements with respect to the shares of common stock, par value $.01 per share, of the Company ("**Company Common Stock**") beneficially owned by Stockholder and set forth below Stockholder's signature on the signature page hereto (the "**Original Shares**") and any additional "**Shares**" (as defined in Section 1 below).

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

1. Definitions.

For purposes of this Agreement, capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the Purchase Agreement.

The term "**Amendment**" shall have the meaning set forth in Section 11(h).

The term **"Existing Voting Agreement"** means that certain Voting Agreement dated as of July 27, 2011 by and among Carrols Restaurant Group, Inc., Jefferies Capital Partners IV L.P., Jefferies Employee Partners IV LLC, and JCP Partners IV LLC.

The term "**Options**" shall have the meaning set forth in Section 2(b).

The term **"Shares"** shall mean the Original Shares, as they may be adjusted due to the acquisition of additional shares of Company Common Stock or the transfer of Original Shares pursuant to Section 5 hereof, provided that neither the "Original Shares" nor the "Shares" shall include shares of Company Common Stock held or acquired by Jefferies & Company, Inc. (other than such shares acquired from Stockholder otherwise than in the ordinary course of business), it being understood that (i) Jefferies & Company, Inc. may be deemed to be under common control with Stockholder, (ii) such company may hold or acquire shares of Company Common Stock in the ordinary course of its business, (iii) Stockholder disclaims any beneficial ownership of such shares, and (iv) none of such shares shall be subject to this Agreement except to the extent they are acquired from Stockholder otherwise than in the ordinary course of business.

The term "**Transfer**" shall have the meaning set forth in Section 5.

2. Representations of Stockholder.

Stockholder represents and warrants to BK that:

(a) (i) Stockholder owns beneficially (as such term is defined in Rule 13d-3 under the Exchange Act) all of the Original Shares free and clear of all Liens, and (ii) except pursuant hereto and the Existing Voting Agreement, there are no options, warrants or other rights, agreements, arrangements or commitments of any character to which Stockholder is a party relating to the pledge, disposition or voting of any of the Original Shares and there are no voting trusts or voting agreements with respect to the Original Shares.

(b) Stockholder does not beneficially own any shares of Company Common Stock other than (i) the Original Shares and (ii) any options, warrants or other rights to acquire any additional shares of Company Common Stock or any security exercisable for or convertible into shares of Company Common Stock, set forth on the signature page of this Agreement (collectively, "**Options**").

(c) Subject to the effectiveness of the Amendment (as hereinafter defined), Stockholder has full entity power and authority to enter into, execute and deliver this Agreement and to perform fully Stockholder's obligations hereunder (including the proxy described in Section 3(b) below). Subject to the effectiveness of the Amendment, this Agreement has been duly and validly executed and delivered by Stockholder and constitutes the legal, valid and binding obligation of Stockholder, enforceable against Stockholder in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or creditors' rights generally or principles of equity.

(d) Subject to the effectiveness of the Amendment, none of the execution and delivery of this Agreement by Stockholder, the consummation by

Stockholder of the transactions contemplated hereby or compliance by Stockholder with any of the provisions hereof will conflict with or result in a breach, or constitute a default (with or without notice of lapse of time or both) under any provision of, any trust agreement, loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument or Law applicable to Stockholder or to Stockholder's property or assets.

(e) Subject to the effectiveness of the Amendment, no consent, approval or authorization of, or designation, declaration or filing with, any Governmental Entity or other Person on the part of Stockholder is required in connection with the valid execution and delivery of this Agreement. If Stockholder is an individual, no consent of Stockholder's spouse is necessary under any "community property" or other laws in order for Stockholder to enter into and perform its obligations under this Agreement.

3. Agreement to Vote Shares; Irrevocable Proxy.

(a) Stockholder agrees during the term of this Agreement to vote the Shares, and to cause any holder of record of Shares to vote or execute a written consent or consents if stockholders of the Company are requested to vote their shares through the execution of an action by written consent in lieu of any such annual or special meeting of stockholders of the Company: (i) in favor of the Issuance Resolutions, at every meeting (or in connection with any action by written consent) of the stockholders of the Company at which such matters are considered and at every adjournment or postponement thereof; (ii) against any action, proposal, transaction or agreement that would reasonably be expected to impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the matters contemplated by the Purchase Agreement or the Issuance Resolutions.

(b) Stockholder hereby appoints BK and any designee of BK, and each of them individually, its proxies and attorneys-in-fact, with full power of substitution and resubstitution, to vote or act by written consent during the term of this Agreement solely with respect to the Shares in accordance with Section 3(a). This proxy and power of attorney is given to secure the performance of the duties of Stockholder under this Agreement. Stockholder shall take such further action or execute such other instruments as may be necessary to effectuate the intent of this proxy. This proxy and power of attorney granted by Stockholder shall be irrevocable during the term of this Agreement, shall be deemed to be coupled with an interest sufficient in law to support an irrevocable proxy and shall revoke any and all prior proxies granted by Stockholder with respect to the Shares. The power of attorney granted by Stockholder herein is a durable power of attorney and shall survive the dissolution, bankruptcy, death or incapacity of Stockholder. The proxy and power of attorney granted hereunder shall terminate upon the termination of this Agreement.

4. No Voting Trusts or Other Arrangement.

Stockholder agrees that Stockholder will not, and will not permit any entity under Stockholder's control to, deposit any of the Shares in a voting trust, grant any proxies with respect to the Shares or subject any of the Shares to any arrangement with respect to the voting of the Shares other than agreements entered into with BK and the Existing Voting Agreement.

5. Additional Shares.

Stockholder agrees that all shares of Company Common Stock that Stockholder purchases, acquires the right to vote or otherwise acquires beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of after the execution of this Agreement shall be subject to the terms of this Agreement and shall constitute Shares for all purposes of this Agreement.

The parties agree that nothing in this Agreement shall be deemed to limit or restrict the Stockholder's ability to directly or indirectly, transfer, sell, offer, exchange, assign, pledge or otherwise dispose of or encumber ("**Transfer**") any of the Shares or enter into any contract, option or other agreement with respect to, or consent to, a Transfer of, any of the Shares or Stockholder's voting or economic interest therein; provided that such Transfer is made either (i) in an open market transaction or (ii) the transferee agrees in a writing, reasonably satisfactory in form and substance to BK, to be bound by all of the terms of this Agreement.

6. Termination.

This Agreement shall terminate upon the earliest to occur of (i) the date on which the Issuance Resolutions are approved by the stockholders of the Company, (ii) the date on which the Purchase Agreement is terminated in accordance with its terms, (iii) the date of any amendment to the Purchase Agreement or any change to or modification of the certificate of designation of the Series A Convertible Preferred Stock attached as Exhibit B to the Purchase Agreement, in each case which change is materially adverse to the Company or Stockholder, and (iv) December 31, 2013.

7. No Agreement as Director or Officer.

Stockholder makes no agreement or understanding in this Agreement in Stockholder's capacity as a director or officer of the Company or any of its subsidiaries (if Stockholder holds such office), and nothing in this Agreement: (a) will limit or affect any actions or omissions taken by Stockholder in stockholder's capacity as such a director or officer, including in exercising rights under the Purchase Agreement, and no such actions or omissions shall be deemed a breach of this Agreement or (b) will be construed to prohibit, limit or restrict Stockholder from exercising Stockholder's fiduciary duties as an officer or director of the Company or to its stockholders.

8. Specific Performance.

Each party hereto acknowledges that it will be impossible to measure in money the damage to the other party if a party hereto fails to comply with any of the obligations imposed by this Agreement, that every such obligation is material and that, in the event of any such failure, the other party will not have an adequate remedy at law or damages. Accordingly, each party hereto agrees that injunctive relief or other equitable remedy, in addition to remedies at law or damages, is the appropriate remedy for any such failure and will not oppose the seeking of such relief on the basis that the other party has an adequate remedy at law. Each party hereto agrees that it will not seek, and agrees to waive any requirement for, the securing or posting of a bond in connection with the other party's seeking or obtaining such equitable relief.

9. Entire Agreement.

This Agreement supersedes all prior agreements, written or oral, between the parties hereto with respect to the subject matter hereof and contains the entire agreement between the parties with respect to the subject matter hereof. This Agreement may not be amended or supplemented, and no provisions hereof may be modified or waived, except by an instrument in writing signed by both of the parties hereto. No waiver of any provisions hereof by either party shall be deemed a waiver of any other provisions hereof by such party, nor shall any such waiver be deemed a continuing waiver of any provision hereof by such party.

10. Notices.

All notices, requests, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient, or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10):

If to BK, to the address or facsimile number set forth for BK in Section 12.2 of the Purchase Agreement.

If to Stockholder, to the address or facsimile number set forth for Stockholder on the signature page hereof.

11. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Florida.

(b) The parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the State of Florida and the federal courts of the United States of America located in the State of Florida in respect of the interpretation and enforcement of the provisions of this Agreement.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11(c).

(d) If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

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

(f) Each party hereto shall execute and deliver such additional documents as may be necessary or desirable to effect the transactions contemplated by this Agreement.

(g) All Section headings herein are for convenience of reference only and are not part of this Agreement, and no construction or reference shall be derived therefrom.

(h) The obligations of Stockholder set forth in this Agreement shall not be effective or binding upon Stockholder until after such time as (i) the Existing Voting Agreement is duly amended to permit Stockholder to undertake the obligations and agreements provided for herein without violating such agreement (the "**Amendment**") and (ii) the Purchase Agreement is executed and delivered by the Company and BK, and the parties agree that there is not and has not been any other agreement, arrangement or understanding between the parties hereto with respect to the matters set forth herein.

(i) Neither party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other party hereto, except that BK may assign, in its sole discretion, all or any of its rights, interests and obligations hereunder to any of its Affiliates. Any assignment contrary to the provisions of this Section 11(i) shall be null and void.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

BURGER KING CORPORATION

By /s/ Craig S. Prusher

Name: Craig S. Prusher
Title: Vice President

JEFFERIES CAPITAL PARTNERS IV L.P.

By: JEFFERIES CAPITAL PARTNERS LLC, its manager

By /s/ James L. Luikart
Name: James L. Luikart
Title: Executive Vice President

Number of Shares of Company Common Stock Beneficially Owned as of the Date of this Agreement: 5,695,472
Number of Options Beneficially Owned as of the Date of this Agreement: N/A
Street Address: 520 Madison Avenue, 10th Floor
City/State/Zip Code: New York, New York 10022
Fax: (212) 284-1717

VOTING AGREEMENT

This Voting Agreement (this "**Agreement**"), dated as of March 26, 2012 between the undersigned stockholder ("**Stockholder**") of Carrols Restaurant Group, Inc., a Delaware corporation (the "**Company**"), and Burger King Corporation, a Florida corporation ("**BK**").

WHEREAS, the Company and BK have entered into that certain Asset Purchase Agreement, dated as of the date hereof (as the same may be amended from time to time, the "**Purchase Agreement**"), providing for, among other things, the acquisition by the Company of certain assets of BK in consideration for the issuance by the Company to BK of shares of newly-designated Series A Convertible Preferred Stock, in each case pursuant to the terms and conditions of the Purchase Agreement;

WHEREAS, the Company has agreed in the Purchase Agreement to provide each stockholder of the Company entitled to vote at the annual meeting of the stockholders of the Company to be held in 2012, or at any special meeting of the stockholders of the Company held prior to such date, a proxy statement soliciting each such stockholder's affirmative vote at the Stockholder Meeting for the stockholder approval contemplated by Section 6(b) of the Certificate of Designation (the "**Issuance Resolutions**");

WHEREAS, in order to induce BK to enter into the Purchase Agreement, Stockholder agreed to execute and deliver this Agreement and to make certain representations, warranties, covenants and agreements with respect to the shares of common stock, par value $.01 per share, of the Company ("**Company Common Stock**") beneficially owned by Stockholder and set forth below Stockholder's signature on the signature page hereto (the "**Original Shares**") and any additional "**Shares**" (as defined in Section 1 below).

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

1. Definitions.

For purposes of this Agreement, capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the Purchase Agreement.

The term "**Amendment**" shall have the meaning set forth in Section 11(h).

The term **"Existing Voting Agreement"** means that certain Voting Agreement dated as of July 27, 2011 by and among Carrols Restaurant Group, Inc., Jefferies Capital Partners IV L.P., Jefferies Employee Partners IV LLC, and JCP Partners IV LLC.

The term "**Options**" shall have the meaning set forth in Section 2(b).

The term **"Shares"** shall mean the Original Shares, as they may be adjusted due to the acquisition of additional shares of Company Common Stock or the transfer of Original Shares pursuant to Section 5 hereof, provided that neither the "Original Shares" nor the "Shares" shall include shares of Company Common Stock held or acquired by Jefferies & Company, Inc. (other than such shares acquired from Stockholder otherwise than in the ordinary course of business), it being understood that (i) Jefferies & Company, Inc. may be deemed to be under common control with Stockholder, (ii) such company may hold or acquire shares of Company Common Stock in the ordinary course of its business, (iii) Stockholder disclaims any beneficial ownership of such shares, and (iv) none of such shares shall be subject to this Agreement except to the extent they are acquired from Stockholder otherwise than in the ordinary course of business.

The term "**Transfer**" shall have the meaning set forth in Section 5.

2. Representations of Stockholder.

Stockholder represents and warrants to BK that:

(a) (i) Stockholder owns beneficially (as such term is defined in Rule 13d-3 under the Exchange Act) all of the Original Shares free and clear of all Liens, and (ii) except pursuant hereto and the Existing Voting Agreement, there are no options, warrants or other rights, agreements, arrangements or commitments of any character to which Stockholder is a party relating to the pledge, disposition or voting of any of the Original Shares and there are no voting trusts or voting agreements with respect to the Original Shares.

(b) Stockholder does not beneficially own any shares of Company Common Stock other than (i) the Original Shares and (ii) any options, warrants or other rights to acquire any additional shares of Company Common Stock or any security exercisable for or convertible into shares of Company Common Stock, set forth on the signature page of this Agreement (collectively, "**Options**").

(c) Subject to the effectiveness of the Amendment (as hereinafter defined), Stockholder has full entity power and authority to enter into, execute and deliver this Agreement and to perform fully Stockholder's obligations hereunder (including the proxy described in Section 3(b) below). Subject to the effectiveness of the Amendment, this Agreement has been duly and validly executed and delivered by Stockholder and constitutes the legal, valid and binding obligation of Stockholder, enforceable against Stockholder in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or creditors' rights generally or principles of equity.

(d) Subject to the effectiveness of the Amendment, none of the execution and delivery of this Agreement by Stockholder, the consummation by

Stockholder of the transactions contemplated hereby or compliance by Stockholder with any of the provisions hereof will conflict with or result in a breach, or constitute a default (with or without notice of lapse of time or both) under any provision of, any trust agreement, loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument or Law applicable to Stockholder or to Stockholder's property or assets.

(e) Subject to the effectiveness of the Amendment, no consent, approval or authorization of, or designation, declaration or filing with, any Governmental Entity or other Person on the part of Stockholder is required in connection with the valid execution and delivery of this Agreement. If Stockholder is an individual, no consent of Stockholder's spouse is necessary under any "community property" or other laws in order for Stockholder to enter into and perform its obligations under this Agreement.

3. Agreement to Vote Shares; Irrevocable Proxy.

(a) Stockholder agrees during the term of this Agreement to vote the Shares, and to cause any holder of record of Shares to vote or execute a written consent or consents if stockholders of the Company are requested to vote their shares through the execution of an action by written consent in lieu of any such annual or special meeting of stockholders of the Company: (i) in favor of the Issuance Resolutions, at every meeting (or in connection with any action by written consent) of the stockholders of the Company at which such matters are considered and at every adjournment or postponement thereof; (ii) against any action, proposal, transaction or agreement that would reasonably be expected to impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the matters contemplated by the Purchase Agreement or the Issuance Resolutions.

(b) Stockholder hereby appoints BK and any designee of BK, and each of them individually, its proxies and attorneys-in-fact, with full power of substitution and resubstitution, to vote or act by written consent during the term of this Agreement solely with respect to the Shares in accordance with Section 3(a). This proxy and power of attorney is given to secure the performance of the duties of Stockholder under this Agreement. Stockholder shall take such further action or execute such other instruments as may be necessary to effectuate the intent of this proxy. This proxy and power of attorney granted by Stockholder shall be irrevocable during the term of this Agreement, shall be deemed to be coupled with an interest sufficient in law to support an irrevocable proxy and shall revoke any and all prior proxies granted by Stockholder with respect to the Shares. The power of attorney granted by Stockholder herein is a durable power of attorney and shall survive the dissolution, bankruptcy, death or incapacity of Stockholder. The proxy and power of attorney granted hereunder shall terminate upon the termination of this Agreement.

4. No Voting Trusts or Other Arrangement.

Stockholder agrees that Stockholder will not, and will not permit any entity under Stockholder's control to, deposit any of the Shares in a voting trust, grant any proxies with respect to the Shares or subject any of the Shares to any arrangement with respect to the voting of the Shares other than agreements entered into with BK and the Existing Voting Agreement.

5. Additional Shares.

Stockholder agrees that all shares of Company Common Stock that Stockholder purchases, acquires the right to vote or otherwise acquires beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of after the execution of this Agreement shall be subject to the terms of this Agreement and shall constitute Shares for all purposes of this Agreement.

The parties agree that nothing in this Agreement shall be deemed to limit or restrict the Stockholder's ability to directly or indirectly, transfer, sell, offer, exchange, assign, pledge or otherwise dispose of or encumber ("**Transfer**") any of the Shares or enter into any contract, option or other agreement with respect to, or consent to, a Transfer of, any of the Shares or Stockholder's voting or economic interest therein; provided that such Transfer is made either (i) in an open market transaction or (ii) the transferee agrees in a writing, reasonably satisfactory in form and substance to BK, to be bound by all of the terms of this Agreement.

6. Termination.

This Agreement shall terminate upon the earliest to occur of (i) the date on which the Issuance Resolutions are approved by the stockholders of the Company, (ii) the date on which the Purchase Agreement is terminated in accordance with its terms, (iii) the date of any amendment to the Purchase Agreement or any change to or modification of the certificate of designation of the Series A Convertible Preferred Stock attached as Exhibit B to the Purchase Agreement, in each case which change is materially adverse to the Company or Stockholder, and (iv) December 31, 2013.

7. No Agreement as Director or Officer.

Stockholder makes no agreement or understanding in this Agreement in Stockholder's capacity as a director or officer of the Company or any of its subsidiaries (if Stockholder holds such office), and nothing in this Agreement: (a) will limit or affect any actions or omissions taken by Stockholder in stockholder's capacity as such a director or officer, including in exercising rights under the Purchase Agreement, and no such actions or omissions shall be deemed a breach of this Agreement or (b) will be construed to prohibit, limit or restrict Stockholder from exercising Stockholder's fiduciary duties as an officer or director of the Company or to its stockholders.

8. Specific Performance.

Each party hereto acknowledges that it will be impossible to measure in money the damage to the other party if a party hereto fails to comply with any of the obligations imposed by this Agreement, that every such obligation is material and that, in the event of any such failure, the other party will not have an adequate remedy at law or damages. Accordingly, each party hereto agrees that injunctive relief or other equitable remedy, in addition to remedies at law or damages, is the appropriate remedy for any such failure and will not oppose the seeking of such relief on the basis that the other party has an adequate remedy at law. Each party hereto agrees that it will not seek, and agrees to waive any requirement for, the securing or posting of a bond in connection with the other party's seeking or obtaining such equitable relief.

9. Entire Agreement.

This Agreement supersedes all prior agreements, written or oral, between the parties hereto with respect to the subject matter hereof and contains the entire agreement between the parties with respect to the subject matter hereof. This Agreement may not be amended or supplemented, and no provisions hereof may be modified or waived, except by an instrument in writing signed by both of the parties hereto. No waiver of any provisions hereof by either party shall be deemed a waiver of any other provisions hereof by such party, nor shall any such waiver be deemed a continuing waiver of any provision hereof by such party.

10. Notices.

All notices, requests, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient, or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10):

If to BK, to the address or facsimile number set forth for BK in Section 12.2 of the Purchase Agreement.

If to Stockholder, to the address or facsimile number set forth for Stockholder on the signature page hereof.

11. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Florida.

(b) The parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the State of Florida and the federal courts of the United States of America located in the State of Florida in respect of the interpretation and enforcement of the provisions of this Agreement.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11(c).

(d) If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

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

(f) Each party hereto shall execute and deliver such additional documents as may be necessary or desirable to effect the transactions contemplated by this Agreement.

(g) All Section headings herein are for convenience of reference only and are not part of this Agreement, and no construction or reference shall be derived therefrom.

(h) The obligations of Stockholder set forth in this Agreement shall not be effective or binding upon Stockholder until after such time as (i) the Existing Voting Agreement is duly amended to permit Stockholder to undertake the obligations and agreements provided for herein without violating such agreement (the "**Amendment**") and (ii) the Purchase Agreement is executed and delivered by the Company and BK, and the parties agree that there is not and has not been any other agreement, arrangement or understanding between the parties hereto with respect to the matters set forth herein.

(i) Neither party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other party hereto, except that BK may assign, in its sole discretion, all or any of its rights, interests and obligations hereunder to any of its Affiliates. Any assignment contrary to the provisions of this Section 11(i) shall be null and void.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

BURGER KING CORPORATION

By /s/ Craig S. Prusher

Name: Craig S. Prusher
Title: Vice President

JEFFERIES EMPLOYEE PARTNERS IV LLC

By: JEFFERIES CAPITAL PARTNERS LLC, its manager

By /s/ James L. Luikart

Name: James L. Luikart
Title: Executive Vice President

Number of Shares of Company Common Stock Beneficially Owned as of the Date of this Agreement: 655,985
Number of Options Beneficially Owned as of the Date of this Agreement: N/A
Street Address: 520 Madison Avenue, 10th Floor
City/State/Zip Code: New York, New York 10022
Fax: (212) 284-1717

VOTING AGREEMENT

This Voting Agreement (this "**Agreement**"), dated as of March 26, 2012 between the undersigned stockholder ("**Stockholder**") of Carrols Restaurant Group, Inc., a Delaware corporation (the "**Company**"), and Burger King Corporation, a Florida corporation ("**BK**").

WHEREAS, the Company and BK have entered into that certain Asset Purchase Agreement, dated as of the date hereof (as the same may be amended from time to time, the "**Purchase Agreement**"), providing for, among other things, the acquisition by the Company of certain assets of BK in consideration for the issuance by the Company to BK of shares of newly-designated Series A Convertible Preferred Stock, in each case pursuant to the terms and conditions of the Purchase Agreement;

WHEREAS, the Company has agreed in the Purchase Agreement to provide each stockholder of the Company entitled to vote at the annual meeting of the stockholders of the Company to be held in 2012, or at any special meeting of the stockholders of the Company held prior to such date, a proxy statement soliciting each such stockholder's affirmative vote at the Stockholder Meeting for the stockholder approval contemplated by Section 6(b) of the Certificate of Designation (the "**Issuance Resolutions**");

WHEREAS, in order to induce BK to enter into the Purchase Agreement, Stockholder agreed to execute and deliver this Agreement and to make certain representations, warranties, covenants and agreements with respect to the shares of common stock, par value $.01 per share, of the Company ("**Company Common Stock**") beneficially owned by Stockholder and set forth below Stockholder's signature on the signature page hereto (the "**Original Shares**") and any additional "**Shares**" (as defined in Section 1 below).

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

1. Definitions.

For purposes of this Agreement, capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the Purchase Agreement.

The term "**Amendment**" shall have the meaning set forth in Section 11(h).

The term **"Existing Voting Agreement"** means that certain Voting Agreement dated as of July 27, 2011 by and among Carrols Restaurant Group, Inc., Jefferies Capital Partners IV L.P., Jefferies Employee Partners IV LLC, and JCP Partners IV LLC.

The term "**Options**" shall have the meaning set forth in Section 2(b).

The term **"Shares"** shall mean the Original Shares, as they may be adjusted due to the acquisition of additional shares of Company Common Stock or the transfer of Original Shares pursuant to Section 5 hereof, provided that neither the "Original Shares" nor the "Shares" shall include shares of Company Common Stock held or acquired by Jefferies & Company, Inc. (other than such shares acquired from Stockholder otherwise than in the ordinary course of business), it being understood that (i) Jefferies & Company, Inc. may be deemed to be under common control with Stockholder, (ii) such company may hold or acquire shares of Company Common Stock in the ordinary course of its business, (iii) Stockholder disclaims any beneficial ownership of such shares, and (iv) none of such shares shall be subject to this Agreement except to the extent they are acquired from Stockholder otherwise than in the ordinary course of business.

The term "**Transfer**" shall have the meaning set forth in Section 5.

2. Representations of Stockholder.

Stockholder represents and warrants to BK that:

(a) (i) Stockholder owns beneficially (as such term is defined in Rule 13d-3 under the Exchange Act) all of the Original Shares free and clear of all Liens, and (ii) except pursuant hereto and the Existing Voting Agreement, there are no options, warrants or other rights, agreements, arrangements or commitments of any character to which Stockholder is a party relating to the pledge, disposition or voting of any of the Original Shares and there are no voting trusts or voting agreements with respect to the Original Shares.

(b) Stockholder does not beneficially own any shares of Company Common Stock other than (i) the Original Shares and (ii) any options, warrants or other rights to acquire any additional shares of Company Common Stock or any security exercisable for or convertible into shares of Company Common Stock, set forth on the signature page of this Agreement (collectively, "**Options**").

(c) Subject to the effectiveness of the Amendment (as hereinafter defined), Stockholder has full entity power and authority to enter into, execute and deliver this Agreement and to perform fully Stockholder's obligations hereunder (including the proxy described in Section 3(b) below). Subject to the effectiveness of the Amendment, this Agreement has been duly and validly executed and delivered by Stockholder and constitutes the legal, valid and binding obligation of Stockholder, enforceable against Stockholder in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or creditors' rights generally or principles of equity.

(d) Subject to the effectiveness of the Amendment, none of the execution and delivery of this Agreement by Stockholder, the consummation by

Stockholder of the transactions contemplated hereby or compliance by Stockholder with any of the provisions hereof will conflict with or result in a breach, or constitute a default (with or without notice of lapse of time or both) under any provision of, any trust agreement, loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument or Law applicable to Stockholder or to Stockholder's property or assets.

(e) Subject to the effectiveness of the Amendment, no consent, approval or authorization of, or designation, declaration or filing with, any Governmental Entity or other Person on the part of Stockholder is required in connection with the valid execution and delivery of this Agreement. If Stockholder is an individual, no consent of Stockholder's spouse is necessary under any "community property" or other laws in order for Stockholder to enter into and perform its obligations under this Agreement.

3. Agreement to Vote Shares; Irrevocable Proxy.

(a) Stockholder agrees during the term of this Agreement to vote the Shares, and to cause any holder of record of Shares to vote or execute a written consent or consents if stockholders of the Company are requested to vote their shares through the execution of an action by written consent in lieu of any such annual or special meeting of stockholders of the Company: (i) in favor of the Issuance Resolutions, at every meeting (or in connection with any action by written consent) of the stockholders of the Company at which such matters are considered and at every adjournment or postponement thereof; (ii) against any action, proposal, transaction or agreement that would reasonably be expected to impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the matters contemplated by the Purchase Agreement or the Issuance Resolutions.

(b) Stockholder hereby appoints BK and any designee of BK, and each of them individually, its proxies and attorneys-in-fact, with full power of substitution and resubstitution, to vote or act by written consent during the term of this Agreement solely with respect to the Shares in accordance with Section 3(a). This proxy and power of attorney is given to secure the performance of the duties of Stockholder under this Agreement. Stockholder shall take such further action or execute such other instruments as may be necessary to effectuate the intent of this proxy. This proxy and power of attorney granted by Stockholder shall be irrevocable during the term of this Agreement, shall be deemed to be coupled with an interest sufficient in law to support an irrevocable proxy and shall revoke any and all prior proxies granted by Stockholder with respect to the Shares. The power of attorney granted by Stockholder herein is a durable power of attorney and shall survive the dissolution, bankruptcy, death or incapacity of Stockholder. The proxy and power of attorney granted hereunder shall terminate upon the termination of this Agreement.

4. No Voting Trusts or Other Arrangement.

Stockholder agrees that Stockholder will not, and will not permit any entity under Stockholder's control to, deposit any of the Shares in a voting trust, grant any proxies with respect to the Shares or subject any of the Shares to any arrangement with respect to the voting of the Shares other than agreements entered into with BK and the Existing Voting Agreement.

5. Additional Shares.

Stockholder agrees that all shares of Company Common Stock that Stockholder purchases, acquires the right to vote or otherwise acquires beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of after the execution of this Agreement shall be subject to the terms of this Agreement and shall constitute Shares for all purposes of this Agreement.

The parties agree that nothing in this Agreement shall be deemed to limit or restrict the Stockholder's ability to directly or indirectly, transfer, sell, offer, exchange, assign, pledge or otherwise dispose of or encumber ("**Transfer**") any of the Shares or enter into any contract, option or other agreement with respect to, or consent to, a Transfer of, any of the Shares or Stockholder's voting or economic interest therein; provided that such Transfer is made either (i) in an open market transaction or (ii) the transferee agrees in a writing, reasonably satisfactory in form and substance to BK, to be bound by all of the terms of this Agreement.

6. Termination.

This Agreement shall terminate upon the earliest to occur of (i) the date on which the Issuance Resolutions are approved by the stockholders of the Company, (ii) the date on which the Purchase Agreement is terminated in accordance with its terms, (iii) the date of any amendment to the Purchase Agreement or any change to or modification of the certificate of designation of the Series A Convertible Preferred Stock attached as Exhibit B to the Purchase Agreement, in each case which change is materially adverse to the Company or Stockholder, and (iv) December 31, 2013.

7. No Agreement as Director or Officer.

Stockholder makes no agreement or understanding in this Agreement in Stockholder's capacity as a director or officer of the Company or any of its subsidiaries (if Stockholder holds such office), and nothing in this Agreement: (a) will limit or affect any actions or omissions taken by Stockholder in stockholder's capacity as such a director or officer, including in exercising rights under the Purchase Agreement, and no such actions or omissions shall be deemed a breach of this Agreement or (b) will be construed to prohibit, limit or restrict Stockholder from exercising Stockholder's fiduciary duties as an officer or director of the Company or to its stockholders.

8. Specific Performance.

Each party hereto acknowledges that it will be impossible to measure in money the damage to the other party if a party hereto fails to comply with any of the obligations imposed by this Agreement, that every such obligation is material and that, in the event of any such failure, the other party will not have an adequate remedy at law or damages. Accordingly, each party hereto agrees that injunctive relief or other equitable remedy, in addition to remedies at law or damages, is the appropriate remedy for any such failure and will not oppose the seeking of such relief on the basis that the other party has an adequate remedy at law. Each party hereto agrees that it will not seek, and agrees to waive any requirement for, the securing or posting of a bond in connection with the other party's seeking or obtaining such equitable relief.

9. Entire Agreement.

This Agreement supersedes all prior agreements, written or oral, between the parties hereto with respect to the subject matter hereof and contains the entire agreement between the parties with respect to the subject matter hereof. This Agreement may not be amended or supplemented, and no provisions hereof may be modified or waived, except by an instrument in writing signed by both of the parties hereto. No waiver of any provisions hereof by either party shall be deemed a waiver of any other provisions hereof by such party, nor shall any such waiver be deemed a continuing waiver of any provision hereof by such party.

10. Notices.

All notices, requests, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient, or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10):

If to BK, to the address or facsimile number set forth for BK in Section 12.2 of the Purchase Agreement.

If to Stockholder, to the address or facsimile number set forth for Stockholder on the signature page hereof.

11. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Florida.

(b) The parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the State of Florida and the federal courts of the United States of America located in the State of Florida in respect of the interpretation and enforcement of the provisions of this Agreement.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11(c).

(d) If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

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

(f) Each party hereto shall execute and deliver such additional documents as may be necessary or desirable to effect the transactions contemplated by this Agreement.

(g) All Section headings herein are for convenience of reference only and are not part of this Agreement, and no construction or reference shall be derived therefrom.

(h) The obligations of Stockholder set forth in this Agreement shall not be effective or binding upon Stockholder until after such time as (i) the Existing Voting Agreement is duly amended to permit Stockholder to undertake the obligations and agreements provided for herein without violating such agreement (the "**Amendment**") and (ii) the Purchase Agreement is executed and delivered by the Company and BK, and the parties agree that there is not and has not been any other agreement, arrangement or understanding between the parties hereto with respect to the matters set forth herein.

(i) Neither party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other party hereto, except that BK may assign, in its sole discretion, all or any of its rights, interests and obligations hereunder to any of its Affiliates. Any assignment contrary to the provisions of this Section 11(i) shall be null and void.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

BURGER KING CORPORATION

By /s/ Craig S. Prusher

Name: Craig S. Prusher
Title: Vice President

JCP PARTNERS IV LLC

By: JEFFERIES CAPITAL PARTNERS LLC, its manager

By /s/ James L. Luikart
Name: James L. Luikart
Title: Executive Vice President

Number of Shares of Company Common Stock Beneficially Owned as of the Date of this Agreement: 208,282
Number of Options Beneficially Owned as of the Date of this Agreement: N/A
Street Address: 520 Madison Avenue, 10th Floor
City/State/Zip Code: New York, New York 10022
Fax: (212) 284-1717

VOTING AGREEMENT

This Voting Agreement (this "**Agreement**"), dated as of March 26, 2012 between the undersigned stockholder ("**Stockholder**") of Carrols Restaurant Group, Inc., a Delaware corporation (the "**Company**"), and Burger King Corporation, a Florida corporation ("**BK**").

WHEREAS, the Company and BK have entered into that certain Asset Purchase Agreement, dated as of the date hereof (as the same may be amended from time to time, the "**Purchase Agreement**"), providing for, among other things, the acquisition by the Company of certain assets of BK in consideration for the issuance by the Company to BK of shares of newly-designated Series A Convertible Preferred Stock, in each case pursuant to the terms and conditions of the Purchase Agreement;

WHEREAS, the Company has agreed in the Purchase Agreement to provide each stockholder of the Company entitled to vote at the annual meeting of the stockholders of the Company to be held in 2012, or at any special meeting of the stockholders of the Company held prior to such date, a proxy statement soliciting each such stockholder's affirmative vote at the Stockholder Meeting for the stockholder approval contemplated by Section 6(b) of the Certificate of Designation (the "**Issuance Resolutions**");

WHEREAS, in order to induce BK to enter into the Purchase Agreement, Stockholder agreed to execute and deliver this Agreement and to make certain representations, warranties, covenants and agreements with respect to the shares of common stock, par value $.01 per share, of the Company ("**Company Common Stock**") beneficially owned by Stockholder and set forth below Stockholder's signature on the signature page hereto (the "**Original Shares**") and any additional "**Shares**" (as defined in Section 1 below).

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

1. Definitions.

For purposes of this Agreement, capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the Purchase Agreement.

The term "**Options**" shall have the meaning set forth in Section 2(b).

The term **"Shares"** shall mean the Original Shares, as they may be adjusted due to the acquisition of additional shares of Company Common Stock or the transfer of Original Shares pursuant to Section 5 hereof.

The term "**Transfer**" shall have the meaning set forth in Section 5.

2. Representations of Stockholder.

Stockholder represents and warrants to BK that:

(a) (i) Stockholder owns beneficially (as such term is defined in Rule 13d-3 under the Exchange Act) all of the Original Shares free and clear of all Liens, and (ii) except pursuant hereto, there are no options, warrants or other rights, agreements, arrangements or commitments of any character to which Stockholder is a party relating to the pledge, disposition or voting of any of the Original Shares and there are no voting trusts or voting agreements with respect to the Original Shares.

(b) Stockholder does not beneficially own any shares of Company Common Stock other than (i) the Original Shares and (ii) any options, warrants or other rights to acquire any additional shares of Company Common Stock or any security exercisable for or convertible into shares of Company Common Stock, set forth on the signature page of this Agreement (collectively, "**Options**").

(c) Stockholder has full entity power and authority to enter into, execute and deliver this Agreement and to perform fully Stockholder's obligations hereunder (including the proxy described in Section 3(b) below). This Agreement has been duly and validly executed and delivered by Stockholder and constitutes the legal, valid and binding obligation of Stockholder, enforceable against Stockholder in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or creditors' rights generally or principles of equity.

(d) The consummation by Stockholder of the transactions contemplated hereby or compliance by Stockholder with any of the provisions hereof will conflict with or result in a breach, or constitute a default (with or without notice of lapse of time or both) under any provision of, any trust agreement, loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument or Law applicable to Stockholder or to Stockholder's property or assets.

(e) No consent, approval or authorization of, or designation, declaration or filing with, any Governmental Entity or other Person on the part of Stockholder is required in connection with the valid execution and delivery of this Agreement. If Stockholder is an individual, no consent of Stockholder's spouse is necessary under any "community property" or other laws in order for Stockholder to enter into and perform its obligations under this Agreement.

3. Agreement to Vote Shares; Irrevocable Proxy.

(a) Stockholder agrees during the term of this Agreement to vote the Shares, and to cause any holder of record of Shares to vote or execute a written

consent or consents if stockholders of the Company are requested to vote their shares through the execution of an action by written consent in lieu of any such annual or special meeting of stockholders of the Company: (i) in favor of the Issuance Resolutions, at every meeting (or in connection with any action by written consent) of the stockholders of the Company at which such matters are considered and at every adjournment or postponement thereof; (ii) against any action, proposal, transaction or agreement that would reasonably be expected to impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the matters contemplated by the Purchase Agreement or the Issuance Resolutions.

(b) Stockholder hereby appoints BK and any designee of BK, and each of them individually, its proxies and attorneys-in-fact, with full power of substitution and resubstitution, to vote or act by written consent during the term of this Agreement solely with respect to the Shares in accordance with Section 3(a). This proxy and power of attorney is given to secure the performance of the duties of Stockholder under this Agreement. Stockholder shall take such further action or execute such other instruments as may be necessary to effectuate the intent of this proxy. This proxy and power of attorney granted by Stockholder shall be irrevocable during the term of this Agreement, shall be deemed to be coupled with an interest sufficient in law to support an irrevocable proxy and shall revoke any and all prior proxies granted by Stockholder with respect to the Shares. The power of attorney granted by Stockholder herein is a durable power of attorney and shall survive the dissolution, bankruptcy, death or incapacity of Stockholder. The proxy and power of attorney granted hereunder shall terminate upon the termination of this Agreement.

4. No Voting Trusts or Other Arrangement.

Stockholder agrees that Stockholder will not, and will not permit any entity under Stockholder's control to, deposit any of the Shares in a voting trust, grant any proxies with respect to the Shares or subject any of the Shares to any arrangement with respect to the voting of the Shares other than agreements entered into with BK.

5. Additional Shares.

Stockholder agrees that all shares of Company Common Stock that Stockholder purchases, acquires the right to vote or otherwise acquires beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of after the execution of this Agreement shall be subject to the terms of this Agreement and shall constitute Shares for all purposes of this Agreement.

The parties agree that nothing in this Agreement shall be deemed to limit or restrict the Stockholder's ability to directly or indirectly, transfer, sell, offer, exchange, assign, pledge or otherwise dispose of or encumber ("**Transfer**") any of the Shares or

enter into any contract, option or other agreement with respect to, or consent to, a Transfer of, any of the Shares or Stockholder's voting or economic interest therein; provided that such Transfer is made either (i) in an open market transaction or (ii) the transferee agrees in a writing, reasonably satisfactory in form and substance to BK, to be bound by all of the terms of this Agreement.

6. Termination.

This Agreement shall terminate upon the earliest to occur of (i) the date on which the Issuance Resolutions are approved by the stockholders of the Company, (ii) the date on which the Purchase Agreement is terminated in accordance with its terms, (iii) the date of any amendment to the Purchase Agreement or any change to or modification of the certificate of designation of the Series A Convertible Preferred Stock attached as Exhibit B to the Purchase Agreement, in each case which change is materially adverse to the Company or Stockholder, and (iv) December 31, 2013.

7. No Agreement as Director or Officer.

Stockholder makes no agreement or understanding in this Agreement in Stockholder's capacity as a director or officer of the Company or any of its subsidiaries (if Stockholder holds such office), and nothing in this Agreement: (a) will limit or affect any actions or omissions taken by Stockholder in stockholder's capacity as such a director or officer, including in exercising rights under the Purchase Agreement, and no such actions or omissions shall be deemed a breach of this Agreement or (b) will be construed to prohibit, limit or restrict Stockholder from exercising Stockholder's fiduciary duties as an officer or director of the Company or to its stockholders.

8. Specific Performance.

Each party hereto acknowledges that it will be impossible to measure in money the damage to the other party if a party hereto fails to comply with any of the obligations imposed by this Agreement, that every such obligation is material and that, in the event of any such failure, the other party will not have an adequate remedy at law or damages. Accordingly, each party hereto agrees that injunctive relief or other equitable remedy, in addition to remedies at law or damages, is the appropriate remedy for any such failure and will not oppose the seeking of such relief on the basis that the other party has an adequate remedy at law. Each party hereto agrees that it will not seek, and agrees to waive any requirement for, the securing or posting of a bond in connection with the other party's seeking or obtaining such equitable relief.

9. Entire Agreement.

This Agreement supersedes all prior agreements, written or oral, between the parties hereto with respect to the subject matter hereof and contains the entire agreement between the parties with respect to the subject matter hereof. This Agreement may not be amended or supplemented, and no provisions hereof may be modified or waived, except by an instrument in writing signed by both of the parties hereto. No waiver of any provisions hereof by either party shall be deemed a waiver of any other provisions hereof by such party, nor shall any such waiver be deemed a continuing waiver of any provision hereof by such party.

10. Notices.

All notices, requests, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient, or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10):

If to BK, to the address or facsimile number set forth for BK in Section 12.2 of the Purchase Agreement.

If to Stockholder, to the address or facsimile number set forth for Stockholder on the signature page hereof.

11. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Florida.

(b) The parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the State of Florida and the federal courts of the United States of America located in the State of Florida in respect of the interpretation and enforcement of the provisions of this Agreement.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE

FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11(c).

(d) If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

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

(f) Each party hereto shall execute and deliver such additional documents as may be necessary or desirable to effect the transactions contemplated by this Agreement.

(g) All Section headings herein are for convenience of reference only and are not part of this Agreement, and no construction or reference shall be derived therefrom.

(h) The obligations of Stockholder set forth in this Agreement shall not be effective or binding upon Stockholder until after such time as the Purchase Agreement is executed and delivered by the Company and BK, and the parties agree that there is not and has not been any other agreement, arrangement or understanding between the parties hereto with respect to the matters set forth herein.

(i) Neither party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other party hereto, except that BK may assign, in its sole discretion, all or any of its rights, interests and obligations hereunder to any of its Affiliates. Any assignment contrary to the provisions of this Section 11(i) shall be null and void.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

BURGER KING CORPORATION

By /s/ Craig S. Prusher

Name: Craig S. Prusher
Title: Vice President

Daniel T. Accordino

By /s/ Daniel T. Accordino

Number of Shares of Company Common Stock Beneficially Owned as of the Date of this Agreement: 811,490
Number of Options Beneficially Owned as of the Date of this Agreement: N/A
Street Address: 968 James Street
City/State/Zip Code: Syracuse, NY 13203
Fax: (315) 475-9616

Exhibit 99.1

CARROLS RESTAURANT GROUP, INC. ENTERS INTO AGREEMENT WITH BURGER KING CORP. TO ACQUIRE 278 *BURGER KING*® RESTAURANTS IN U.S.

Carrols to Remodel 450 BURGER KING® Restaurants Over the Next Three and a Half Years

MIAMI, FL / SYRACUSE, NY – March 26, 2012 – Burger King Corp. ("BKC") and Carrols Restaurant Group, Inc. ("Carrols") (Nasdaq: TAST) today announced that they have entered into an asset purchase agreement for the purchase by Carrols (through its operating subsidiary Carrols LLC) of 278 BKC company-owned restaurants in the Ohio, Indiana, Kentucky, Pennsylvania, North Carolina, South Carolina and Virginia markets.

As a part of the transaction, Carrols will lead the Burger King system in its remodeling program by committing to remodel approximately 450 BURGER KING® restaurants over the next three and half years, to the brand's 20/20 restaurant image, which features a fresh, sleek, eye-catching design.

Carrols, the largest BURGER KING® franchisee in the U.S., is currently in the process of completing its spin-off to its shareholders of Fiesta Restaurant Group, Inc. ("Fiesta"), which owns and operates its Pollo Tropical® and Taco Cabana® restaurant brands. The acquisition of BKC's restaurants is conditioned upon, and is expected to close following the completion of, the spin-off as well as a financing to fund the restaurant remodeling program, cash paid to BKC in connection with the transaction and to refinance Carrols LLC's existing senior secured credit facility. Upon completion of the transactions, Carrols will only operate BURGER KING® restaurants and will become the system's largest franchisee globally with 575 restaurants. Carrols anticipates that the spin-off of Fiesta will be complete in April.

Transaction Highlights

- Total consideration to BKC will include a 28.9% equity interest in Carrols, after the spin-off of Fiesta, and total cash payments of approximately $15.8 million. The cash consideration is for refranchising fees of $9.4 million, inventory of approximately $2.5 million and payments to be made over five years by Carrols in conjunction with BKC's assignment to Carrols of its right of first refusal on sales of BURGER KING® restaurants by existing franchisees in 20 states.
- Carrols will lead the BURGER KING® system in its restaurant remodeling program with commitments to remodel approximately 450 restaurants over the next three and half years.
- BKC's President, North America Steve Wiborg and Chief Financial Officer Daniel Schwartz will join Carrols' Board of Directors upon completion of the transaction.

"We are very excited to further solidify our relationship with our long-time franchisee, Carrols Restaurant Group," said Wiborg. "Carrols has a proven track record of running industry-leading restaurants and has demonstrated a long-term commitment to the BURGER KING® brand. Their leadership, operational expertise and commitment to upgrade the image of their restaurants across the country will greatly contribute to our efforts to provide our restaurant guests with friendly service and quality products served in a fresh, new environment."

Dan Accordino, Chief Executive Officer and President of Carrols Restaurant Group, Inc. said, "With the spin-off of Fiesta nearly behind us, our sole focus as we move forward will be on expanding our BURGER KING® business and leveraging our operating infrastructure to build shareholder value. We believe that there are significant opportunities for us to grow Carrols through acquisition and consolidation opportunities present within the BURGER KING® system. This transaction, along with the close relationship that we are establishing with BKC, is a very exciting and pivotal step as we begin this journey."

Carrols plans to issue a class of voting preferred stock to BKC that will be convertible into 28.9% of the outstanding shares of Carrols' common stock, subject to certain restrictions limiting the conversion and voting rights to an amount not to exceed 19.9% of the outstanding shares. The removal of such restrictions will be subject to obtaining the approval of Carrols' stockholders at its next annual meeting. The closing of the transaction is not subject to or conditioned on obtaining shareholder approval. The convertible preferred stock will also have certain approval rights so long as BKC has more than a 10% equity interest.

ABOUT BURGER KING CORPORATION

Founded in 1954, BURGER KING® is the second largest fast food hamburger chain in the world based on number of restaurants. The original HOME OF THE WHOPPER®, the BURGER KING® system operates in over 12,500 locations serving over 11 million guests daily in 81 countries and territories worldwide. Approximately 90 percent of BURGER KING® restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades. Burger King Corp. is privately-held by 3G Capital, a multi-billion dollar, global investment firm focused on long-term value creation. For more information on 3G Capital, please visit http://3g-capital.com/. To learn more about Burger King Corp., please visit the company's website at www.bk.com or follow us on Facebook and Twitter.

ABOUT CARROLS RESTAURANT GROUP, INC.

Carrols Restaurant Group, Inc. is BKC's largest franchisee in the U.S. with 297 BURGER KING® restaurants as of March 23, 2012 and has operated BURGER KING® restaurants since 1976. The Company also owns the Pollo Tropical and Taco Cabana restaurant brands through its indirect wholly-owned subsidiary Fiesta Restaurant Group, Inc., which it is in the process of spinning off to its shareholders. Including Fiesta Restaurant Group, Carrols currently operates a total of 546 restaurants in 17 states as of March 23, 2012. For more information on Carrols, please visit the company's website at www.carrols.com.

Forward-Looking Statements

Except for the historical information contained in this news release, the matters addressed are forward-looking statements. Forward-looking statements, written, oral or otherwise made, represent Carrols' and BKC's expectation or belief concerning future events. Without limiting the foregoing, these statements are often identified by the words "may," "might," "believes," "thinks," "anticipates," "plans," "expects", "intends" or similar expressions. In addition, expressions of our strategies, intentions or plans, (including, without limitation, Carrols' spin-off transaction) are also forward-looking statements. Such statements reflect management's current views with respect to future events and are subject to risks and uncertainties, both known and unknown. You are cautioned not to place undue reliance on these forward-looking statements as there are important factors that could cause actual results to differ materially from those in forward-looking statements, many of which are beyond our control. Investors are referred to the full discussion of risks and uncertainties as included in Carrols' and BKC's filings with the Securities and Exchange Commission.

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