

EXECUTION COPY

STIPULATION AND ORDER

This STIPULATION (the “Agreement”) is made and entered into as of July 28, 2010 by and among the following parties:

(a) The Official Committee of Unsecured Creditors of Station Casinos, Inc. (the “Committee”); and

(b) Station Casinos, Inc. (“SCI” or “Opco”) and FCP Propco, LLC (collectively, the “Debtor Parties”).

RECITALS

WHEREAS, on December 28, 2010, the Committee filed its *Motion of the Official Committee of Unsecured Creditors of Station Casinos, Inc., et. al., Pursuant to 11 U.S.C. §§ 105(a), 503(b), 1103(c), and 1109(b), for Entry of an Order Granting Leave, Standing, and Authority to Prosecute and, if Appropriate, Settle Causes of Action on Behalf of the Debtors Estates* [Docket No. 738] (collectively, with the Standing Supplement (as defined below), the “Standing Motion”);

WHEREAS, on July 14, 2010 the Bankruptcy Court approved [Docket No. 1778], the Second Amended and Restated Master Lease Compromise Agreement (2d Revised), which provides, *inter alia*, for pre-confirmation transition assistance in aid of, and to facilitate, the transactions contemplated in the Plan (as defined below) (the “Second Amended MLCA”);

WHEREAS, on June 8, 2010, the Committee filed a notice of appeal of the Bid Procedures Order (as defined in the Plan) [Docket No. 1583] (the “Bidding Procedures Appeal”);

WHEREAS, on June 15, 2010, the Debtors¹ filed their *Joint Chapter 11 Plan of Reorganization for Station Casinos, Inc. and its Affiliated Debtors (Dated June 15, 2010)* [Docket No. 1629-1], as amended on July 13, 2010 [Docket No. 1771-1], (the “Plan”) and their *Disclosure Statement to Accompany Joint Chapter 11 Plan of Reorganization for Station Casinos, Inc. and its Affiliated Debtors (Dated June 15, 2010)* [Docket No. 1630-1], as amended on July 14, 2010 [Docket No. 1774-1], (the “Disclosure Statement”), and on July 8, 2010 the Committee filed its objection to the Debtors’ motion to approve the Disclosure Statement [Docket No. 1730] (collectively, the “Disclosure Statement Objection”);

WHEREAS, on July 15, 2010, the Committee filed a notice of appeal of the Second Amended MLCA [Docket No. 1784] (the “Second Amended MLCA Appeal”);

WHEREAS, the summary of terms annexed hereto as Attachment 1 sets forth the material terms of the settlement of various issues among the parties thereto, including the distribution of certain interests in the entities formed as part of the transactions contemplated in

¹ Unless otherwise indicated, capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Term Sheet.

the Plan to the Opco Unsecured Creditors (as such summary of terms may be amended from time to time in accordance with the terms of this Agreement and including all exhibits, the “Term Sheet”); and

WHEREAS, in furtherance of confirmation of the Plan (as amended to incorporate the terms of the Term Sheet, the “Amended Plan”), the Parties hereby agree and stipulate as follows.

AGREEMENT

1. Committee Obligations

The Committee hereby agrees that it will:

(a) cease and desist, and seek appropriate stays of, all litigation activity of any kind or description (including, without limitation, with respect to any and all Going Private Transaction Causes of Action (as defined in the Plan) or any other claims relating to, or arising out of, directly or indirectly, the Going Private Transaction (as defined in the Plan)) and related pleadings (including any pending appeals) involving any Debtor Party or any affiliate thereof, FG, the Propco Lenders, Deutsche Bank Trust Company Americas, Deutsche Bank Securities and J.P. Morgan Securities Inc., J.P. Morgan Chase Bank N.A., Frank J. Fertitta III, Lorenzo J. Fertitta or the lenders under the Prepetition Mezzanine Loans (as such term is defined in the Plan) and to refrain from hereafter engaging in any such litigation activity (including appeals) and/or filing any related pleadings in the Chapter 11 Cases or in any other matter relating, directly or indirectly, thereto (whether such matter is before the Bankruptcy Court or otherwise), including, without limitation, the Standing Motion, the Bidding Procedures Appeal, the Disclosure Statement Objection, and any pleadings or appeals related to the Second Amended MLCA (provided that the Committee may take only those actions necessary in order to preserve or perfect the Second Amended MLCA Appeal, including the filing of the designation of the record on appeal and the statement of the issues to be presented) (collectively, the “Litigation Actions”);

(b) upon the occurrence of the Effective Date (as defined in the Plan), withdraw each and every Litigation Action with prejudice and file appropriate dismissals for any and all Litigation Action (including, without limitation, with respect to any and all appeal rights the Committee may have been permitted to preserve or perfect pursuant to Section 1(a)); and

(c) provide a letter for inclusion in the plan solicitation materials (or statement to be included in the Disclosure Statement) from the Committee recommending that all Opco Unsecured Creditors vote to accept the Amended Plan in form and substance reasonably acceptable to the Debtors, FG and the Propco Lenders.

2. Termination.

(a) The Committee may terminate this Agreement by providing two (2) business days advance written notice to the Debtors, the Propco Lenders, FG and the Put Purchasers if the Committee determines that its fiduciary duties require it to act or refrain from acting contrary to its obligations under this Agreement, provided that the failure to obtain class

acceptance of one or more classes of Opco Unsecured Creditors shall not be a basis to terminate this Agreement on fiduciary duty or any other grounds.

(b) The Debtors may terminate this Agreement by providing two (2) business days advance notice to the Committee, the Propco Lenders, FG and the Put Purchasers if the Committee breaches its obligations under this Agreement.

(c) Except as provided in Section 3(b) below, this Agreement shall terminate, without notice, if any condition set forth in the Term Sheet is not satisfied in accordance with its terms unless otherwise waived by mutual agreement of the Committee, the Debtors, FG and the Propco Lenders.

3. Effect of Termination and Certain Other Events.

The Parties hereby acknowledge and agree that:

(a) in the event this Agreement is terminated, the Debtors shall modify the Amended Plan (as amended to reflect the Term Sheet) to eliminate all consideration being offered to the Opco Unsecured Creditors as specified in the Term Sheet; and

(b) this Agreement shall not terminate as a result of the Propco Commitment having been terminated, the failure of the Put Purchasers to satisfy any condition or obligation specified in the Term Sheet relating to the Propco Commitment or the Support Agreement having been terminated, it being understood and agreed that in the event that any of the foregoing events occurs, so long as this Agreement remains in effect and the Debtor Parties have determined not to effect the rights offering (and subject to the satisfaction of the conditions contained in the Term Sheet that do not relate to the Propco Commitment, the Support Agreement or the obligations of the Put Parties), the Amended Plan shall be modified to eliminate the rights offering specified in the Term Sheet but shall continue to provide for distribution of New Propco Holdco Warrants to Opco Unsecured Creditors (on the terms specified in the Term Sheet) and the Committee shall continue to support confirmation of the Amended Plan as so modified, including the settlement of the Going Private Transaction Causes of Action and the releases as currently provided in the Plan.

IN WITNESS WHEREOF, the Parties have entered into this Agreement on the day and year first above written.

**The Official Committee of Unsecured Creditors
of Station Casinos, Inc.**

By: Bonnie Steingart

Name: Bonnie Steingart

Title: Counsel to Official Committee of Unsecured Creditors

Station Casinos, Inc.

By: _____

Name: _____

Title: _____

FCP Propco, LLC

By: _____

Name: _____

Title: _____

SO ORDERED, _____

**Hon. Gregg W. Zive
United States Bankruptcy Judge**

IN WITNESS WHEREOF, the Parties have entered into this Agreement on the day and year first above written.

**The Official Committee of Unsecured Creditors
of Station Casinos, Inc.**

By: _____

Name: _____

Title: _____

Station Casinos, Inc.

By: 

Name: Richard J. Haskins

Title: Secretary

FCP Propco, LLC

By: 

Name: Frank J. Fentilla III

Title: Authorized Signatory

SO ORDERED, _____

**Hon. Gregg W. Zive
United States Bankruptcy Judge**