



AUDIT COMMITTEE CHARTER

ORGANIZATION

The Board of Directors has established an Audit Committee (the "Committee") pursuant to Section 2-411 of the Maryland General Corporation Law and Section 3.16 of the Bylaws of FelCor Lodging Trust Incorporated (the "Company"). The Committee shall be comprised of at least three (3) members of the Board of Directors of the Company who are independent directors of the Company (in accordance with New York Stock Exchange listing requirements and Rule 10A-3 of the Securities Exchange Act of 1934 (the "Exchange Act")) and otherwise meet the qualifications for membership set forth herein. The Board of Directors (the "Board") shall appoint the members of the Committee, who shall serve until their successors are appointed and qualified, or until such member's earlier resignation or removal. The Board shall designate one of the members of the Committee to serve as Chairperson thereof. The Secretary of the Company shall serve as the Secretary of the Committee.

Each member of the Committee shall be financially literate, or become financially literate within a reasonable period of time after appointment to the Committee, and at least one member shall be an "audit committee financial expert," in accordance with applicable rules and regulations of the U.S. Securities and Exchange Commission (the "SEC").

A member shall not serve on more than three public company audit committees simultaneously unless the Board determines that such simultaneous service would not impair that member's ability to serve effectively on the Committee.

The Committee shall meet at least quarterly, with additional meetings to be called by the Chairperson of the Committee as circumstances require. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary; provided, however, that the Chairperson of the Board and the Company's Chief Executive Officer (to the extent the latter is also a director) shall each be entitled, *ex officio*, to attend (but not vote at) meetings of the Committee, unless the Committee otherwise determines that their attendance is inappropriate.

The Committee shall meet separately and periodically with management, internal auditors (or others responsible for internal audits), and the Company's

independent registered public accountants (the "Auditors"). The Committee shall report regularly to the Board with respect to its activities.

STATEMENT OF PURPOSE

The purpose of the Committee shall be to assist the Board in its oversight of the:

1. Integrity of the Company's financial statements;
2. Effectiveness of the Company's internal control over financial reporting;
3. Company's compliance with legal and regulatory requirements;
4. Independence and qualifications of the Auditors; and
5. Performance of the Company's internal audit function and the Auditors.

The Committee shall also prepare the audit committee report for inclusion in the Company's annual proxy statement as required by the applicable rules and regulations of the SEC. In the course of fulfilling its purpose, the Committee is to maintain free and open communication between the Board, the Auditors and the financial management of the Company. In addition, the Committee shall promote with the Company's management, an environment of high integrity and control consciousness.

DUTIES

In carrying out its purpose, the Committee shall maintain the flexibility to react to changing conditions, and may adopt such policies and procedures as it shall deem appropriate to fulfill its oversight responsibilities. The Committee shall also undertake such other tasks as may be delegated to it, from time to time, by the Board. In fulfilling its responsibilities, the Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee.

While the Committee has the responsibilities and authority set forth in this charter, the Committee shall have no responsibility for planning or conducting audits or determining whether the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles ("GAAP"); the foregoing are responsibilities of management and the Auditors. Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee.

Specific duties and responsibilities of the Committee are as follows:

1. Auditors. The Auditors report directly to the Committee.
 - a. The Committee is directly responsible for the appointment, compensation, retention, evaluation, oversight and termination of the Auditors engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company.
 - b. The Committee is responsible for resolving any disagreements between management of the Company and the Auditors regarding financial reporting.
 - c. The Committee shall pre-approve all audit and non-audit services provided by the Auditors. The Committee delegates this authority to the Chairperson and may delegate this authority to one or more other members of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.
 - d. The Committee shall determine and receive appropriate funding from the Company for payment of compensation to any independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.
 - e. The Committee shall assure the rotation of the lead audit partner and the audit review partner on the Company's audit by the Auditors as required by law or regulation.
 - f. The Committee shall discuss with the Auditors, the scope of the annual audit, key risk areas, and approve significant modifications to the annual audit plan.
2. Complaints. The Committee shall establish and monitor procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The Committee shall review and take such action, as they deem necessary or appropriate, with respect to complaints or concerns received from employees or others on accounting, internal accounting controls or auditing matters.

3. Advisors and Funding. The Committee shall have the authority to engage independent counsel and other advisors, as the Committee deems necessary to carry out its duties. The Committee shall determine and receive appropriate funding from the Company for payment of: (i) compensation to any independent counsel or other advisors engaged by the Committee, and (ii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
4. Auditor's Qualifications and Performance. The Committee shall, at least annually, obtain and review a report by the Auditors describing the following:
 - a. the Auditors' internal quality-control procedures,
 - b. any material issues raised by the most recent internal quality-control review, or peer review, of the Auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Auditors, and any steps taken to deal with any such issues, and
 - c. all relationships between the Auditors and the Company, to enable the Committee to assess the Auditors' independence.

After reviewing and discussing the foregoing report with the Auditors, and reviewing the Auditors' work throughout the year, the Committee shall evaluate the Auditors' qualifications, performance and independence, including the review and evaluation of the Auditors' lead partner. In making its evaluation, the Committee shall take into account the opinions of management and shall consider whether, to assure continuing auditor independence, there should be regular rotation of the Auditors. The Committee shall present its conclusions with respect to the Auditors to the Board.

5. Financial Reporting and Disclosure. The Committee shall review and discuss with management and the Auditors, prior to filing any Form 10-K or Form 10-Q, or any material amendments thereto, the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis." In this process, the Committee shall review with management and the Auditors the following:
 - a. The results of the annual audit or quarterly review and any other matters required to be discussed by the Auditors with the

Committee under the standards of the Public Company Accounting Oversight Board (PCAOB) and under the rules and regulations of the SEC and other applicable authorities.

- b. The major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy and effectiveness of the Company's internal control over financial reporting and any specific remedial actions adopted in light of significant deficiencies or material weaknesses;
- c. Significant/unusual/complex financial reporting issues and judgments made in connection with the preparation of the financial statements and the reasonableness of those judgments, including analyses of the effects of alternative GAAP methods on the financial statements;
- d. The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
- e. The risk of fraud and the implementation of fraud controls;
- f. The degree of aggressiveness or conservatism of the accounting principles and underlying estimates being utilized by the Company and whether those principles and estimates are consistent with, or deviate from, customary industry practices, and the Auditors' reasoning behind its acceptance or questioning of significant estimates by management; and
- g. The completeness and clarity of the disclosures in the financial statements.

In addition, the Committee shall review and discuss separately with the Auditors, prior to the filing of the Company's Annual Report on Form 10-K:

- 1) all critical accounting policies and practices to be used;
- 2) all alternative treatments within GAAP for policies and practices related to material items that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditors; and

- 3) other material written communications between the Auditors and management, such as any management letter or schedule of unadjusted differences.

Based upon its review, the Committee shall determine whether to recommend to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K.

6. Earnings Releases. The Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. This discussion may be done generally, and the Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance. Included in this discussion will be the type and presentation of information to be included in earnings press releases, including any use of "pro forma," or "adjusted" non-GAAP, information.
7. Risk Management. The Committee shall discuss with management policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which management assesses and manages the Company's exposure to risk. The Committee shall discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. The Committee shall review annually the Company's insurance programs to assess the adequacy of coverage with respect to the identified risks.
8. Internal Audit. The Committee shall direct the establishment of, and oversee, the Company's internal audit function. The Committee shall review and approve the annual internal audit plan and all major changes to the plan. The Committee shall receive reports on the status of significant internal audit findings and the scope, progress and results of executing the internal audit plan shall be reviewed and discussed with management.
9. Internal Control over Financial Reporting. The Committee shall discuss or review with management and the Auditors the following matters:
 - a. Management's process for assessing the effectiveness of internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, including any material weaknesses or significant deficiencies identified;
 - b. Management's report on its assessment of the effectiveness of internal control over financial reporting as of the end of each year

and the Auditors' report on the effectiveness of internal control over financial reporting;

- c. The characterization of deficiencies in internal control over financial reporting, management's remediation plan to address significant or material internal control deficiencies, and ensure that disclosures of any identified material weaknesses and management's remediation plans are clear and complete;
 - d. Management's process for performing its required quarterly and annual certifications under Section 302 of the Sarbanes-Oxley Act, including the evaluation of the effectiveness of disclosure controls by the Chief Executive Officer and Chief Financial Officer;
 - e. Changes in internal control over financial reporting that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting that are required to be disclosed and any other changes in internal control over financial reporting that were considered for disclosure in the Company's periodic filings with the SEC; and
 - f. Disclosures made to the Committee by the Chief Executive Officer and Chief Financial Officer during their certification processes about any significant deficiencies in the design or operation of internal control over financial reporting, or material weaknesses therein, and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.
10. Audit Problems. The Committee shall review with the Auditors any audit problems or difficulties and management's response, including the following:
- a. Findings and recommendations of the Auditors, together with management's responses;
 - b. Any problems or difficulties encountered by the Auditors in the course of its audit work, including any restrictions on the scope of its activities or its access to requested information, any significant disagreements with management, and management's responses;
 - c. Any significant changes required in the scope of the Auditors' audit plan; and

- d. Discussion of the responsibilities, budget and staffing of the Company's internal audit function.
11. Related Party Transactions. The Committee shall review and approve all related party transactions required to be disclosed pursuant to SEC Regulation S-K Item 404, and discuss with management the business rationale for the transactions and whether appropriate disclosures have been made.
 12. Hiring Policies for Auditors. The Committee shall establish clear hiring policies for employees or former employees of the Auditors, which shall comply with the SEC's rules in this area.
 13. Reports to Board. The Committee shall report regularly to the Board. The Committee shall review with the Board any material issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's Auditors or the performance of the internal audit function.
 14. Reports by Attorneys. The Committee shall review, make appropriate investigations and responses and take such other actions, as the Committee deems necessary or appropriate and in compliance with applicable laws and regulations, with respect to any reports from any attorneys of evidence of a material violation of securities law or breach of fiduciary duty or similar violation by the Company or any of its agents. Additionally, the Committee shall review periodically with the Company's general counsel those legal and regulatory matters that may have a material impact on the Company's financial statements or otherwise materially affect compliance policies and programs in the Committee's areas of responsibility.
 15. Compliance Matters. To the extent related to the Committee's areas of responsibility, the Committee shall review the Company's compliance and ethics programs, including consideration of legal and regulatory requirements, and shall review with management the effectiveness of such programs.
 16. Reports of Illegal or Unethical Behavior. Pursuant to the Company's Code of Business Conduct and Ethics, a copy of all reports of wrongdoing relating to accounting or financial reporting matters, or that relate to persons involved in the development or implementation of the Company's system of internal controls, will be promptly provided to Chairperson of the Committee. The Committee shall review and participate in the investigation and resolution of any matter so reported

to the Chairperson if, in the judgment of the Chairperson, such matter might reasonably be expected to have an adverse effect on the integrity of the Company's financial reporting or system of internal controls.

17. Annual Board Meeting with the Auditors. The Committee shall arrange for a representative of the Auditors to be available to the Board at least annually.
18. Charter Review. To the extent the Corporate Governance and Nominating Committee does not undertake an annual review of this Charter, the Committee shall undertake such review and shall thereafter report any recommended modifications thereto to the Board for consideration and, if appropriate, adoption thereof.
19. Committee Report. The Committee shall prepare, and cause to be included in the Company's annual proxy statement, a report of the Committee in compliance with applicable laws, rules and regulations.
20. Annual Committee Evaluation. The Committee's members shall submit annual performance self-evaluations of the Committee to the Corporate Governance and Nominating Committee.

PROCEDURAL RULES

1. One Vote per Member. Each member of the Committee shall have one vote.
2. Quorum. A quorum of the Committee shall consist of one-third, but not less than two members, of the Committee.
3. Meetings. Meetings of the Committee may be held in person, by means of conference telephone or similar communications equipment or by any other means permitted by the Company's Bylaws.
4. Required Vote. The Committee shall be authorized to take any permitted action only by the affirmative vote of a majority of the members thereof present at any meeting at which a quorum of its members is present, or by the unanimous written consent of the members thereof.
5. Minutes. The Committee shall maintain minutes of its meetings and each written consent or action the Committee takes without a meeting, reflecting the actions taken or authorized by it, and copies thereof shall be provided to the Board.

GENERAL

This Charter is intended as a component of the flexible framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of applicable laws, regulations and listing requirements, as well as in the context of the Company's corporate charter and bylaws, it is not intended to establish by its own force any legally binding obligations.

*Amended and Adopted by Resolution of the Board of
Directors
October 27, 2011*