



**RED LION®**  
HOTELS

September 20, 2011

## **Red Lion Hotels Announces Two New Franchises in New Mexico**

*Spokane, WA, September 20, 2011* - Red Lion Hotels Corporation (NYSE: RLH) announced the company has signed franchise license agreements with the owner of two New Mexico hotels. The two properties are among a group of hotels owned by Positive Investments, Inc., which is also the owner of the Red Lion Hotel Oakland International Airport in Oakland, California.

"These hotels operate under strong management already known to Red Lion," said Rich Carlson, Senior Vice President of Lodging Development for Red Lion Hotels Corporation. "We are committed to growing the Red Lion brand in the West and we are very excited to enter the New Mexico market with an experienced owner like Positive Investments."

The future Red Lion Hotel Farmington is located in the Four Corners region of New Mexico. The 192 room full service hotel, located at 700 Scott Avenue, was formerly the Best Western Inn & Suites of Farmington.

The other property will be the Red Lion Hotel Gallup, located on the historic Route 66, about 130 miles west of Albuquerque. Gallup is a regional trade and transportation center, close to the Navajo Reservation. The 126 room full service hotel, located at 3009 West Highway 66, was formerly the Best Western Inn & Suites of Gallup.

Both hotels have begun the conversion process and are expected to open as Red Lion Hotels this fall.

"These two full service hotels have historically had a strong reputation and customer base in the region," says Rao R. Yalamanchili, who owns Positive Investments, Inc., along with Srinivas Yalamanchili. "Now, together with the strength and support of the Red Lion brand, we are excited to take the hotels to the next level in quality and guest satisfaction."

### **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 hotels under its Red Lion<sup>®</sup> brand. As of June 30, 2011, the RLH hotel network was comprised of 44 hotels located in eight states and one Canadian province, with 8,457 rooms and 424,387 square feet of meeting space. The Company also owns and operates an entertainment and event ticket distribution business. For more information, please visit the Company's website at [www.redlion.com](http://www.redlion.com)