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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2016

OR

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

For the transition period from to

Commission file number: **001-14236** *(FelCor Lodging Trust Incorporated)*
Commission file number: **333-39595-01** *(FelCor Lodging Limited Partnership)*

FelCor Lodging Trust Incorporated
FelCor Lodging Limited Partnership

(Exact Name of Registrant as Specified in Its Charter)

Maryland	*(FelCor Lodging Trust Incorporated)*	**75-2541756**
Delaware	*(FelCor Lodging Limited Partnership)*	**75-2544994**
(State or Other Jurisdiction of Incorporation or Organization)		(I.R.S. Employer Identification No.)

545 E. John Carpenter Freeway, Suite 1300, Irving, Texas	**75062**
(Address of Principal Executive Offices)	(Zip Code)

(972) 444-4900
(Registrant’s Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

FelCor Lodging Trust Incorporated		☑ Yes	☐ No
FelCor Lodging Limited Partnership	(see Note)	☐ Yes	☑ No

Note: As a voluntary filer not subject to the filing requirements of the Securities Exchange Act of 1934, the registrant has filed all reports pursuant to Section 13 or 15(d) for the preceding 12 months as if it were subject to such filing requirements.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

FelCor Lodging Trust Incorporated	☑ Yes	☐ No
FelCor Lodging Limited Partnership	☑ Yes	☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

FelCor Lodging Trust Incorporated:

Large accelerated filer	☑	Accelerated filer ☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

FelCor Lodging Limited Partnership:

Large accelerated filer	☐	Accelerated filer ☐
Non-accelerated filer	☑ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

FelCor Lodging Trust Incorporated	☐ Yes	☑ No
FelCor Lodging Limited Partnership	☐ Yes	☑ No

At April 25, 2016, FelCor Lodging Trust Incorporated had issued and outstanding 139,009,016 shares of common stock.

EXPLANATORY NOTE

This quarterly report on Form 10-Q for the quarter ended March 31, 2016, combines the filings for FelCor Lodging Trust Incorporated, or FelCor, and FelCor Lodging Limited Partnership, or FelCor LP. Where it is important to distinguish between the two, we either refer specifically to FelCor or FelCor LP. Otherwise we use the terms “we” or “our” to refer to FelCor and FelCor LP, collectively (including their consolidated subsidiaries), unless the context indicates otherwise.

FelCor is a Maryland corporation operating as a real estate investment trust, or REIT, and is the sole general partner of, and the owner of a greater than 99% partnership interest in, FelCor LP. Through FelCor LP, FelCor owns hotels and conducts business. As the sole general partner of FelCor LP, FelCor has exclusive and complete control of FelCor LP’s day-to-day management.

We believe combining periodic reports for FelCor and FelCor LP into single combined reports results in the following benefits:

- presents our business as a whole (the same way management views and operates the business);
- eliminates duplicative disclosure and provides a more streamlined presentation (a substantial portion of our disclosure applies to both FelCor and FelCor LP); and
- saves time and cost by preparing combined reports instead of separate reports.

We operate the company as one enterprise. The employees of FelCor direct the management and operation of FelCor LP. With sole control of FelCor LP, FelCor consolidates FelCor LP for financial reporting purposes. FelCor has no assets other than its investment in FelCor LP and no liabilities separate from FelCor LP. Therefore, the reported assets and liabilities for FelCor and FelCor LP are substantially identical.

The substantive difference between FelCor and FelCor LP filings is that FelCor is a REIT with publicly-traded equity, while FelCor LP is a partnership with no publicly-traded equity. This difference is reflected in the financial statements in the equity (or partners’ capital) section of the consolidated balance sheets and in the consolidated statements of equity (or partners’ capital). Apart from the different equity treatment, the consolidated financial statements for FelCor and FelCor LP are nearly identical, except the net income (loss) attributable to redeemable noncontrolling interests in FelCor LP is deducted from FelCor’s net income (loss) in order to arrive at net income (loss) attributable to FelCor common stockholders. The noncontrolling interest is included in net income (loss) attributable to FelCor LP common unitholders. The holders of noncontrolling interests in FelCor LP are unaffiliated with FelCor, and in aggregate, hold less than 1% of the operating partnership units.

We present the sections in this report combined unless separate disclosure is required for clarity.

FELCOR LODGING TRUST INCORPORATED and
FELCOR LODGING LIMITED PARTNERSHIP

INDEX

PART I -- FINANCIAL INFORMATION

Item 1. Financial Statements.

FELCOR LODGING TRUST INCORPORATED
CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands, except par values)

	March 31, 2016	December 31, 2015
Assets		
Investment in hotels, net of accumulated depreciation of $919,071 and $899,575 at March 31, 2016 and December 31, 2015, respectively	$ 1,711,523	$ 1,729,531
Investment in unconsolidated entities	9,171	9,575
Cash and cash equivalents	57,958	59,786
Restricted cash	21,097	17,702
Accounts receivable, net of allowance for doubtful accounts of $303 and $204 at March 31, 2016 and December 31, 2015, respectively	34,819	28,136
Deferred expenses, net of accumulated amortization of $1,554 and $1,086 at March 31, 2016 and December 31, 2015, respectively	5,932	6,390
Other assets	17,676	14,792
Total assets	$ 1,858,176	$ 1,865,912
Liabilities and Equity		
Debt, net of unamortized debt issuance costs of $17,666 and $18,065 at March 31, 2016 and December 31, 2015, respectively	$ 1,440,792	$ 1,409,889
Distributions payable	15,062	15,140
Accrued expenses and other liabilities	123,766	125,274
Total liabilities	1,579,620	1,550,303
Commitments and contingencies		
Redeemable noncontrolling interests in FelCor LP, 611 units issued and outstanding at March 31, 2016 and December 31, 2015	4,965	4,464
Equity:		
Preferred stock, $0.01 par value, 20,000 shares authorized:		
Series A Cumulative Convertible Preferred Stock, 12,879 shares, liquidation value of $321,987, issued and outstanding at March 31, 2016 and December 31, 2015	309,337	309,337
Common stock, $0.01 par value, 200,000 shares authorized; 139,307 and 141,808 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively	1,393	1,418
Additional paid-in capital	2,569,389	2,567,515
Accumulated deficit	(2,657,715)	(2,618,117)
Total FelCor stockholders' equity	222,404	260,153
Noncontrolling interests in other partnerships	7,403	7,806
Preferred equity in consolidated joint venture, liquidation value of $44,582 and $43,954 at March 31, 2016 and December 31, 2015, respectively	43,784	43,186
Total equity	273,591	311,145
Total liabilities and equity	$ 1,858,176	$ 1,865,912

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

FELCOR LODGING TRUST INCORPORATED

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

For the Three Months Ended March 31, 2016 and 2015

(unaudited, in thousands, except for per share data)

	Three Months Ended March 31,	
	2016	**2015**
Revenues:		
Hotel operating revenue	$ 209,457	$ 213,285
Other revenue	687	410
Total revenues	210,144	213,695
Expenses:		
Hotel departmental expenses	77,438	77,656
Other property-related costs	55,566	56,895
Management and franchise fees	9,225	9,085
Taxes, insurance and lease expense	13,582	14,807
Corporate expenses	8,400	8,573
Depreciation and amortization	29,183	27,772
Other expenses	828	4,228
Total operating expenses	194,222	199,016
Operating income	15,922	14,679
Interest expense, net	(19,720)	(19,481)
Debt extinguishment	—	(73)
Loss before equity in income (loss) from unconsolidated entities	(3,798)	(4,875)
Equity in income (loss) from unconsolidated entities	(154)	149
Loss from continuing operations before income tax expense	(3,952)	(4,726)
Income tax expense	(415)	(169)
Loss from continuing operations	(4,367)	(4,895)
Income from discontinued operations	—	4
Loss before gain (loss) on sale of hotels	(4,367)	(4,891)
Gain (loss) on sale of hotels, net	(714)	16,887
Net income (loss) and comprehensive income (loss)	(5,081)	11,996
Net loss (income) attributable to noncontrolling interests in other partnerships	471	(4,879)
Net loss attributable to redeemable noncontrolling interests in FelCor LP	48	14
Preferred distributions - consolidated joint venture	(360)	(348)
Net income (loss) and comprehensive income (loss) attributable to FelCor	(4,922)	6,783
Preferred dividends	(6,279)	(9,678)
Net loss attributable to FelCor common stockholders	$ (11,201)	$ (2,895)
Basic and diluted per common share data:		
Loss from continuing operations	$ (0.08)	$ (0.02)
Net loss	$ (0.08)	$ (0.02)
Basic and diluted weighted average common shares outstanding	139,678	124,519

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

FELCOR LODGING TRUST INCORPORATED

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three Months Ended March 31, 2016 and 2015
(unaudited, in thousands, except for per share data)

	Preferred Stock		Common Stock						
	Number of Shares	**Amount**	**Number of Shares**	**Amount**	**Additional Paid-in Capital**	**Accumulated Deficit**	**Noncontrolling Interests in Other Partnerships**	**Preferred Equity in Consolidated Joint Venture**	**Total Equity**
Balance at December 31, 2014	12,947	$ 478,749	124,605	$ 1,246	$ 2,353,666	$ (2,530,671)	$ 18,435	$ 41,442	$ 362,867
Issuance of stock awards	—	—	267	3	(3)	—	—	—	—
Stock awards - amortization	—	—	—	—	1,584	—	—	—	1,584
Stock compensation shares withheld	—	—	—	—	—	(8)	—	—	(8)
Allocation to redeemable noncontrolling interests	—	—	—	—	(447)	—	—	—	(447)
Contribution from noncontrolling interests	—	—	—	—	—	—	790	—	790
Distribution to noncontrolling interests	—	—	—	—	—	—	(15,826)	—	(15,826)
Dividends declared:									
$0.04 per common share	—	—	—	—	—	(5,069)	—	—	(5,069)
$0.4875 per Series A preferred share	—	—	—	—	—	(6,279)	—	—	(6,279)
$0.50 per Series C depositary preferred share	—	—	—	—	—	(3,399)	—	—	(3,399)
Preferred distributions - consolidated joint venture	—	—	—	—	—	—	—	(348)	(348)
Issuance of preferred equity - consolidated joint venture	—	—	—	—	—	—	—	1,248	1,248
Net income and comprehensive income (attributable to FelCor and noncontrolling interests in other partnerships)	—	—	—	—	—	6,783	4,879	348	12,010
Balance at March 31, 2015	12,947	$ 478,749	124,872	$ 1,249	$ 2,354,800	$ (2,538,643)	$ 8,278	$ 42,690	$ 347,123
Balance at December 31, 2015	12,879	$ 309,337	141,808	$ 1,418	$ 2,567,515	$ (2,618,117)	$ 7,806	$ 43,186	$ 311,145
Repurchase of common stock	—	—	(2,948)	(29)	—	(19,189)	—	—	(19,218)
Issuance of stock awards	—	—	545	5	39	—	—	—	44
Cumulative effect of change in accounting for stock compensation forfeitures	—	—	—	—	185	(185)	—	—	—
Stock awards - amortization	—	—	—	—	2,235	—	—	—	2,235
Stock compensation shares withheld	—	—	(98)	(1)	—	(591)	—	—	(592)
Allocation to redeemable noncontrolling interests	—	—	—	—	(585)	—	—	—	(585)
Contribution from noncontrolling interests	—	—	—	—	—	—	68	—	68
Dividends declared:									
$0.06 per common share	—	—	—	—	—	(8,432)	—	—	(8,432)
$0.4875 per Series A preferred share	—	—	—	—	—	(6,279)	—	—	(6,279)
Preferred distributions - consolidated joint venture	—	—	—	—	—	—	—	(360)	(360)
Issuance of preferred equity - consolidated joint venture	—	—	—	—	—	—	—	598	598
Net income (loss) and comprehensive income (loss) (attributable to FelCor and noncontrolling interests in other partnerships)	—	—	—	—	—	(4,922)	(471)	360	(5,033)
Balance at March 31, 2016	12,879	$ 309,337	139,307	$ 1,393	$ 2,569,389	$ (2,657,715)	$ 7,403	$ 43,784	$ 273,591

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

FELCOR LODGING TRUST INCORPORATED

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2016 and 2015
(unaudited, in thousands)

	Three Months Ended March 31,	
	2016	**2015**
Cash flows from operating activities:		
Net income (loss)	$ (5,081)	$ 11,996
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	29,183	27,772
Loss (gain) on sale of hotels and other assets, net	714	(16,887)
Amortization of deferred financing fees	867	1,477
Amortization of fixed stock and directors' compensation	1,935	1,862
Equity in loss (income) from unconsolidated entities	154	(149)
Distributions of income from unconsolidated entities	114	580
Debt extinguishment	—	73
Changes in assets and liabilities:		
Accounts receivable	(6,777)	(6,208)
Other assets	(3,111)	(225)
Accrued expenses and other liabilities	1,655	(3,438)
Net cash flow provided by operating activities	19,653	16,853
Cash flows from investing activities:		
Improvements and additions to hotels	(14,008)	(13,483)
Hotel development	—	(10,108)
Net proceeds from asset sales	(466)	91,328
Change in restricted cash – investing	(3,395)	(1,676)
Insurance proceeds	94	274
Distributions from unconsolidated entities in excess of earnings	136	31
Net cash flow provided by (used in) investing activities	(17,639)	66,366
Cash flows from financing activities:		
Proceeds from borrowings	31,000	36,000
Repayment of borrowings	(496)	(78,428)
Payment of deferred financing fees	(10)	(81)
Distributions paid to noncontrolling interests	—	(15,826)
Contributions from noncontrolling interests	68	790
Distributions paid to FelCor LP limited partners	(36)	(23)
Distributions paid to preferred stockholders	(6,279)	(9,678)
Repurchase of common stock	(19,218)	—
Stock compensation withholding	(592)	(8)
Preferred distributions - consolidated joint venture	(360)	(345)
Distributions paid to common stockholders	(8,508)	(5,034)
Net proceeds from issuance of preferred equity - consolidated joint venture	598	1,248
Net cash flow used in financing activities	(3,833)	(71,385)
Effect of exchange rate changes on cash	(9)	(51)
Net change in cash and cash equivalents	(1,828)	11,783
Cash and cash equivalents at beginning of periods	59,786	47,147
Cash and cash equivalents at end of periods	$ 57,958	$ 58,930
Supplemental cash flow information – interest paid, net of capitalized interest	$ 18,809	$ 16,244
Supplemental cash flow information – income taxes paid	$ 299	$ 169

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

FELCOR LODGING LIMITED PARTNERSHIP

CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands)

	March 31, 2016	December 31, 2015
Assets		
Investment in hotels, net of accumulated depreciation of $919,071 and $899,575 at March 31, 2016 and December 31, 2015, respectively	$ 1,711,523	$ 1,729,531
Investment in unconsolidated entities	9,171	9,575
Cash and cash equivalents	57,958	59,786
Restricted cash	21,097	17,702
Accounts receivable, net of allowance for doubtful accounts of $303 and $204 at March 31, 2016 and December 31, 2015, respectively	34,819	28,136
Deferred expenses, net of accumulated amortization of $1,554 and $1,086 at March 31, 2016 and December 31, 2015, respectively	5,932	6,390
Other assets	17,676	14,792
Total assets	$ 1,858,176	$ 1,865,912
Liabilities and Partners' Capital		
Debt, net of unamortized debt issuance costs of $17,666 and $18,065 at March 31, 2016 and December 31, 2015, respectively	$ 1,440,792	$ 1,409,889
Distributions payable	15,062	15,140
Accrued expenses and other liabilities	123,766	125,274
Total liabilities	1,579,620	1,550,303
Commitments and contingencies		
Redeemable units, 611 units issued and outstanding at March 31, 2016 and December 31, 2015	4,965	4,464
Capital:		
Preferred units:		
Series A Cumulative Convertible Preferred Units, 12,879 units issued and outstanding at March 31, 2016 and December 31, 2015	309,337	309,337
Common units, 139,307 and 141,808 units issued and outstanding at March 31, 2016 and December 31, 2015, respectively	(86,933)	(49,184)
Total FelCor LP partners' capital	222,404	260,153
Noncontrolling interests	7,403	7,806
Preferred capital in consolidated joint venture	43,784	43,186
Total partners' capital	273,591	311,145
Total liabilities and partners' capital	$ 1,858,176	$ 1,865,912

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

FELCOR LODGING LIMITED PARTNERSHIP

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended March 31, 2016 and 2015
(unaudited, in thousands, except for per unit data)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Revenues:		
Hotel operating revenue	$ 209,457	$ 213,285
Other revenue	687	410
Total revenues	210,144	213,695
Expenses:		
Hotel departmental expenses	77,438	77,656
Other property-related costs	55,566	56,895
Management and franchise fees	9,225	9,085
Taxes, insurance and lease expense	13,582	14,807
Corporate expenses	8,400	8,573
Depreciation and amortization	29,183	27,772
Other expenses	828	4,228
Total operating expenses	194,222	199,016
Operating income	15,922	14,679
Interest expense, net	(19,720)	(19,481)
Debt extinguishment	—	(73)
Loss before equity in income (loss) from unconsolidated entities	(3,798)	(4,875)
Equity in income (loss) from unconsolidated entities	(154)	149
Loss from continuing operations before income tax expense	(3,952)	(4,726)
Income tax expense	(415)	(169)
Loss from continuing operations	(4,367)	(4,895)
Income from discontinued operations	—	4
Loss before gain (loss) on sale of hotels	(4,367)	(4,891)
Gain (loss) on sale of hotels, net	(714)	16,887
Net income (loss) and comprehensive income (loss)	(5,081)	11,996
Net loss (income) attributable to noncontrolling interests	471	(4,879)
Preferred distributions - consolidated joint venture	(360)	(348)
Net income (loss) and comprehensive income (loss) attributable to FelCor LP	(4,970)	6,769
Preferred distributions	(6,279)	(9,678)
Net loss attributable to FelCor LP common unitholders	$ (11,249)	$ (2,909)
Basic and diluted per common unit data:		
Loss from continuing operations	$ (0.08)	$ (0.02)
Net loss	$ (0.08)	$ (0.02)
Basic and diluted weighted average common units outstanding	140,289	125,130

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

FELCOR LODGING LIMITED PARTNERSHIP

CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
For the Three Months Ended March 31, 2016 and 2015
(unaudited, in thousands)

	Preferred Units	Common Units	Noncontrolling Interests	Preferred Capital in Consolidated Joint Venture	Total Partners' Capital
Balance at December 31, 2014	$ 478,749	$ (175,759)	$ 18,435	$ 41,442	$ 362,867
FelCor restricted stock compensation	—	1,576	—	—	1,576
Contributions	—	—	790	—	790
Distributions	—	(14,770)	(15,826)	(348)	(30,944)
Allocation to redeemable units	—	(410)	—	—	(410)
Issuance of preferred capital - consolidated joint venture	—	—	—	1,248	1,248
Net income and comprehensive income	—	6,769	4,879	348	11,996
Balance at March 31, 2015	$ 478,749	$ (182,594)	$ 8,278	$ 42,690	$ 347,123
Balance at December 31, 2015	$ 309,337	$ (49,184)	$ 7,806	$ 43,186	$ 311,145
Repurchase of common units	—	(19,218)	—	—	(19,218)
FelCor restricted stock compensation	—	1,687	—	—	1,687
Contributions	—	—	68	—	68
Distributions	—	(14,747)	—	(360)	(15,107)
Allocation to redeemable units	—	(501)	—	—	(501)
Issuance of preferred capital - consolidated joint venture	—	—	—	598	598
Net income (loss) and comprehensive income (loss)	—	(4,970)	(471)	360	(5,081)
Balance at March 31, 2016	$ 309,337	$ (86,933)	$ 7,403	$ 43,784	$ 273,591

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

FELCOR LODGING LIMITED PARTNERSHIP

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2016 and 2015
(unaudited, in thousands)

	Three Months Ended March 31,	
	2016	2015
Cash flows from operating activities:		
Net income (loss)	$ (5,081)	$ 11,996
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	29,183	27,772
Loss (gain) on sale of hotels and other assets, net	714	(16,887)
Amortization of deferred financing fees	867	1,477
Amortization of fixed stock and directors' compensation	1,935	1,862
Equity in loss (income) from unconsolidated entities	154	(149)
Distributions of income from unconsolidated entities	114	580
Debt extinguishment	—	73
Changes in assets and liabilities:		
Accounts receivable	(6,777)	(6,208)
Other assets	(3,111)	(225)
Accrued expenses and other liabilities	1,655	(3,438)
Net cash flow provided by operating activities	19,653	16,853
Cash flows from investing activities:		
Improvements and additions to hotels	(14,008)	(13,483)
Hotel development	—	(10,108)
Net proceeds from asset sales	(466)	91,328
Change in restricted cash – investing	(3,395)	(1,676)
Insurance proceeds	94	274
Distributions from unconsolidated entities in excess of earnings	136	31
Net cash flow provided by (used in) investing activities	(17,639)	66,366
Cash flows from financing activities:		
Proceeds from borrowings	31,000	36,000
Repayment of borrowings	(496)	(78,428)
Payment of deferred financing fees	(10)	(81)
Distributions paid to noncontrolling interests	—	(15,826)
Contributions from noncontrolling interests	68	790
Distributions paid to FelCor LP limited partners	(36)	(23)
Distributions paid to preferred unitholders	(6,279)	(9,678)
Repurchase of common units	(19,218)	—
FelCor stock compensation withholding	(592)	(8)
Preferred distributions - consolidated joint venture	(360)	(345)
Distributions paid to common unitholders	(8,508)	(5,034)
Net proceeds from issuance of preferred capital - consolidated joint venture	598	1,248
Net cash flow used in financing activities	(3,833)	(71,385)
Effect of exchange rate changes on cash	(9)	(51)
Net change in cash and cash equivalents	(1,828)	11,783
Cash and cash equivalents at beginning of periods	59,786	47,147
Cash and cash equivalents at end of periods	$ 57,958	$ 58,930
Supplemental cash flow information – interest paid, net of capitalized interest	$ 18,809	$ 16,244
Supplemental cash flow information – income taxes paid	$ 299	$ 169

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

1. Organization

FelCor Lodging Trust Incorporated (NYSE:FCH), or FelCor, is a Maryland corporation, operating as a real estate investment trust, or REIT. FelCor is the sole general partner of, and the owner of a greater than 99.5% partnership interest in, FelCor Lodging Limited Partnership, or FelCor LP, through which we held ownership interests in 41 hotels as of March 31, 2016. At March 31, 2016, we had an aggregate of 139,918,201 shares and units outstanding, consisting of 139,306,739 shares of FelCor common stock and 611,462 FelCor LP units not owned by FelCor.

Of our 41 hotels as of March 31, 2016, we owned 100% interests in 38 hotels, a 95% interest in one hotel (The Knickerbocker) and 50% interests in entities owning two hotels. We consolidate our real estate interests in the 39 hotels in which we hold majority interests, and we record the real estate interests of the two hotels in which we hold indirect 50% interests using the equity method. We lease 40 of the 41 hotels to our taxable REIT subsidiaries, of which we own a controlling interest. We operate one 50%-owned hotel without a lease. Because we own controlling interests in our operating lessees, we consolidate our interests in all 40 leased hotels (which we refer to as our Consolidated Hotels) and reflect their operating revenues and expenses in our statements of operations and comprehensive income (loss). We own 50% of the real estate interest in one Consolidated Hotel (we account for our real estate interest of this hotel by the equity method) and majority real estate interests in our remaining 39 Consolidated Hotels (we consolidate our real estate interests in these hotels).

The following table illustrates the distribution of our 40 Consolidated Hotels at March 31, 2016:

Brand	Hotels	Rooms
Embassy Suites by Hilton®	18	4,982
Wyndham® and Wyndham Grand®	8	2,528
Marriott® and Renaissance®	3	1,321
Holiday Inn®	2	968
DoubleTree by Hilton® and Hilton®	3	802
Sheraton®	2	673
Fairmont®	1	383
The Knickerbocker®	1	330
Morgans® and Royalton®	2	285
Total	40	12,272

At March 31, 2016, our Consolidated Hotels were located in 15 states, with concentrations in California (11 hotels), Florida (six hotels) and Massachusetts (three hotels). Approximately 66% of our revenue was generated from hotels in these three states during the first three months of 2016.

At March 31, 2016, of our Consolidated Hotels: (i) subsidiaries of Hilton Worldwide, or Hilton, managed 20 hotels; (ii) subsidiaries of Wyndham Worldwide, or Wyndham, managed eight hotels; (iii) subsidiaries of Marriott International Inc., or Marriott, managed three hotels; (iv) subsidiaries of InterContinental Hotels Group, or IHG, managed two hotels; (v) subsidiaries of Starwood Hotels &

1. Organization — (continued)

Resorts Worldwide Inc., or Starwood, managed two hotels; (vi) a subsidiary of Fairmont Raffles Hotels International, or Fairmont, managed one hotel; (vii) a subsidiary of Highgate Hotels, or Highgate, managed one hotel; (viii) a subsidiary of Morgans Hotel Group Corporation, or Morgans, managed two hotels; and (ix) Aimbridge Hospitality managed one hotel.

On January 1, 2016, we adopted accounting guidance under ASU 2015-2, modifying the analysis performed to determine whether we should consolidate certain types of legal entities. The guidance does not amend the existing disclosure requirements for variable interest entities ("VIEs") or voting interest model entities. The guidance, however, modified the requirements to qualify under the voting interest model. Under the revised guidance, FelCor LP will be a variable interest entity of FelCor. As FelCor LP is already consolidated in the balance sheets of FelCor, the identification of this entity as a variable interest entity has no impact on the consolidated financial statements of FelCor. There were no other legal entities under the scope of the revised guidance that were consolidated as a result of the adoption.

The information in our consolidated financial statements for the three months ended March 31, 2016 and 2015 is unaudited. Preparing financial statements in conformity with accounting principles generally accepted in the United States of America, or GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The accompanying financial statements for the three months ended March 31, 2016 and 2015, include adjustments based on management's estimates (consisting of normal and recurring accruals), which we consider necessary for a fair statement of the results for the periods. Income taxes in prior periods have been reclassified from taxes, insurance and lease expense to conform to the current period presentation of a single line for income tax expense on our consolidated statement of operations. The financial information should be read in conjunction with the consolidated financial statements for the year ended December 31, 2015, included in our Annual Report on Form 10-K. Operating results for the three months ended March 31, 2016 are not necessarily indicative of actual operating results for the entire year.

2. Investment in Unconsolidated Entities

At March 31, 2016 and December 31, 2015, we owned 50% interests in joint ventures that owned two hotels. We also own 50% interests in entities that own real estate in Myrtle Beach, South Carolina and provide condominium management services there. We account for our investments in these unconsolidated entities under the equity method. We consolidate all of our majority-owned subsidiaries in our financial statements. We make adjustments to our equity in income from unconsolidated entities related to the difference between our basis in investment in unconsolidated entities compared to the historical basis of the assets recorded by the joint ventures.

2. Investment in Unconsolidated Entities — (continued)

The following table summarizes combined balance sheet information for our unconsolidated entities (in thousands):

	March 31, 2016	December 31, 2015
Investment in hotels and other properties, net of accumulated depreciation	$ 22,773	$ 23,047
Total assets	$ 28,484	$ 29,033
Debt, net of unamortized debt issuance costs	$ 22,439	$ 22,563
Total liabilities	$ 24,606	$ 24,541
Equity	$ 3,878	$ 4,492

Our unconsolidated entities' debt at March 31, 2016 and December 31, 2015 consisted entirely of non-recourse mortgage debt.

The following table sets forth summarized combined statement of operations information for our unconsolidated entities (in thousands):

	Three Months Ended March 31,	
	2016	2015
Total revenues	$ 5,503	$ 6,569
Net income (loss)	$ (114)	$ 551
Net income (loss) attributable to FelCor	$ (57)	$ 276
Depreciation of cost in excess of book value	(97)	(127)
Equity in income (loss) from unconsolidated entities	$ (154)	$ 149

The following table summarizes the components of our investments in unconsolidated entities (in thousands):

	March 31, 2016	December 31, 2015
Equity basis of hotel joint venture investments	$ (3,995)	$ (4,216)
Cost of hotel investments in excess of joint venture book value	7,232	7,329
Equity basis of land and condominium joint venture investments	5,934	6,462
Investment in unconsolidated entities	$ 9,171	$ 9,575

The following table summarizes the components of our equity in income (loss) from unconsolidated entities (in thousands):

	Three Months Ended March 31,	
	2016	2015
Hotel investments	$ 375	$ 748
Other investments	(529)	(599)
Equity in income (loss) from unconsolidated entities	$ (154)	$ 149

3. Debt

Consolidated debt consisted of the following (dollars in thousands):

	Encumbered Hotels	Interest Rate (%)	Maturity Date	March 31, 2016	December 31, 2015
Senior unsecured notes	—	6.00	June 2025	$ 475,000	$ 475,000
Senior secured notes	9	5.625	March 2023	525,000	525,000
Mortgage debt[(a)]	4	4.95	October 2022	121,874	122,237
Mortgage debt	1	4.94	October 2022	30,584	30,717
Line of credit[(b)]	7	LIBOR + 2.75	June 2019	221,000	190,000
The Knickerbocker loan[(c)]	1	LIBOR + 3.00	November 2017	85,000	85,000
Total	22			$ 1,458,458	$ 1,427,954
Unamortized debt issuance costs				(17,666)	(18,065)
Debt, net of unamortized debt issuance costs				$ 1,440,792	$ 1,409,889

(a) This debt is comprised of separate non-cross-collateralized loans, each secured by a mortgage encumbering different hotels.

(b) Our line of credit can be extended for one year, subject to satisfying certain conditions. We may borrow up to $400 million under our line of credit.

(c) This loan can be extended for one year, subject to satisfying certain conditions.

In connection with the adoption of ASU 2015-03, deferred financing costs of $17.7 million and $18.1 million as of March 31, 2016 and December 31, 2015, respectively, are now classified within the debt on our consolidated balance sheets. Deferred financing costs of $18.1 million at December 31, 2015 had previously been classified as an asset on our consolidated balance sheets. In accordance with ASU 2015-15, deferred financing costs associated with our line of credit remain as an asset on our consolidated balance sheets.

We reported $19.7 million and $19.5 million of interest expense for the three months ended March 31, 2016 and 2015, respectively, which is net of: (i) interest income of $12,000 and $5,000 and (ii) capitalized interest of $141,800 and $3.5 million, respectively.

4. Hotel Operating Revenue, Departmental Expenses, and Other Property-Related Costs

Hotel operating revenue from continuing operations was comprised of the following (in thousands):

	Three Months Ended March 31,	
	2016	2015
Room revenue	$ 159,076	$ 162,306
Food and beverage revenue	39,532	39,844
Other operating departments	10,849	11,135
Total hotel operating revenue	$ 209,457	$ 213,285

Nearly all of our revenue is comprised of hotel operating revenue. These revenues are recorded net of any sales or occupancy taxes collected from our guests. We record all rebates or discounts, when allowed, as a reduction in revenue, and there are no material contingent obligations with respect to rebates or discounts offered by us. All revenues are recorded on an accrual basis, as earned. We make appropriate allowances for doubtful accounts, which we record as bad debt expense. The remainder of our revenue was from condominium management fee income and other sources.

Hotel departmental expenses from continuing operations were comprised of the following (in thousands):

	Three Months Ended March 31,			
	2016		2015	
	Amount	% of Total Hotel Operating Revenue	Amount	% of Total Hotel Operating Revenue
Room	$ 42,699	20.4%	$ 42,511	19.9%
Food and beverage	30,956	14.8	30,696	14.4
Other operating departments	3,783	1.8	4,449	2.1
Total hotel departmental expenses	$ 77,438	37.0%	$ 77,656	36.4%

Other property-related costs from continuing operations were comprised of the following amounts (in thousands):

	Three Months Ended March 31,			
	2016		2015	
	Amount	% of Total Hotel Operating Revenue	Amount	% of Total Hotel Operating Revenue
Hotel general and administrative expense	$ 20,458	9.8%	$ 19,363	9.1%
Marketing	18,873	9.0	19,303	9.1
Repair and maintenance	9,705	4.6	10,350	4.9
Utilities	6,530	3.1	7,879	3.6
Total other property-related costs	$ 55,566	26.5%	$ 56,895	26.7%

Wyndham has guaranteed minimum levels of annual net operating income at each of the hotels it manages for us. We recorded $48,000 and $411,000 for the pro rata portions of the projected aggregate full-year guaranties for the three months ended March 31, 2016 and 2015, respectively. We record these amounts as a reduction of Wyndham's contractual management and other fees.

5. Taxes, Insurance and Lease Expense

Taxes, insurance and lease expense from continuing operations were comprised of the following (in thousands):

	Three Months Ended March 31,	
	2016	2015
Hotel lease expense[a]	$ 802	$ 2,104
Land lease expense[b]	3,262	3,059
Real estate and other taxes	7,575	7,691
Property insurance, general liability insurance and other	1,943	1,953
Total taxes, insurance and lease expense	$ 13,582	$ 14,807

(a) We record hotel lease expense for the consolidated operating lessees of hotels owned by unconsolidated entities and partially offset this expense through noncontrolling interests in other partnerships (generally 49%). We record our 50% share of the corresponding lease income through equity in income from unconsolidated entities. Hotel lease expense includes percentage rent of $936,000 for the three months ended March 31, 2015.

(b) We include in land lease expense percentage rent of $1.6 million and $1.5 million for the three months ended March 31, 2016 and 2015, respectively.

6. Hotel Dispositions

During the three months ended March 31, 2015, we sold three hotels and had one hotel held for sale at March 31, 2015. We designate a hotel as held for sale when the sale is probable within the next twelve months. Generally, we consider a sale to be probable when a buyer completes its due diligence review, we have an executed contract for sale and we have received a substantial non-refundable deposit. We included operations for the sold hotels, and the hotel designated as held for sale, in income (loss) from continuing operations as shown in the statements of operations and comprehensive income (loss) for the three months ended March 31, 2015, as disposition of these hotels did not represent a strategic shift in our business. Additionally, included in the gain (loss) on the sale of hotels are selling costs, which are expensed as incurred.

The following table includes condensed financial information primarily related to hotels sold in 2015 included in continuing operations (in thousands):

	Three Months Ended March 31, 2015
Hotel operating revenue	$ 18,016
Operating expenses	(14,542)
Operating income	3,474
Interest expense, net	(596)
Debt extinguishment	(73)
Equity in income from unconsolidated entities	205
Income from continuing operations	3,010
Gain on sale of hotels, net	16,887
Net income	19,897
Net loss (income) attributable to noncontrolling interests in other partnerships	(5,218)
Net income attributable to redeemable noncontrolling interests in FelCor LP	(70)
Net income attributable to FelCor	$ 14,609

7. Loss Per Share/Unit

The following tables set forth the computation of basic and diluted loss per share/unit (in thousands, except per share/unit data):

FelCor Loss Per Share

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Numerator:		
Net income (loss) attributable to FelCor	$ (4,922)	$ 6,783
Discontinued operations attributable to FelCor	—	(4)
Income (loss) from continuing operations attributable to FelCor	(4,922)	6,779
Less: Preferred dividends	(6,279)	(9,678)
Less: Dividends declared on unvested restricted stock	(38)	(13)
Numerator for continuing operations attributable to FelCor common stockholders	(11,239)	(2,912)
Discontinued operations attributable to FelCor	—	4
Numerator for basic and diluted loss attributable to FelCor common stockholders	$ (11,239)	$ (2,908)
Denominator:		
Denominator for basic and diluted loss per share	139,678	124,519
Basic and diluted loss per share data:		
Loss from continuing operations	$ (0.08)	$ (0.02)
Net loss	$ (0.08)	$ (0.02)

7. Loss Per Share/Unit — (continued)

FelCor LP Loss Per Unit

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Numerator:		
Net income (loss) attributable to FelCor LP	$ (4,970)	$ 6,769
Discontinued operations attributable to FelCor LP	—	(4)
Income (loss) from continuing operations attributable to FelCor LP	(4,970)	6,765
Less: Preferred distributions	(6,279)	(9,678)
Less: Distributions declared on FelCor unvested restricted stock	(38)	(13)
Numerator for continuing operations attributable to FelCor LP common unitholders	(11,287)	(2,926)
Discontinued operations attributable to FelCor LP	—	4
Numerator for basic and diluted loss attributable to FelCor common unitholders	$ (11,287)	$ (2,922)
Denominator:		
Denominator for basic and diluted loss per unit	140,289	125,130
Basic and diluted loss per unit data:		
Loss from continuing operations	$ (0.08)	$ (0.02)
Net loss	$ (0.08)	$ (0.02)

We include the net gain (loss) on sale of hotels attributable to FelCor/FelCor LP in income (loss) from continuing operations attributable to FelCor/FelCor LP share/unit calculations.

We do not include the following securities because they would have been antidilutive for the periods presented (in thousands):

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Series A convertible preferred shares/units	9,984	9,984
FelCor restricted stock units	619	1,194

Series A preferred dividends (distributions) that would be excluded from net income (loss) attributable to FelCor common stockholders (or FelCor LP common unitholders), if these preferred shares/units were dilutive, were $6.3 million for the three months ended March 31, 2016 and 2015.

We grant our executive officers restricted stock units each year, which provides them with the potential to earn shares of our common stock in three increments over three to four years. A portion of the actual number of shares that vest is determined based on total stockholder return relative to a group of ten lodging REIT peers and a portion is related to service. We amortize the fixed cost of these grants over the vesting period. We calculate the potential dilutive impact of these awards on our earnings per share using the treasury stock method.

8. Fair Value of Financial Instruments

Disclosures about fair value of our financial instruments are based on pertinent information available to management as of March 31, 2016 and December 31, 2015. Considerable judgment is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that we could realize on disposition of the financial instruments. Different market assumptions and/or estimation methodologies may have a material effect on estimated fair value amounts.

Our estimates of the fair value of (i) cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses approximate carrying value due to the relatively short maturity of these instruments; (ii) our debt for which trading prices are publicly available is based on observable market data (a Level 2 input) and has an estimated fair value of $1.0 billion at March 31, 2016 and December 31, 2015; and (iii) our debt for which trading prices are not publicly available is based on a discounted cash flow model using effective borrowing rates for debt with similar terms, loan to estimated fair value of collateral and remaining maturities (a Level 3 input) and has an estimated fair value of $466.0 million and $438.8 million at March 31, 2016 and December 31, 2015, respectively. The estimated fair value of all our debt was $1.5 billion at March 31, 2016 and December 31, 2015. The carrying value of our debt was $1.4 billion at March 31, 2016 and December 31, 2015.

9. Redeemable Noncontrolling Interests in FelCor LP / Redeemable Units

We record redeemable noncontrolling interests in FelCor LP, in the case of FelCor, and redeemable units, in the case of FelCor LP, in the mezzanine section (between liabilities and equity or partners' capital) of our consolidated balance sheets because of the redemption feature of these units. Additionally, FelCor's consolidated statements of operations and comprehensive income (loss) separately present earnings attributable to redeemable noncontrolling interests. We adjust redeemable noncontrolling interests in FelCor LP (or redeemable units) each period to reflect the greater of its carrying value based on the accumulation of historical cost or its redemption value. The historical cost is based on the proportionate relationship between the carrying value of equity associated with FelCor's common stockholders relative to that of FelCor LP's unitholders. Redemption value is based on the closing price of FelCor's common stock at period end. FelCor allocates net income (loss) to FelCor LP's noncontrolling partners based on their weighted average ownership percentage during the period.

At March 31, 2016, we had 611,462 limited partnership units outstanding carried at $5.0 million. The value of these outstanding units is based on the closing price of FelCor's common stock at March 31, 2016 ($8.12 per share).

9. Redeemable Noncontrolling Interests in FelCor LP / Redeemable Units — (continued)

Changes in redeemable noncontrolling interests (or redeemable units) for the three months ended March 31, 2016 and 2015 are shown below (in thousands):

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Balance at beginning of period	$ 4,464	$ 6,616
Redemption value allocation	585	447
Distributions paid to unitholders	(36)	(23)
Net loss	(48)	(14)
Balance at end of period	$ 4,965	$ 7,026

10. Consolidated Joint Venture Preferred Equity/Capital

Our joint venture that redeveloped The Knickerbocker raised $45 million through the sale of redeemable preferred equity under the EB-5 immigrant investor program. The purchasers receive a 3.25% current annual return (which increases to 8% if we do not redeem this equity interest before the fifth anniversary of its issuance), plus a 0.25% non-compounding annual return payable at redemption. To date, the venture has received $44.4 million in gross proceeds ($43.8 million net of issuance costs), including $600,000 and $1.3 million in gross proceeds received in the first three months of 2016 and 2015, respectively. The venture will receive the remaining $600,000 as investors' visas are approved.

11. Commercial Dispute

One of our consolidated subsidiaries was engaged in a commercial dispute with a third party. Under generally accepted accounting principles, we recorded $5.9 million in other expenses during the third quarter of 2014 to establish a provision for our estimate of our maximum exposure for this contingency. We paid the disputed amount in January 2015 but continued asserting our contractual rights. In June 2015, we settled the commercial dispute and recovered $3.7 million (net of legal costs).

12. Contingency

In April 2016, an affiliate of InterContinental Hotels Group PLC, or IHG, which had formerly operated three hotels on our behalf (two of which we sold in 2006 and one of which we converted to Wyndham operation and flag in 2013), notified us that the pension fund in which the employees at those hotels had participated is seeking an $8.3 million contribution from IHG in connection with the termination of its operation of those hotels. Under our hotel management agreements with IHG, we may be obligated to indemnify and hold IHG harmless for some or all of any amount ultimately contributed to the pension fund with respect to these hotels. Nevertheless, we believe that we are not responsible for a significant portion (and perhaps any) of the contribution sought by the pension fund and that any cost we incur with respect to this matter will be immaterial. Consequently, we will vigorously defend against the underlying claims and, where appropriate, IHG's demand for indemnification. We are in the earliest stage of investigating the matter, which involves significant legal, actuarial and factual analysis with respect to each hotel, and have not determined whether any loss to us is probable or that any such loss is estimable.

13. Recently Issued Accounting Standards

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers. ASU 2014-09 is a comprehensive new revenue recognition model requiring a company to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. In adopting ASU 2014-09, companies may use either a full retrospective or a modified retrospective approach.

Additionally, this guidance requires improved disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. ASU 2014-09 is effective for the first interim period within annual reporting periods beginning after December 15, 2017, and early adoption is permitted but not before the original effective date (for annual reporting periods beginning after December 15, 2016). We are evaluating what impact (if any) ASU 2014-09 will have on our financial position or results of operations.

In February 2016, the FASB issued ASU 2016-02 - Leases (ASC 842), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU is expected to impact our consolidated financial statements as we have certain operating lease arrangements. ASC 842 supersedes the previous leases standard, ASC 840 Leases. The standard is effective on January 1, 2019, with early adoption permitted. We are in the process of evaluating the impact of this new guidance.

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting, which is intended to improve the accounting for share-based payment transactions. Under the new standard, companies can withhold shares up to the maximum individual statutory tax rate in the applicable jurisdiction as participants vest in stock and maintain equity classification of the entire award. Also under the new standard, forfeitures for stock awards may be recorded when they occur (the prior guidance required estimating forfeitures when recording stock compensation costs). Finally, the standard requires classifying cash paid when remitting cash to the tax authorities for stock compensation withholding as financing activity in the statement of cash flows. We adopted this standard effective January 1, 2016. Upon adoption, we revised our policy to account for stock compensation forfeitures as they occur, which resulted in a $185,000 increase in our accumulated deficit for the cumulative effect of change in accounting principle. Also, we will be reclassifying in our statement of cash flows, from operating activities to financing activities, $2.1 million and $3.1 million for the years ended December 31, 2015 and 2014, respectively, for cash paid to taxing authorities for shares withheld.

14. FelCor LP's Consolidating Financial Information

Certain of FelCor LP's 100% owned subsidiaries (FCH/PSH, L.P.; FelCor/CMB Buckhead Hotel, L.L.C.; FelCor/CMB Marlborough Hotel, L.L.C.; FelCor/CMB Orsouth Holdings, L.P.; FelCor/CMB SSF Holdings, L.P.; FelCor/CSS Holdings, L.P.; FelCor Dallas Love Field Owner, L.L.C.; FelCor Milpitas Owner, L.L.C.; FelCor TRS Borrower 4, L.L.C.; FelCor TRS Holdings, L.L.C.; FelCor Canada Co.; FelCor Hotel Asset Company, L.L.C.; FelCor St. Pete (SPE), L.L.C.; FelCor Esmeralda (SPE), L.L.C.; FelCor S-4 Hotels (SPE), L.L.C.; Madison 237 Hotel, L.L.C.; Myrtle Beach Owner, L.L.C.; and Royalton 44 Hotel, L.L.C., collectively, "Subsidiary Guarantors"), together with FelCor, guaranty, fully and unconditionally, except where subject to customary release provisions as described below, and jointly and severally, our senior debt.

The guaranties by the Subsidiary Guarantors may be automatically and unconditionally released upon (i) the sale or other disposition of all of the capital stock of the Subsidiary Guarantor or the sale or disposition of all or substantially all of the assets of the Subsidiary Guarantor, if, in each case, as a result of such sale or disposition, such Subsidiary Guarantor ceases to be a subsidiary of FelCor LP, (ii) the consolidation or merger of any such Subsidiary Guarantor with any person other than FelCor LP, or a subsidiary of FelCor LP, if, as a result of such consolidation or merger, such Subsidiary Guarantor ceases to be a subsidiary of FelCor LP, (iii) a legal defeasance or covenant defeasance of the indenture, (iv) the unconditional and complete release of such Subsidiary Guarantor in accordance with the modification and waiver provisions of the indenture, or (v) the designation of a restricted subsidiary that is a Subsidiary Guarantor as an unrestricted subsidiary under and in compliance with the indenture.

14. FelCor LP's Consolidating Financial Information — (continued)

The following tables present consolidating information for the Subsidiary Guarantors.

FELCOR LODGING LIMITED PARTNERSHIP

CONDENSED CONSOLIDATING BALANCE SHEET
March 31, 2016
(in thousands)

	FelCor LP	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Net investment in hotels	$ —	$ 619,653	$ 1,091,870	$ —	$ 1,711,523
Equity investment in consolidated entities	1,220,693	—	—	(1,220,693)	—
Investment in unconsolidated entities	4,253	3,665	1,253	—	9,171
Cash and cash equivalents	21,811	35,074	1,073	—	57,958
Restricted cash	—	17,069	4,028	—	21,097
Accounts receivable, net	253	33,281	1,285	—	34,819
Deferred expenses, net	—	—	5,932	—	5,932
Other assets	2,524	11,257	3,895	—	17,676
Total assets	$ 1,249,534	$ 719,999	$ 1,109,336	$ (1,220,693)	$ 1,858,176
Debt, net	$ 984,602	$ —	$ 495,626	$ (39,436)	$ 1,440,792
Distributions payable	14,938	—	124	—	15,062
Accrued expenses and other liabilities	22,625	89,352	11,789	—	123,766
Total liabilities	1,022,165	89,352	507,539	(39,436)	1,579,620
Redeemable units, at redemption value	4,965	—	—	—	4,965
Preferred units	309,337	—	—	—	309,337
Common units	(86,933)	631,765	549,492	(1,181,257)	(86,933)
Total FelCor LP partners' capital	222,404	631,765	549,492	(1,181,257)	222,404
Noncontrolling interests	—	(1,118)	8,521	—	7,403
Preferred capital in consolidated joint venture	—	—	43,784	—	43,784
Total partners' capital	222,404	630,647	601,797	(1,181,257)	273,591
Total liabilities and partners' capital	$ 1,249,534	$ 719,999	$ 1,109,336	$ (1,220,693)	$ 1,858,176

14. FelCor LP's Consolidating Financial Information — (continued)

FELCOR LODGING LIMITED PARTNERSHIP

CONDENSED CONSOLIDATING BALANCE SHEET
December 31, 2015
(in thousands)

	FelCor LP	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Net investment in hotels	$ —	$ 625,835	$ 1,103,696	$ —	$ 1,729,531
Equity investment in consolidated entities	1,260,779	—	—	(1,260,779)	—
Investment in unconsolidated entities	4,440	3,871	1,264	—	9,575
Cash and cash equivalents	21,219	34,294	4,273	—	59,786
Restricted cash	—	15,442	2,260	—	17,702
Accounts receivable, net	644	25,575	1,917	—	28,136
Deferred expenses, net	—	—	6,390	—	6,390
Other assets	3,587	8,786	2,419	—	14,792
Total assets	$ 1,290,669	$ 713,803	$ 1,122,219	$ (1,260,779)	$ 1,865,912
Debt, net	$ 984,226	$ —	$ 465,099	$ (39,436)	$ 1,409,889
Distributions payable	15,016	—	124	—	15,140
Accrued expenses and other liabilities	26,810	83,787	14,677	—	125,274
Total liabilities	1,026,052	83,787	479,900	(39,436)	1,550,303
Redeemable units, at redemption value	4,464	—	—	—	4,464
Preferred units	309,337	—	—	—	309,337
Common units	(49,184)	630,833	590,510	(1,221,343)	(49,184)
Total FelCor LP partners' capital	260,153	630,833	590,510	(1,221,343)	260,153
Noncontrolling interests	—	(817)	8,623	—	7,806
Preferred capital in consolidated joint venture	—	—	43,186	—	43,186
Total partners' capital	260,153	630,016	642,319	(1,221,343)	311,145
Total liabilities and partners' capital	$ 1,290,669	$ 713,803	$ 1,122,219	$ (1,260,779)	$ 1,865,912

14. FelCor LP's Consolidating Financial Information — (continued)

FELCOR LODGING LIMITED PARTNERSHIP

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

For the Three Months Ended March 31, 2016
(in thousands)

	FelCor LP	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues:					
Hotel operating revenue	$ —	$ 209,457	$ —	$ —	$ 209,457
Percentage lease revenue	—	—	43,545	(43,545)	—
Other revenue	186	432	69	—	687
Total revenues	186	209,889	43,614	(43,545)	210,144
Expenses:					
Hotel operating expenses	—	142,229	—	—	142,229
Taxes, insurance and lease expense	27	51,484	5,616	(43,545)	13,582
Corporate expenses	—	4,336	4,064	—	8,400
Depreciation and amortization	51	11,996	17,136	—	29,183
Other expenses	232	553	43	—	828
Total operating expenses	310	210,598	26,859	(43,545)	194,222
Operating income	(124)	(709)	16,755	—	15,922
Interest expense, net	(14,661)	9	(5,068)	—	(19,720)
Loss before equity in loss from unconsolidated entities	(14,785)	(700)	11,687	—	(3,798)
Equity in income from consolidated entities	9,867	—	—	(9,867)	—
Equity in loss from unconsolidated entities	64	(207)	(11)	—	(154)
Loss from continuing operations before income tax expense	(4,854)	(907)	11,676	(9,867)	(3,952)
Income tax expense	(116)	(299)	—	—	(415)
Loss from continuing operations before gain on sale of hotels	(4,970)	(1,206)	11,676	(9,867)	(4,367)
Loss on sale of hotels, net	—	(457)	(257)	—	(714)
Net loss and comprehensive loss	(4,970)	(1,663)	11,419	(9,867)	(5,081)
Loss attributable to noncontrolling interests	—	369	102	—	471
Preferred distributions - consolidated joint venture	—	—	(360)	—	(360)
Net loss and comprehensive loss attributable to FelCor LP	(4,970)	(1,294)	11,161	(9,867)	(4,970)
Preferred distributions	(6,279)	—	—	—	(6,279)
Net loss attributable to FelCor LP common unitholders	$ (11,249)	$ (1,294)	$ 11,161	$ (9,867)	$ (11,249)

14. FelCor LP's Consolidating Financial Information — (continued)

FELCOR LODGING LIMITED PARTNERSHIP

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME

For the Three Months Ended March 31, 2015
(in thousands)

	FelCor LP	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues:					
Hotel operating revenue	$ —	$ 213,285	$ —	$ —	$ 213,285
Percentage lease revenue	—	—	39,187	(39,187)	—
Other revenue	1	348	61	—	410
Total revenues	1	213,633	39,248	(39,187)	213,695
Expenses:					
Hotel operating expenses	—	143,636	—	—	143,636
Taxes, insurance and lease expense	(200)	49,071	5,123	(39,187)	14,807
Corporate expenses	138	4,605	3,830	—	8,573
Depreciation and amortization	41	13,165	14,566	—	27,772
Other expenses	—	4,045	183	—	4,228
Total operating expenses	(21)	214,522	23,702	(39,187)	199,016
Operating income	22	(889)	15,546	—	14,679
Interest expense, net	(13,740)	3	(5,744)	—	(19,481)
Debt extinguishment	—	—	(73)	—	(73)
Loss before equity in income from unconsolidated entities	(13,718)	(886)	9,729	—	(4,875)
Equity in income from consolidated entities	20,359	—	—	(20,359)	—
Equity in income from unconsolidated entities	346	(186)	(11)	—	149
Loss from continuing operations before income tax expense	6,987	(1,072)	9,718	(20,359)	(4,726)
Income tax expense	(47)	(122)	—	—	(169)
Loss from continuing operations	6,940	(1,194)	9,718	(20,359)	(4,895)
Income from discontinued operations	—	4	—	—	4
Loss before gain on sale of hotels	6,940	(1,190)	9,718	(20,359)	(4,891)
Gain on sale of hotels, net	(171)	(10)	17,068	—	16,887
Net income and comprehensive income	6,769	(1,200)	26,786	(20,359)	11,996
Income attributable to noncontrolling interests	—	258	(5,137)	—	(4,879)
Preferred distributions - consolidated joint venture	—	—	(348)	—	(348)
Net income and comprehensive income attributable to FelCor LP	6,769	(942)	21,301	(20,359)	6,769
Preferred distributions	(9,678)	—	—	—	(9,678)
Net loss attributable to FelCor LP common unitholders	$ (2,909)	$ (942)	$ 21,301	$ (20,359)	$ (2,909)

14. FelCor LP's Consolidating Financial Information — (continued)

FELCOR LODGING LIMITED PARTNERSHIP

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Three Months Ended March 31, 2016
(in thousands)

	FelCor LP	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Operating activities:					
Cash flows from operating activities	$ (16,847)	$ 7,399	$ 29,101	$ —	$ 19,653
Investing activities:					
Improvements and additions to hotels	3	(6,104)	(7,907)	—	(14,008)
Net proceeds from asset sales	(66)	(278)	(122)	—	(466)
Insurance proceeds	—	—	94	—	94
Change in restricted cash - investing	—	(1,627)	(1,768)	—	(3,395)
Distributions from unconsolidated entities	136	—	—	—	136
Intercompany financing	51,999	—	—	(51,999)	—
Cash flows from investing activities	52,072	(8,009)	(9,703)	(51,999)	(17,639)
Financing activities:					
Proceeds from borrowings	—	—	31,000	—	31,000
Repayment of borrowings	—	—	(496)	—	(496)
Payment of deferred financing fees	—	—	(10)	—	(10)
Contributions from noncontrolling interests	—	68	—	—	68
Repurchase of common stock	(19,218)	—	—	—	(19,218)
Distributions paid to preferred unitholders	(6,279)	—	—	—	(6,279)
Distributions paid to common unitholders	(8,508)	—	—	—	(8,508)
Net proceeds from issuance of preferred capital - consolidated joint venture	—	—	598	—	598
Intercompany financing	—	1,331	(53,330)	51,999	—
Other	(628)	—	(360)	—	(988)
Cash flows from financing activities	(34,633)	1,399	(22,598)	51,999	(3,833)
Effect of exchange rate changes on cash	—	(9)	—	—	(9)
Change in cash and cash equivalents	592	780	(3,200)	—	(1,828)
Cash and cash equivalents at beginning of period	21,219	34,294	4,273	—	59,786
Cash and cash equivalents at end of period	$ 21,811	$ 35,074	$ 1,073	$ —	$ 57,958

14. FelCor LP's Consolidating Financial Information — (continued)

FELCOR LODGING LIMITED PARTNERSHIP

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Three Months Ended March 31, 2015
(in thousands)

	FelCor LP	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Operating activities:					
Cash flows from operating activities	$ (13,290)	$ 5,777	$ 24,366	$ —	$ 16,853
Investing activities:					
Improvements and additions to hotels	(473)	(7,551)	(5,459)	—	(13,483)
Hotel development	—	—	(10,108)	—	(10,108)
Net proceeds from asset sales	(98)	10	91,416	—	91,328
Insurance proceeds	274	—	—	—	274
Change in restricted cash - investing	—	(479)	(1,197)	—	(1,676)
Distributions from unconsolidated entities	31	—	—	—	31
Intercompany financing	42,392	—	—	(42,392)	—
Cash flows from investing activities	42,126	(8,020)	74,652	(42,392)	66,366
Financing activities:					
Proceeds from borrowings	—	—	36,000	—	36,000
Repayment of borrowings	—	—	(78,428)	—	(78,428)
Payment of deferred financing fees	—	—	(81)	—	(81)
Distributions paid to preferred unitholders	(9,678)	—	—	—	(9,678)
Distributions paid to common unitholders	(5,034)	—	—	—	(5,034)
Distributions paid to noncontrolling interests	—	(81)	(15,745)	—	(15,826)
Contributions from noncontrolling interests	—	10	780	—	790
Net proceeds from issuance of preferred capital- consolidated joint venture	—	—	1,248	—	1,248
Intercompany financing	—	7,050	(49,442)	42,392	—
Other	(31)	—	(345)	—	(376)
Cash flows from financing activities	(14,743)	6,979	(106,013)	42,392	(71,385)
Effect of exchange rate changes on cash	—	(51)	—	—	(51)
Change in cash and cash equivalents	14,093	4,685	(6,995)	—	11,783
Cash and cash equivalents at beginning of period	5,717	32,923	8,507	—	47,147
Cash and cash equivalents at end of period	$ 19,810	$ 37,608	$ 1,512	$ —	$ 58,930

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

Revenue per available room, or RevPAR, for our 39 same-store hotels (which excludes The Knickerbocker) increased 4.7% in the first quarter of 2016 compared to the same period last year, driven by a 3.4% increase in average daily rate, or ADR, and a 1.2% increase in occupancy.

We continually strive to increase long-term stockholder value. We look for opportunities to redeploy capital to achieve higher returns and strengthen our balance sheet. In accordance with our 2015 strategic plan, our Board approved the sale of five hotels. We are at various stages of negotiations on all five hotels. We are taking advantage of currently favorable market values and expect these hotels to be sold at high multiples to current EBITDA. We expect to use proceeds received from these asset sales to repay debt, repurchase common stock and take advantage of future value-creation opportunities.

In 2015, our Board approved a common stock repurchase program, under which we may spend up to $100 million repurchasing shares of our common stock through October 2017. We may repurchase shares in transactions on the open market, in privately-negotiated transactions or by other means, including Rule 10b5-1 trading plans, in accordance with applicable securities laws and other restrictions. During the first three months of 2016, we repurchased 2.9 million shares of common stock for $19.2 million (including commissions) for an average price of $6.49 per share. To date, we have repurchased 5.3 million shares of common stock for $36.5 million (including commissions) for an average price of $6.86 per share. We intend to continue to repurchase shares of our common stock while they trade at a significant discount to net asset value, and, subject to review and approval by our Board, we expect to increase the program in conjunction with the asset sales.

Results of Operations

Comparison of the Three Months ended March 31, 2016 and 2015

For the three months ended March 31, 2016, we recorded a net loss of $5.1 million compared to net income of $12.0 million for the same period last year. Our 2015 net income included a $16.9 million net gain on hotel sales.

For the three months ended March 31, 2016:

- *Hotel operating revenue* declined $3.8 million, including a $12.6 million net reduction in revenue for hotels that have been disposed of, classified as held for sale or recently opened. Excluding these hotels, hotel operating revenue increased 4.5% from last year. The increase was driven by a 4.7% increase in same-store RevPAR, reflecting a 3.4% increase in ADR and a 1.2% increase in occupancy.

- *Hotel departmental expenses* declined $218,000, including a $2.3 million net reduction in expense for hotels that have been disposed of, classified as held for sale or recently opened. Excluding these hotels, hotel departmental expenses decreased to 35.9% of hotel operating revenue from 36.5% last year.

- *Other property-related costs* declined $1.3 million, including a $3.7 million net reduction in expense for hotels that have been disposed of, classified as held for sale or recently opened. Excluding these hotels, other property-related costs increased slightly to 26.1% of hotel operating revenue from 26.0% last year.

- *Management and franchise fees* increased $140,000, including an $862,000 net reduction in expense for hotels that have been disposed of, classified as held for sale or recently opened. Excluding these hotels, these costs increased to 4.5% of hotel operating revenue from 4.2% last year. As a result of improved operations at our Wyndham hotels, we recorded a smaller reduction in our Wyndham management fees in the current year, accounting for the guaranty provided by Wyndham, as compared to the same period last year.

- *Taxes, insurance and lease expense* declined $1.2 million, including a $1.6 million net reduction in expense for hotels that have been disposed of, classified as held for sale or recently opened. Excluding these hotels, these expenses decreased slightly to 6.5% of hotel operating revenue from 6.6% last year.

- *Depreciation and amortization expense* increased $1.4 million primarily attributable to depreciation of The Knickerbocker after the hotel was placed in service during 2015, partially offset by depreciation of hotels sold in 2015.

- *Other expenses* declined $3.4 million from the same period last year. This change is primarily attributable to pre-opening costs incurred in 2015 for The Knickerbocker.

- *Net interest expense* increased $239,000. We completed certain renovation and redevelopment projects, including The Knickerbocker, in 2015 resulting in lower capitalized interest in the current year as compared to the same period last year. Excluding the change in capitalized interest, interest expense declined by $3.1 million.

- *Equity in income from unconsolidated entities* decreased $303,000, primarily reflecting the 2015 sale of a hotel owned by one of our unconsolidated joint ventures.

Non-GAAP Financial Measures

We refer in this report to certain "non-GAAP financial measures." These measures, including FFO (Funds from Operations), Adjusted FFO, EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization), Adjusted EBITDA, Same-store Adjusted EBITDA, Hotel EBITDA, and Hotel EBITDA margin, are measures of our financial performance that are not calculated and presented in accordance with GAAP. The following tables reconcile these non-GAAP measures to the most comparable GAAP financial measure. Immediately following the reconciliations, we include a discussion of why we believe these measures are useful supplemental measures of our performance and the limitations of such measures.

Reconciliation of Net Income (Loss) to FFO and Adjusted FFO
(in thousands, except per share data)

	Three Months Ended March 31,					
	2016			2015		
	Dollars	Shares	Per Share Amount	Dollars	Shares	Per Share Amount
Net income (loss)	$ (5,081)			$ 11,996		
Noncontrolling interests	519			(4,865)		
Preferred dividends	(6,279)			(9,678)		
Preferred distributions - consolidated joint venture	(360)			(348)		
Net loss attributable to FelCor common stockholders	(11,201)			(2,895)		
Less: Dividends declared on unvested restricted stock	(38)			(13)		
Basic and diluted earnings per share data	(11,239)	139,678	$ (0.08)	(2,908)	124,519	$ (0.02)
Depreciation and amortization	29,183	—	0.22	27,772	—	0.22
Depreciation, unconsolidated entities and other partnerships	467	—	—	712	—	0.01
Loss (gain) on sale of hotels, net of noncontrolling interests in other partnerships	714	—	—	(11,881)	—	(0.10)
Noncontrolling interests in FelCor LP	(48)	611	—	(14)	611	—
Dividends declared on unvested restricted stock	38	—	—	13	—	—
Conversion of unvested restricted stock and units	—	627	—	—	1,213	—
FFO	19,115	140,916	0.14	13,694	126,343	0.11
Debt extinguishment	—	—	—	73	—	—
Variable stock compensation	761	—	—	997	—	—
Abandoned projects	232	—	—	—	—	—
Pre-opening costs, net of noncontrolling interests	54	—	—	3,524	—	0.03
Adjusted FFO	$ 20,162	140,916	$ 0.14	$ 18,288	126,343	$ 0.14

Reconciliation of Net Income (Loss) to EBITDA, Adjusted EBITDA and Same-store Adjusted EBITDA
(in thousands)

	Three Months Ended March 31,	
	2016	2015
Net income (loss)	$ (5,081)	$ 11,996
Depreciation and amortization	29,183	27,772
Depreciation, unconsolidated entities and other partnerships	467	712
Interest expense	19,732	19,486
Interest expense, unconsolidated entities and other partnerships	99	202
Income taxes	415	—
Noncontrolling interests in preferred distributions, consolidated joint venture	(18)	—
Noncontrolling interests in other partnerships	471	(4,879)
EBITDA	45,268	55,289
Debt extinguishment	—	73
Loss (gain) on sale of hotels, net of noncontrolling interests in other partnerships	714	(11,881)
Amortization of fixed stock and directors' compensation	1,935	1,862
Abandoned projects	232	—
Variable stock compensation	761	997
Pre-opening costs, net of noncontrolling interests	54	3,524
Adjusted EBITDA	48,964	49,864
Adjusted EBITDA from hotels disposed, held for sale or recently opened	1,341	(3,180)
Same-store Adjusted EBITDA	$ 50,305	$ 46,684

Hotel EBITDA and Hotel EBITDA Margin
(dollars in thousands)

	Three Months Ended March 31,	
	2016	**2015**
Same-store operating revenue:		
Room	$ 154,430	$ 145,933
Food and beverage	38,271	38,107
Other operating departments	10,798	10,649
Same-store operating revenue	203,499	194,689
Same-store operating expense:		
Room	40,407	37,959
Food and beverage	28,978	28,876
Other operating departments	3,767	4,242
Other property related costs	53,033	50,710
Management and franchise fees	9,095	8,093
Taxes, insurance and lease expense	12,811	12,430
Same-store operating expense	148,091	142,310
Hotel EBITDA	$ 55,408	$ 52,379
Hotel EBITDA Margin	27.2%	26.9%

Reconciliation of Same-store Operating Revenue and Same-store Operating Expense to Total Revenue, Total Operating Expense and Operating Income
(in thousands)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Same-store operating revenue	$ 203,499	$ 194,689
Other revenue	687	410
Revenue from hotels disposed, held for sale and recently opened[a]	5,958	18,596
Total revenue	210,144	213,695
Same-store operating expense	148,091	142,310
Consolidated hotel lease expense[b]	802	2,104
Unconsolidated taxes, insurance and lease expense	(452)	(741)
Corporate expenses	8,400	8,573
Depreciation and amortization	29,183	27,772
Expenses from hotels disposed, held for sale and recently opened[a]	7,370	14,770
Other expenses	828	4,228
Total operating expense	194,222	199,016
Operating income	$ 15,922	$ 14,679

(a) Under GAAP, we include the operating performance for disposed, held for sale and recently opened hotels in continuing operations in our statements of operations. However, for purposes of our Non-GAAP reporting metrics, we have excluded the results of these hotels to provide a meaningful same-store comparison.

(b) Consolidated hotel lease expense represents the lease expense of our 51% owned operating lessees. The offsetting lease revenue is included in equity in income from unconsolidated entities.

Substantially all of our non-current assets consist of real estate. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, most industry investors consider supplemental measures of performance, which are not measures of operating performance under GAAP, to be helpful in evaluating a real estate company's operations. These supplemental measures are not measures of operating performance under GAAP. However, we consider these non-GAAP measures to be supplemental measures of a hotel REIT's performance and should be considered along with, but not as an alternative to, net income (loss) attributable to FelCor as a measure of our operating performance.

FFO and EBITDA

The National Association of Real Estate Investment Trusts, or "NAREIT", defines FFO as net income or loss attributable to parent (computed in accordance with GAAP), excluding gains or losses from sales of property, plus depreciation, amortization and impairment losses. FFO for unconsolidated partnerships and joint ventures are calculated on the same basis. We compute FFO in accordance with standards established by NAREIT. This may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than we do.

EBITDA is a commonly used measure of performance in many industries. We define EBITDA as net income or loss attributable to parent (computed in accordance with GAAP) plus interest expenses, income taxes, depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect EBITDA on the same basis.

Adjustments to FFO and EBITDA

We adjust FFO and EBITDA when evaluating our performance because management believes that the exclusion of certain additional items provides useful supplemental information to investors regarding our ongoing operating performance and that the presentation of Adjusted FFO, and Adjusted EBITDA when combined with GAAP net income attributable to FelCor, EBITDA and FFO, is beneficial to an investor's better understanding of our operating performance.

- *Gains and losses related to extinguishment of debt and interest rate swaps* - We exclude gains and losses related to extinguishment of debt and interest rate swaps from FFO and EBITDA because we believe that it is not indicative of ongoing operating performance of our hotel assets. This also represents an acceleration of interest expense or a reduction of interest expense, and interest expense is excluded from EBITDA.

- *Cumulative effect of a change in accounting principle* - Infrequently, the Financial Accounting Standards Board promulgates new accounting standards that require the consolidated statements of operations to reflect the cumulative effect of a change in accounting principle. We exclude these one-time adjustments in computing Adjusted FFO and Adjusted EBITDA because they do not reflect our actual performance for that period.

- *Other expenses and costs* - From time to time, we periodically incur expenses or transaction costs that are not indicative of ongoing operating performance. Such costs include, but are not limited to, conversion costs, acquisition costs, pre-opening costs, severance costs and certain non-cash adjustments. We exclude these costs from the calculation of Adjusted FFO and Adjusted EBITDA.

- *Variable stock compensation* - We exclude the cost associated with our variable stock compensation. This cost is subject to volatility related to the price and dividends of our common stock that does not necessarily correspond to our operating performance.

In addition, to derive Adjusted EBITDA, we exclude gains or losses on the sale of depreciable assets and impairment losses because including them in EBITDA is inconsistent with reporting the *ongoing* performance of our remaining assets. Additionally, the gain or loss on sale of depreciable assets and impairment losses represents either accelerated depreciation or excess depreciation in previous periods, and depreciation is excluded from EBITDA. We also exclude the amortization of our fixed stock and directors' compensation, which is included in corporate expenses and is not separately stated on our statements of operations. Excluding amortization of our fixed stock and directors' compensation maintains consistency with the EBITDA definition.

Hotel EBITDA and Hotel EBITDA Margin

Hotel EBITDA and Hotel EBITDA margin are commonly used measures of performance in the hotel industry and give investors a more complete understanding of the operating results over which our individual hotels and brand/managers have direct control. We believe that Hotel EBITDA and Hotel EBITDA margin are useful to investors by providing greater transparency with respect to two significant measures that we use in our financial and operational decision-making. Additionally, using these measures facilitates comparisons with other hotel REITs and hotel owners. We present Hotel EBITDA and Hotel EBITDA margin in a manner consistent with Adjusted EBITDA, however, we also eliminate all revenues and expenses from continuing operations not directly associated with hotel operations, including other income and corporate-level expenses. We eliminate these additional items because we believe property-level results provide investors with supplemental information regarding the ongoing operational performance of our hotels and the effectiveness of management on a property-level basis. We also eliminate consolidated percentage rent paid to unconsolidated entities, which is effectively eliminated by noncontrolling interests and equity in income from unconsolidated subsidiaries, and include the cost of unconsolidated taxes, insurance and lease expense, to reflect the entire operating costs applicable to our Consolidated Hotels. Hotel EBITDA and Hotel EBITDA margins are presented on a same-store basis.

Use and Limitations of Non-GAAP Measures

We use FFO, Adjusted FFO, EBITDA, Adjusted EBITDA, Same-store Adjusted EBITDA, Hotel EBITDA and Hotel EBITDA margin to evaluate the performance of our hotels and to facilitate comparisons between us and other hotel REITs, hotel owners who are not REITs and other capital intensive companies. We use Hotel EBITDA and Hotel EBITDA margin in evaluating hotel-level performance and the operating efficiency of our hotel managers.

The use of these non-GAAP financial measures has certain limitations. As we present them, these non-GAAP financial measures may not be comparable to similar non-GAAP financial measures as presented by other real estate companies. These measures do not reflect certain expenses or expenditures that we incurred and will incur, such as depreciation, interest and capital expenditures. We compensate for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance. Our reconciliations to the most comparable GAAP financial measures, and our consolidated statements of operations and cash flows, include interest expense, capital expenditures, and other excluded items, all of which should be considered when evaluating our performance, as well as the usefulness of our non-GAAP financial measures.

These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP. They should not be considered as alternatives to operating profit, cash flow from operations or any other operating performance measure prescribed by GAAP. These non-GAAP financial measures reflect additional ways of viewing our operations that we believe, when viewed with our GAAP results and the reconciliations to the corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting our business than could be obtained absent this disclosure. We strongly encourage investors to review our financial information in its entirety and not to rely on a single financial measure.

Pro Rata Share of Rooms Owned

The following table sets forth, at March 31, 2016, our *pro rata* share of hotel rooms after giving consideration to the portion of rooms attributed to our partners in our consolidated and unconsolidated joint ventures:

	Hotels	Room Count at March 31, 2016
Consolidated Hotels[(a)]	40	12,272
Unconsolidated hotel operations	1	171
Total hotels	41	12,443
50% joint ventures	2	(216)
95% joint venture	1	(17)
Pro rata rooms attributed to joint venture partners		(233)
Pro rata share of rooms owned		12,210

(a) Includes The Knickerbocker, which opened in February 2015.

Hotel Operating Statistics

Same-store Hotels[1]	Occupancy (%) Three Months Ended March 31, 2016	2015	%Change	ADR ($) Three Months Ended March 31, 2016	2015	%Change	RevPar ($) Three Months Ended March 31, 2016	2015	%Change
Embassy Suites Atlanta-Buckhead	80.9	78.8	2.7	159.13	151.40	5.1	128.79	119.30	8.0
DoubleTree Suites by Hilton Austin	82.8	82.1	0.9	240.06	249.64	(3.8)	198.87	204.95	(3.0)
Embassy Suites Birmingham	80.7	77.1	4.7	133.82	135.66	(1.4)	107.92	104.55	3.2
The Fairmont Copley Plaza, Boston	64.0	61.6	4.0	252.18	250.51	0.7	161.36	154.20	4.6
Wyndham Boston Beacon Hill	63.8	68.2	(6.4)	164.42	165.66	(0.7)	104.87	112.93	(7.1)
Embassy Suites Boston-Marlborough	64.8	72.5	(10.6)	167.60	162.49	3.1	108.56	117.79	(7.8)
Sheraton Burlington Hotel & Conference Center	68.5	65.6	4.5	93.17	101.51	(8.2)	63.86	66.58	(4.1)
The Mills House Wyndham Grand Hotel, Charleston	78.1	78.4	(0.5)	205.75	199.53	3.1	160.63	156.48	2.6
Embassy Suites Dallas-Love Field	85.3	91.8	(7.1)	143.51	133.66	7.4	122.36	122.64	(0.2)
Embassy Suites Deerfield Beach-Resort & Spa	88.2	92.0	(4.1)	269.69	260.39	3.6	237.96	239.58	(0.7)
Embassy Suites Fort Lauderdale 17th Street	93.4	93.4	—	231.31	214.51	7.8	215.99	200.33	7.8
Wyndham Houston-Medical Center Hotel & Suites	86	80.1	7.4	159.64	160.85	(0.8)	137.32	128.81	6.6
Renaissance Esmeralda Indian Wells Resort & Spa	68.6	72.5	(5.3)	230.67	227.86	1.2	158.28	165.18	(4.2)
Embassy Suites Los Angeles-International Airport/South	90	80.7	11.5	162.70	148.02	9.9	146.41	119.50	22.5
Embassy Suites Mandalay Beach-Hotel & Resort	76.7	73.0	5.1	207.31	180.39	14.9	158.98	131.63	20.8
Embassy Suites Miami-International Airport	91.5	94.1	(2.8)	197.22	199.66	(1.2)	180.41	187.82	(3.9)
Embassy Suites Milpitas-Silicon Valley	80.8	78.9	2.4	211.62	194.81	8.6	170.92	153.70	11.2
Embassy Suites Minneapolis-Airport	68.7	72.3	(5.0)	143.73	142.01	1.2	98.80	102.72	(3.8)
Embassy Suites Myrtle Beach-Oceanfront Resort	68.6	62.0	10.7	129.48	124.77	3.8	88.83	77.34	14.9
Hilton Myrtle Beach Resort	48.1	48.6	(1.0)	106.90	102.61	4.2	51.47	49.89	3.2
Embassy Suites Napa Valley	79.9	77.2	3.5	182.08	180.14	1.1	145.56	139.12	4.6
Holiday Inn Nashville Airport	65.5	55.9	17.3	113.27	104.00	8.9	74.23	58.12	27.7
Wyndham New Orleans-French Quarter	73.7	66.2	11.4	155.37	167.67	(7.3)	114.53	110.96	3.2
Morgans New York	72.9	66.0	10.5	212.76	216.61	(1.8)	155.01	142.87	8.5
Royalton New York	76.2	79.2	(3.7)	237.95	245.41	(3.0)	181.40	194.36	(6.7)
Embassy Suites Orlando-International Drive South/Convention Center	88.1	87.5	0.7	176.25	170.05	3.6	155.36	148.81	4.4
DoubleTree Suites by Hilton Orlando-Lake Buena Vista	92.3	92.8	(0.6)	165.40	151.91	8.9	152.60	141.01	8.2
Wyndham Philadelphia Historic District	55.0	45.4	21.2	125.93	126.65	(0.6)	69.26	57.46	20.5
Sheraton Philadelphia Society Hill Hotel	55.0	53.0	3.8	151.24	151.09	0.1	83.24	80.08	3.9
Embassy Suites Phoenix-Biltmore	78.0	84.1	(7.2)	243.29	231.01	5.3	189.88	194.19	(2.2)
Wyndham Pittsburgh University Center	55.4	59.0	(6.0)	132.08	132.17	(0.1)	73.21	77.92	(6.1)
Wyndham San Diego Bayside	77.5	77.6	(0.2)	137.19	136.18	0.7	106.31	105.70	0.6
Embassy Suites San Francisco Airport-South San Francisco	85.4	87.0	(1.8)	197.13	178.29	10.6	168.39	155.08	8.6
Embassy Suites San Francisco Airport-Waterfront	85.3	83.6	2.0	204.40	199.22	2.6	174.25	166.56	4.6
Holiday Inn San Francisco-Fisherman's Wharf	82.0	79.4	3.3	194.67	178.64	9.0	159.58	141.77	12.6
San Francisco Marriott Union Square	88.6	85.2	4.1	319.58	280.82	13.8	283.21	239.14	18.4
Wyndham Santa Monica At the Pier	87.8	83.9	4.6	258.44	227.12	13.8	226.83	190.49	19.1
Embassy Suites Secaucus-Meadowlands	54.6	66.4	(17.8)	171.47	177.47	(3.4)	93.62	117.86	(20.6)
The Vinoy Renaissance St. Petersburg Resort & Golf Club	88.2	88.8	(0.7)	256.26	251.81	1.8	225.92	223.53	1.1
Same-store Hotels	**75.7**	**74.7**	**1.2**	**187.78**	**181.65**	**3.4**	**142.11**	**135.78**	**4.7**

(1) Consolidated Hotels excluding The Knickerbocker.

Hotel Portfolio

The following table sets forth certain descriptive information regarding the hotels in which we held ownership interest at March 31, 2016.

Consolidated Hotels	Rooms
Embassy Suites Atlanta-Buckhead	316
DoubleTree Suites by Hilton Austin	188
Embassy Suites Birmingham	242
The Fairmont Copley Plaza, Boston	383
Wyndham Boston Beacon Hill	304
Embassy Suites Boston-Marlborough	229
Sheraton Burlington Hotel & Conference Center	309
The Mills House Wyndham Grand Hotel, Charleston	216
Embassy Suites Dallas-Love Field	248
Embassy Suites Deerfield Beach-Resort & Spa	244
Embassy Suites Fort Lauderdale 17th Street	361
Wyndham Houston-Medical Center Hotel & Suites	287
Renaissance Esmeralda Indian Wells Resort & Spa	560
Embassy Suites Los Angeles-International Airport/South	349
Embassy Suites Mandalay Beach-Hotel & Resort	250
Embassy Suites Miami-International Airport	318
Embassy Suites Milpitas-Silicon Valley	266
Embassy Suites Minneapolis-Airport	310
Embassy Suites Myrtle Beach-Oceanfront Resort	255
Hilton Myrtle Beach Resort	385
Embassy Suites Napa Valley	205
Holiday Inn Nashville Airport	383
Wyndham New Orleans-French Quarter	374
The Knickerbocker New York	330
Morgans New York	117
Royalton New York	168
Embassy Suites Orlando-International Drive South/Convention Center	244
DoubleTree Suites by Hilton Orlando-Lake Buena Vista	229
Wyndham Philadelphia Historic District	364
Sheraton Philadelphia Society Hill Hotel	364
Embassy Suites Phoenix-Biltmore	232
Wyndham Pittsburgh University Center	251
Wyndham San Diego Bayside	600
Embassy Suites San Francisco Airport-South San Francisco	312
Embassy Suites San Francisco Airport-Waterfront	340
Holiday Inn San Francisco-Fisherman's Wharf	585
San Francisco Marriott Union Square	400
Wyndham Santa Monica At the Pier	132
Embassy Suites Secaucus-Meadowlands[a]	261
The Vinoy Renaissance St. Petersburg Resort & Golf Club	361
	12,272
Unconsolidated Hotel	
Chateau LeMoyne-French Quarter, New Orleans[a]	171

(a) We own a 50% interest in this property.

Liquidity and Capital Resources

Operating Activities

For the three months ended March 31, 2016, RevPAR at our same-store hotels, increased 4.7%, driven by a 3.4% increase in ADR and a 1.2% increase in occupancy. We expect our RevPAR will increase 3.5% to 5.5% during 2016, primarily from higher ADR, and our operations will generate $130 million to $138 million of cash flow this year.

At March 31, 2016, we had $58.0 million of cash and cash equivalents, including $35.1 million held by third-party management companies. During the first three months of 2016, our operations (primarily hotel operations) provided $19.7 million in cash, $2.8 million more than the same period last year. The higher operating cash flow for the three months ended March 31, 2016 compared to the same period in 2015 is primarily related to the January 2015 payment of approximately $5.9 million in connection with a commercial dispute that was partially recovered in June 2015, partially offset by $2.6 million of additional interest payments classified as operating activity (as opposed to investing activity) in 2016 because of decreases in capitalized interest compared to the prior year.

Investing Activities

During the three months ended March 31, 2016, cash used in investing activities was $17.6 million compared to cash provided by investing activities of $66.4 million last year. During the three months ended March 31, 2015, we sold hotels for $91.3 million in aggregate net proceeds.

During 2016, we plan to invest approximately $60 million in capital improvements and renovations as part of our long-term capital plan. In addition, we expect to invest approximately $15 million in redevelopment projects this year. Through March 31, we have spent $525,000 more this year on renovation and redevelopment projects at our hotels than last year. In 2015, we completed developing The Knickerbocker. Accordingly, we spent $10.1 million on the development of that hotel during the first three months of 2015 as we wound down that project. As a result of the wind-down of The Knickerbocker, and other capital projects, we paid less in interest that was capitalized in the current year period as compared to the same period last year.

Financing Activities

During the three months ended March 31, 2016, cash used in financing activities was $3.8 million, $67.6 million less than cash used in financing activities for the same period last year, which reflects more debt payments in 2015 from the sale of hotels.

In 2016, we expect to make approximately $3 million of scheduled principal payments and pay $25 million of preferred dividends and $34 million in common dividends (assuming no change to our current quarterly dividend), all of which will be funded from operating cash flow and cash on hand. We also expect to use proceeds from selling hotels to repay debt, repurchase common stock and take advantage of future value-creation opportunities.

FelCor LP, which is our operating partnership, distributes funds to FelCor to pay common or preferred dividends. Our Board determines the amount of common and preferred dividends for each quarter, if any, based upon various factors including operating results, economic conditions, other operating trends, our financial condition and capital requirements, as well as the minimum REIT distribution requirements.

Except for our 5.625% senior secured notes due 2023 and our line of credit, our secured debt is generally recourse solely to the specific hotels securing the debt, except in case of fraud, misapplication of funds and certain other customary limited recourse carve-out provisions that could extend recourse to us. Much of our secured debt allows us to substitute collateral under certain conditions and is freely prepayable, subject in some instances to various prepayment, yield maintenance or defeasance obligations.

Most of our secured debt (other than our 5.625% senior secured notes and our line of credit) is subject to lock-box arrangements under certain circumstances. We are permitted to spend an amount required to cover our hotel operating expenses, taxes, debt service, insurance and capital expenditure reserves, even if revenues are flowing through a lock-box triggered by a specified debt service coverage ratio not being met. All of our consolidated loans subject to lock-box provisions currently exceed the applicable minimum debt service coverage ratios.

Senior Notes. Our senior notes, which are guaranteed by FelCor, require that we satisfy total leverage, secured leverage and interest coverage tests in order to: (i) incur additional indebtedness, except to refinance maturing debt with replacement debt, as defined under our indentures; (ii) pay dividends in excess of the minimum distributions required to qualify as a REIT; (iii) repurchase capital stock; or (iv) merge. We currently exceed all minimum thresholds. In addition, our 5.625% senior secured notes are secured by a combination of first lien mortgages and related security interests on nine hotels, as well as pledges of equity interests in certain subsidiaries of FelCor LP, and the 6.0% senior unsecured notes require us to maintain a minimum amount of unencumbered assets.

Interest Rate Caps. To fulfill requirements under one of our loans, we entered into an interest rate cap agreement with an aggregate notional amount of $140 million at March 31, 2016 and December 31, 2015. We have not designated the interest rate cap as a hedge, and it had an insignificant fair value at March 31, 2016 and December 31, 2015, resulting in no impact on earnings.

Inflation and Competition

Operators of hotels, in general, possess the ability to adjust room rates daily to reflect the effects of inflation. Competitive pressures may, however, require us to reduce room rates in the near term and may limit our ability to raise room rates in the future. We are also subject to the risk that inflation will cause increases in hotel operating expenses disproportionately to revenues. If competition requires us to reduce room rates or limits our ability to raise room rates in the future, we may not be able to adjust our room rates to reflect the effects of inflation in full, in which case our operating results and liquidity could be adversely affected.

Seasonality

The lodging business is seasonal in nature. Generally, hotel revenues are greater in the second and third calendar quarters than in the first and fourth calendar quarters, although this may not be true for hotels in major tourist destinations. Revenues for hotels in tourist areas generally are substantially greater during tourist season than other times of the year. Seasonal variations in revenue at our hotels can be expected to cause quarterly fluctuations in our revenues. Quarterly earnings also may be adversely affected by events beyond our control, such as extreme weather conditions, economic factors and other considerations affecting travel. To the extent that cash flow from operations is insufficient during any quarter, due to temporary or seasonal fluctuations in revenues, we may utilize cash on hand or borrowings to satisfy our obligations.

Disclosure Regarding Forward-Looking Statements

This report and the documents incorporated by reference in this report include forward-looking statements that involve a number of risks and uncertainties. Forward-looking statements can be identified by the use of forward-looking terminology, such as "believes," "expects," "anticipates," "may," "will," "should," "seeks," or other variations of these terms (including their use in the negative), or by discussions of strategies, plans or intentions. A number of factors could cause actual results to differ materially from those anticipated by these forward-looking statements. Certain of these risks and uncertainties are described in greater detail under "Risk Factors" in our Annual Report on Form 10-K or in our other filings with the Securities and Exchange Commission, or the SEC.

These forward-looking statements are necessarily dependent upon assumptions and estimates that may prove to be incorrect. Accordingly, while we believe that the plans, intentions and expectations reflected in these forward-looking statements are reasonable, we cannot assure you that deviations from these plans, intentions or expectations will not be material. The forward-looking statements included in this report, and all subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf, are expressly qualified in their entirety by the risk factors and cautionary statements discussed in our filings to the SEC. We undertake no obligation to publicly update any forward-looking statements to reflect future circumstances or changes in our expectations.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

At March 31, 2016, approximately 79% of our consolidated debt bears fixed-rate interest.

The following table provides information about our financial instruments that are sensitive to changes in interest rates. For debt obligations, the table presents scheduled maturities and weighted average interest rates, by maturity dates. The fair value of our debt indicates the estimated principal amount of debt having the same debt service requirements that could have been borrowed at the date presented, at then current market yields.

Expected Maturity Date
at March 31, 2016
(dollars in thousands)

	Expected Maturity Date							
	2016	**2017**	**2018**	**2019**	**2020**	**Thereafter**	**Total**	**Fair Value**
Liabilities								
Fixed-rate:								
Debt	$ 2,164	$ 2,637	$ 2,954	$ 3,106	$ 3,245	$ 1,138,352	$ 1,152,458	$ 1,191,212
Average interest rate	4.95%	4.95%	4.95%	4.95%	4.95%	5.70%	5.69%	
Floating-rate:								
Debt	—	85,000	—	221,000	—	—	306,000	304,679
Average interest rate [(a)]	—	3.91%	—	4.03%	—	—	4.00%	
Total debt	$ 2,164	$ 87,637	$ 2,954	$224,106	$ 3,245	$ 1,138,352	$ 1,458,458	
Average interest rate	4.95%	3.94%	4.95%	4.05%	4.95%	5.70%	5.33%	
Unamortized debt issuance costs							(17,666)	
Debt, net of unamortized debt issuance costs							$ 1,440,792	

(a) The average floating interest rate considers the implied forward rates in the yield curve at March 31, 2016.

Item 4. Controls and Procedures.

(a) Evaluation of disclosure controls and procedures.

Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934) as of the end of the period covered by this report (the "Evaluation Date"). Based on this evaluation, our chief executive officer and chief financial officer concluded, as of the Evaluation Date, that our disclosure controls and procedures were effective, such that the information relating to us required to be disclosed in our reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosures.

(b) Changes in internal control over financial reporting.

There have not been any changes in our internal control over financial reporting (as defined in Rule 13a-15 (f) promulgated under the Securities Exchange Act of 1934) during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchases of Equity Securities by the Issuer

The following table provides the information with respect to purchases of shares of our common stock during each of the months in the first quarter of 2016:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Plan
January 1, 2016 - January 31, 2016	2,345,246	$ 6.19	2,345,246	$ 71,175,138
February 1, 2016 - February 29, 2016	—	$ —	—	$ 71,175,138
March 1, 2016 - March 31, 2016	602,562	$ 7.65	602,562	$ 66,565,347
Total	2,947,808	$ 6.49	2,947,808	

Item 6. Exhibits.

The following exhibits are furnished in accordance with the provisions of Item 601 of Regulation S-K:

Exhibit Number	Description of Exhibit
10.1	Incentive Compensation Program for Executive Officers (filed as Exhibit 10.1 to FelCor's Form 8-K, dated February 22, 2016, and incorporated herein by reference).
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for FelCor.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for FelCor.
31.3*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for FelCor LP.
31.4*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for FelCor LP.
32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for FelCor.
32.2*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for FelCor LP.

101.INS	XBRL Instance Document. *Submitted electronically with this report.*
101.SCH	XBRL Taxonomy Extension Schema Document. *Submitted electronically with this report.*
101.CAL	XBRL Taxonomy Calculation Linkbase Document. *Submitted electronically with this report.*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. *Submitted electronically with this report.*
101.LAB	XBRL Taxonomy Label Linkbase Document. *Submitted electronically with this report.*
101.PRE	XBRL Taxonomy Presentation Linkbase Document. *Submitted electronically with this report.*

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*Filed herewith

Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) FelCor's Consolidated Balance Sheets at March 31, 2016 and December 31, 2015; (ii) FelCor's Consolidated Statements of Operations and Comprehensive Income (Loss) for the three months ended March 31, 2016 and 2015; (iii) FelCor's Consolidated Statements of Changes in Equity for the three months ended March 31, 2016 and 2015; (iv) FelCor's Consolidated Statements of Cash Flows for the three months ended March 31, 2016 and 2015; (v) FelCor LP's Consolidated Balance Sheets at March 31, 2016 and December 31, 2015; (vi) FelCor LP's Consolidated Statements of Operations and Comprehensive Income (Loss) for the three months ended March 31, 2016 and 2015; (vii) FelCor LP's Consolidated Statements of Partners' Capital for the three months ended March 31, 2016 and 2015; (viii) FelCor LP's Consolidated Statements of Cash Flows for the three months ended March 31, 2016 and 2015; and (ix) the Notes to Consolidated Financial Statements. Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

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 thereunto duly authorized.

FELCOR LODGING TRUST INCORPORATED
a Maryland Corporation

Date: May 2, 2016

By: /s/ Jeffrey D. Symes
Name: Jeffrey D. Symes
Title: Senior Vice President, Chief Accounting Officer and Treasurer

FELCOR LODGING LIMITED PARTNERSHIP
a Delaware limited partnership

By: FelCor Lodging Trust Incorporated
Its General Partner

Date: May 2, 2016

By: /s/ Jeffrey D. Symes
Name: Jeffrey D. Symes
Title: Senior Vice President, Chief Accounting Officer and Treasurer