

Red Lion Hotels Corporation to Acquire 314 Room Hotel in Anaheim, California

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Red Lion Hotels Corporation (NYSE:RLH) today announced that it has entered into an agreement to acquire the leasehold interest in the 314 room Radisson Hotel Maingate- Anaheim in Orange County, California.

The hotel is subject to a long-term lease which runs through 2107 if all extension options are exercised. The transaction is expected to close by the middle of October 2007 subject to customary closing conditions.

The hotel is located on South Harbor Boulevard in Anaheim, California, adjacent to the Disneyland Resort, Disney's California Adventure, Downtown Disney and the Anaheim Convention Center. Angel Stadium of Anaheim, the Honda Center and other important area attractions are located minutes away. The 314-room full service hotel currently features 5,000 square feet of meeting space, swimming pool, full service restaurant, lounge and fitness center. This transaction marks the company's re-entry into the Southern California market, where the Red Lion brand carries significant brand equity.

Following closing of this transaction, the company plans to spend approximately \$10 million on extensive renovations to guest rooms and public areas and reposition the hotel to meet Red Lion's upscale brand standards. The guest rooms will feature granite countertops, flat screen televisions, pillow-top beds and new upscale furnishings. The public areas and the exterior will be renovated and repositioned to provide guests a contemporary and inviting experience.

Arthur M. Coffey, President and CEO of Red Lion Hotels Corporation, said, "We are excited about the addition of this great hotel to our system. Given the hotel's prime location and with the planned renovations, it will appeal to group, business and leisure travelers." Mr. Coffey added, "This hotel will be a key asset in the important Southern California market and its location adjacent to Disneyland will provide wide exposure to the Red Lion brand. I expect it will provide Red Lion a strong base for further expansion in the region."

About Red Lion Hotels Corporation

Red Lion Hotels Corporation is a hospitality and leisure company primarily engaged in the ownership, operation and franchising of midscale and upscale, full service hotels under its Red Lion(R) brand. As of June 30, 2007 the RLH hotel network was comprised of 52 hotels located in eight states and one Canadian province, with 9,079 rooms and 467,529 square feet of meeting space. The company also owns and operates an entertainment and event ticket distribution business.

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