

STIPULATION

Debtor and debtor in possession Station Casinos, Inc. (“SCI”), debtor and debtor in possession FCP Holding, Inc. (“FCP Holding”), Fertitta Colony Partners, LLC (“FCP”), Fertitta Partners LLC and its affiliates listed on Schedule A, which are signatories herein and which directly and indirectly own 24.06% of the non-voting shares of SCI (“Fertitta”) and FC Investor, LLC, and its affiliates listed on Schedule A which are signatories hereto and which directly or indirectly own 75.94% of the non-voting shares of SCI, (“Colony” and together with FCP Holding, FCP, Fertitta and SCI, the “Parties”), hereby enter into this stipulation (the “Stipulation”). In support of the Stipulation, the Parties stipulate by and between themselves as follows:

Recitals

A. Whereas, SCI and its affiliated debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned Chapter 11 cases (the “Chapter 11 Cases”) have informed Colony and Fertitta that the Debtors intend to file a motion (the “Motion”) with the United States Bankruptcy Court for the District of Nevada (the “Bankruptcy Court”) for entry of an order, *inter alia*, prohibiting certain direct or indirect shareholders of SCI from taking any action that, within the meaning of Section 382(g) of the Internal Revenue Code of 1986, as amended (the “IRC”), could cause the Debtors to undergo an ownership change (an “Ownership Change”), including, without limitation, (1) prohibiting any person or entity that is, or could be deemed to be, a “50-percent shareholder,” within the meaning of Section 382(g)(4)(D) of the IRC (a “50-Percent Shareholder”) from claiming a tax deduction with respect to its direct or indirect interest in SCI’s stock, (2) prohibiting any person or entity that is or could be a “5 percent shareholder” within the meaning of Section 382(k)(7) of the IRC (a “5-Percent Shareholder”) from

transferring their direct or indirect equity interest in SCI's stock (including any deemed transfer for U.S. federal income tax purposes), and (3) declaring any such transfer, action or tax deduction referred to above to be void *ab initio*.

B. Whereas, Colony owns and controls indirectly 75.94% of the non-voting stock of SCI.

C. Whereas, the aggregate increase in the direct or indirect ownership of SCI's stock by 5-Percent Shareholders affiliated with Colony during SCI's current "testing period" (as such term is defined in Section 382(i) of the IRC) which began November 8, 2007 does not exceed 11%.

D. Whereas, Fertitta owns and controls directly or indirectly 24.06% of the non-voting stock of SCI.

E. Whereas, the aggregate increase in the direct or indirect ownership of SCI's stock by 5-Percent Shareholders affiliated with Fertitta during SCI's current "testing period" (as such term is defined in Section 382(i) of the IRC) which began November 8, 2007 does not exceed 1%.

G. Whereas, the Debtors have incurred and are currently incurring significant net operating losses ("NOLs") and whereas, under Section 382 of the IRC, if a corporation undergoes an Ownership Change, such corporation's use of its NOLs are severely restricted.

H. Whereas, Debtors' NOLs may be reduced by purchases of Debtors' debt at a discount by parties that are deemed related to the Debtors under Section 108(e)(4) of the IRC.

I. Whereas, the NOLs are of significant value to the Debtors and their estates.

J. Whereas, the Parties believe it is in their mutual best interest to enter into this Stipulation in order to preserve the value of the Debtors' NOLs.

K. In consideration of the foregoing Recitals and for other good and valuable consideration, the Parties hereby agree follows:

Agreements

1. The foregoing Recitals are hereby incorporated by reference.
2. Colony agrees (i) to refrain from taking any action (and agrees to (1) exercise its rights under its organizational documents to prevent any equity holders in Colony from taking any actions and (2) exercise its direct and indirect rights with respect to the intermediate entities through which it owns in interests in the Debtors to prevent such intermediate entities from taking any actions) that could cause the Debtors to undergo an Ownership Change, including, without limitation, (a) claiming a worthless stock deduction with respect to its or their direct or indirect interest in SCI's stock if claiming such deduction would result in a deemed transfer of SCI's stock by a 5-Percent Shareholder prior to the effective date of the Debtors' chapter 11 plan as a result of the application of Section 382(g)(4)(D) of the IRC, (b) transferring its or their direct or indirect equity interest in SCI's stock (including any deemed transfer for U.S. federal income tax purposes) in any manner that would affect the holdings of SCI's 5-Percent Shareholders (including by causing the transferee of such direct or indirect interest to become a 5-Percent Shareholder or by increasing the holdings of a 5-Percent Shareholder), except that, notwithstanding anything herein to the contrary, transfers by Colony and its *direct or indirect equity* holders that would otherwise be prohibited under this paragraph 2 shall be permitted under this Stipulation so long as the aggregate of such transfers and all prior transfers by Colony and its direct or indirect equity holders during any SCI "testing period" (as such term is defined in Section 382(i) of the IRC) beginning on or after November 8, 2007 does not result in more than a 38% aggregate increase in the direct or indirect ownership of SCI's stock by 5-Percent

Shareholders, (ii) that any such prohibited transfer, action or worthless stock deduction which would cause an Ownership Change is deemed void *ab initio* and (iii) to refrain from purchasing any Debtors' debt at a discount in a circumstance where Section 108(e)(4) of the IRC would apply.

3. Fertitta agrees (i) to refrain from taking any action (and agrees to (1) exercise its rights under its organizational documents to prevent any equity holders in Fertitta from taking any actions and (2) exercise its direct and indirect rights with respect to the intermediate entities through which it owns in interests in the Debtors to prevent such intermediate entities from taking any actions) that could cause the Debtors to undergo an Ownership Change, including, without limitation, (a) claiming a worthless stock deduction with respect to its or their direct or indirect interest in SCI's stock if claiming such deduction could result in a deemed transfer of SCI's stock by a 5-Percent Shareholder as a result of the application of Section 382(g)(4)(D) of the IRS, (b) transferring its or their direct or indirect equity interest in SCI's stock (including any deemed transfer for U.S. federal income tax purposes) in any manner that would affect the holdings of SCI's 5-Percent Shareholders (including by causing the transferee of such direct or indirect interest to become a 5-Percent Shareholder or by increasing the holdings of a 5-Percent Shareholder), (ii) that any such prohibited transfer, action or worthless stock deduction is deemed void *ab initio* and (iii) to refrain from purchasing any Debtors' debt at a discount in a circumstance where Section 108(e)(4) of the IRC would apply.

4. FCP and FCP Holding agree (i) to refrain from taking any action (and agree to (1) exercise their rights under their respective organizational documents to prevent any of their respective equity holders from taking any actions and (2) exercise their direct and indirect rights with respect to the intermediate entities through which they respectively own interests in the

Debtors to prevent such intermediate entities from taking any actions) that could cause the Debtors to undergo an Ownership Change, including, without limitation, (a) claiming a worthless stock deduction with respect to its or their direct or indirect interest in SCI's stock if claiming such deduction could result in a deemed transfer of SCI's stock by a 5-Percent Shareholder as a result of the application of Section 382(g)(4)(D) of the IRS, (b) transferring its or their direct or indirect equity interest in SCI's stock (including any deemed transfer for U.S. federal income tax purposes) in any manner that would affect the holdings of SCI's 5-Percent Shareholders (including by causing the transferee of such direct or indirect interest to become a 5-Percent Shareholder or by increasing the holdings of a 5-Percent Shareholder), (ii) that any such prohibited transfer, action or worthless stock deduction is deemed void *ab initio* and (iii) to refrain from purchasing any Debtors' debt at a discount in a circumstance where Section 108(e)(4) of the IRC would apply.

5. Colony, Fertitta, FCP and FCP Holding agree to abide by the provision of paragraphs 2, 3, and 4 *supra*, as applicable, until the date that is one (1) day after the effective date of the Chapter 11 plan of the Debtors.

6. Except as set forth in this Stipulation, each of the Parties retains all of its procedural and substantive rights and remedies at law or equity in connection with the subject matter of this Stipulation and in the Chapter 11 Cases.

7. The effectiveness of this Stipulation is subject to entry of an order of the Bankruptcy Court approving the terms of this Stipulation (the "Approval Order"); provided, however, that Colony, Fertitta, and FCP and FCP Holding agree that they will comply with the agreements contained in paragraphs 2, 3, and 4 respectively, from the date of execution of the

Stipulation through the date of the Bankruptcy Court's hearing on the motion for entry of the Approval Order.

8. Any motion or application brought by a Party to resolve any dispute arising under or related to this Stipulation and/or the Approval Order shall be brought on proper notice in accordance with title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, the Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Practice and Procedure of the Bankruptcy Court.

9. This Stipulation shall constitute the entire agreement between the Parties with respect to the subject matter hereof.

10. Except as set forth in this Stipulation, this Stipulation is not intended to, nor shall it be construed to directly or indirectly, alter, amend, modify, vary, waive or otherwise change any of the procedural or substantive rights or remedies at law or equity of the Parties as and between each other and any party in interest in the Chapter 11 Cases. To the contrary, all such rights and remedies are expressly preserved.

11. No statement contained in this Stipulation is intended to be, and may not be construed as an admission by any Party of any fact or circumstance or legal conclusion set forth herein.

12. The person who executes this Stipulation on behalf of a Party represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Stipulation on behalf of such Party.

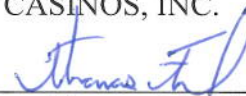
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IN WITNESS WHEREOF, the following parties have caused this Agreement to be executed by their respective officers duly authorized as of the year and day first written above.

Dated: July __, 2010

STATION CASINOS, INC.

By:

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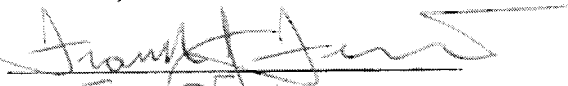
Name: Thomas M. Friel

Title: Executive Vice President Chief
Accounting Officer & Treasurer

Dated: July 23, 2010

FCP HOLDING, INC


By:


Frank J. Fertitta
Authorized Signatory

Dated: July 23, 2010


FERTITTA COLONY PARTNERS, LLC

By:


Frank J. Fertitta
Authorized Signatory


Dated: July 23, 2010

FERTITTA PARTNERS, LLC

By: 
Frank J. Fertitta
Manager

Dated: July 23, 2010

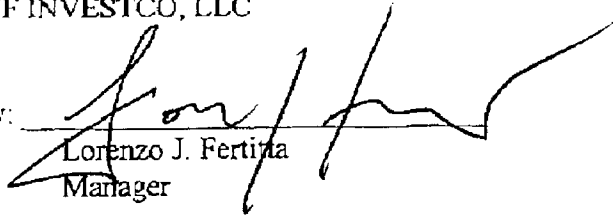
FJF INVESTCO, LLC

By: 
Frank J. Fertitta
Manager

Dated: July 23, 2010

LJF INVESTCO, LLC

By:


Lorenzo J. Fertina
Manager

Dated: July 23, 2010

FC INVESTOR, LLC

By: 

Mark M. Hedstrom
Vice President

Dated: July 23, 2010

COLONY VII FC HOLDINGS, LLC

By: 

Mark M. Hedstrom
Vice President

Dated: July 23, 2010

FC CO-INVESTMENT PARTNERS, L.P.

By: FC Co-Investment Genpar, LLC
its general partner

By: 

Mark M. Hedstrom
Vice President

Dated: July 23, 2010

COLONY INVESTORS VII, L.P.

By: Colony Capital VII, L.P.,
its general partner

By: ColonyGP VII, LLC,
its general partner

By: 

Mark M. Hedstrom
Vice President

Dated: July 23, 2010

COLONY VIII FC HOLDINGS, LLC

By: 

Mark M. Hedstrom
Vice President

Dated: July 23 2010

COLONY INVESTORS VIII, L.P.

By: Colony Capital (US) VIII, LLC,
its general partner

By: 

Mark M. Hedstrom
Vice President

Dated: July 23, 2010

COLONY PARALLEL INVESTORS VIII
HOLDINGS, L.P.

By: Colony Capital (Parallel) Holdings
VIII, LLC,
its general partner

By: 

Mark M. Hedstrom
Vice President

Dated: July 23 2010

COLONY PARALLEL INVESTORS VIII, L.P.

By: Colony Capital (Parallel) VIII, LLC,
its general partner

By: 

Mark M. Hedstrom
Vice President

Dated: July 23 2010

COLONY PARALLEL NA-RE INVESTORS VIII
HOLDINGS 2C, L.P.

By: Colony Capital (Parallel) NA-RE
Holdings VIII, LLC,
its general partner

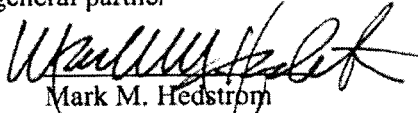
By: 

Mark M. Hedstrom
Vice President

Dated: July 23, 2010

COLONY PARALLEL NA-RE INVESTORS VIII,
L.P.

By: Colony Capital (Parallel) NA-RE
VIII, LLC,
its general partner

By: 
Mark M. Hedstrom
Vice President