REPORT OF INVESTIGATION

BY THE

SPECIAL LITIGATION COMMITTEE

OF THE BOARD OF DIRECTORS

OF STATION CASINOS, INC.

David B. Weekly, Chair
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September 11, 2009

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Legal Counsel to the Special Litigation Committee

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I. INTRODUCTION

The Special Litigation Committee (the "Committee") of the board of directors of Station Casinos, Inc. ("SCI" or sometimes collectively with its subsidiaries, the "Company")[1] was formed pursuant to a March 31, 2009 Unanimous Written Consent of the Company's board of directors. Consistent with section 78.125 of the Nevada Revised Statutes and section 3.13(c) of the Company's Amended and Restated Bylaws, the board of directors authorized and directed the Committee to evaluate any and all potential fraudulent transfer and other claims in connection with the transactions involved in the November 2007 leveraged buy-out of the Company (the "Transaction"). The Committee is represented by independent legal counsel, Squire, Sanders & Dempsey L.L.P. ("SSD") and an independent financial advisor, Odyssey Capital Group, LLC ("Odyssey"). The Committee has carried out its mandate by investigating the Transaction over the course of the last five months.

The Committee is comprised of three members: David B. Weekly ("Weekly"), Jerry F. Coffey ("Coffey"), and James E. Nave, D.V.M. ("Nave"). Weekly was elected chair at the first meeting of the Committee. He is currently a Principal and Senior Managing Director of Fenix Financial Forensics LLC ("F3"), where his practice includes the investigation of, and expert testimony regarding, accounting and financial issues, commercial disputes, and fraud. He is licensed as a certified public accountant, a certified insolvency and restructuring advisor, and a certified fraud examiner. Prior to establishing F3, Weekly was a member of the national Forensic and Litigation Consulting team for FTI Consulting, Inc. He was also the partner-in-charge of KPMG's U.S. Dispute Advisory Services practice. Before joining KPMG, Weekly served as the worldwide director of Litigation Services, partner-in-charge of the U.S. Complex Claims and Events practice, and partner-in-charge of National Law Firm Relationships for

Arthur Andersen LLP. Weekly has no prior relationship or business dealings with the Company, the Company's current or former officers and directors or any of the parties involved in the Transaction.[2]

Coffey is the General Counsel of Entegra Power Group LLC, an independent electric generation company with over a billion dollars in assets. As General Counsel, Coffey manages all legal matters, including corporate governance, financing transactions, equity transactions, regulatory and compliance matters, and litigation. Prior to becoming General Counsel at Entegra, Coffey was Senior Counsel and Assistant General Counsel at several other energy companies and a partner at Blackwell Sanders Peper Martin, L.L.P. (n/k/a Husch Blackwell Sanders LLP). Coffey has no prior relationship or business dealings with the Company, the Company's current or former officers and directors or any of the parties involved in the Transaction.

Nave has served as a director of the Company since March 2001, is chairman of the Audit Committee and served on the Governance and Compensation Committee when the Company was publicly-traded. Nave is an independent director in accordance with the standards set by the New York Stock Exchange. He has been an owner of the Tropicana Animal Hospital since 1974 and has been the owner and manager of multiple veterinary hospitals since 1976 and has an active veterinary practice today. He is the Director of International Affairs and past-President of the American Veterinary Medical Association. He also serves on the boards of directors of Bank of Nevada and the Western Alliance Bancorporation. Nave is a former member of the Nevada State Athletic Commission from 1988-1999, where he served as its chairman from 1989-1992, and again from 1994-1996. More detailed profiles of all of the members of the Committee are attached as Exhibit A.

In general terms, the Committee conducted its investigation by interviewing Company employees; by interviewing third-parties involved with the Transaction, including auditors, legal and financial advisors, and equity investors of the Company; by reviewing documents and other information requested from the Company; by obtaining documents and information from third-parties and publicly available sources, including filings with the Securities Exchange Commission ("SEC") and industry data; and by conducting an independent legal and financial analysis of the Transaction with the assistance of its advisors.

This Report of Investigation ("Report") sets forth the findings from the Committee's independent investigation of the Transaction. Section III of the Report outlines the scope of the Committee's investigation of the Transaction. Section IV of the Report provides a summary of the Committee's key findings and conclusions. Section VII of the Report states the Committee's recommendation to the Company's board of directors. The other sections of the Report detail the legal and factual analysis supporting the Committee's findings and its recommendation to the board of directors of the Company. The Report attaches, as exhibits, certain high-level documents that the Committee believes provide helpful context. Other specific documents are identified in the Report but not attached. The universe of documents considered by the Committee in its investigation is identified in Section III.

II. BACKGROUND

A. History of the Company.

The Company is a Nevada corporation based in Las Vegas that owns and operates casino properties in Clark County, Nevada and manages a casino in California for a Native American tribe. An organizational chart for the Company is attached as Exhibit B.[3] The Company opened its first casino (now known as the Palace Station Hotel and Casino) in 1976 to cater specifically to those who live and work in the Las Vegas area. The Company enjoyed tremendous growth and tripled the size of its facilities by 1978. In 1979, Frank J. Fertitta Jr., a founder of the business, became Station Casinos' sole owner by buying out his partners' interests in the company. His son, Frank J. Fertitta III, joined the company as a vice-president and director in 1984, became the Chief Executive Officer of the Company in 1992, and remains in that position now. Lorenzo J. Fertitta (Frank III's brother) joined the Company as a director in 1991, served as President of the Company from 2000 to 2008[4], and currently serves as Vice-Chairman of the board of directors. Station Casinos was a privately owned company until 1993, when it went public pursuant to an initial public offering. It was traded on the New York Stock Exchange under the symbol STN.

The Company's business model focuses on the Las Vegas locals gaming market and has enjoyed steady growth through expansion of existing facilities and acquisition of additional facilities. Currently, the Company owns and operates various gaming and entertainment complexes in the Las Vegas metropolitan area, including: Palace Station Hotel & Casino, Boulder Station Hotel & Casino, Texas Station Gambling Hall & Hotel, Sunset Station Hotel & Casino, Santa Fe Station Hotel & Casino, Red Rock Casino Resort Spa, Fiesta Rancho Casino Hotel, and Fiesta Henderson Casino Hotel, Wild Wild West Gambling Hall & Hotel, Wildfire Casino Rancho, Wildfire Casino Boulder, Gold Rush Casino, and Lake Mead Casino.[5] The Company also holds a 50% interest in the Green Valley Ranch Resort Spa Casino, Aliante Station Casino & Hotel, Barley's Casino & Brewing Company, The Greens Gaming & Dining, and Wildfire Casino & Lanes.[6] The Company's properties offer guests a wide-ranging array of entertainment options, including gaming devices, table games, race and sports book, live entertainment venues, movie theaters, full-service restaurants, fast-food outlets, bowling, arcades, child-care services, and hotel facilities.[7]

Additionally, the Company manages Thunder Valley Casino in Placer County, California, on behalf of its owner, the United Auburn Indian Community.[8] The Company has also entered into development and management agreements with the Federated Indians of Graton Rancheria to develop and manage a gaming and entertainment facility in Sonoma County, California, the North Fork Mono Rancheria for a gaming and entertainment facility in Madera, California, the Mechoopda Indian Tribe of Chico Rancheria for a facility near Chico, California and the Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians (commonly known as the Gun Lake Tribe) for a gaming and entertainment facility in Bradley, Michigan.[9] The Company also has significant undeveloped real estate holdings in the Las Vegas and Reno areas.[10]

The Company and certain of its affiliates filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code on July 28, 2009. The debtor and non-debtor entities are identified in the organizational chart attached as Exhibit B.

B. Background for the Transaction

1. Genesis

In mid-August 2006, Frank J. Fertitta III and Lorenzo J. Fertitta (collectively the "Fertittas") began discussions with members of Station's senior management group regarding the possibility of a going-private transaction for the Company led by the Fertittas.[11] The factors motivating their discussions at that time included recent going-private transactions involving other public gaming companies, the desire to discuss strategies for maximizing shareholder value, the decline in the Company's stock price from a historical high and perceived efficiencies of being privately-held as opposed to remaining a public company.[12] These discussions eventually led to the Transaction consummated between the Company, the Fertittas, and the other participants described below. The Transaction is described in detail in the Definitive Proxy Statement of the Company on Schedule 14A filed with the Securities Exchange Commission on July 9, 2007 ("Definitive Proxy"), a copy of which is attached as Exhibit C.

On October 9, 2006, the board of directors held a special meeting, with Richard Haskins, the Company's General Counsel ("Mr. Haskins"), and a representative of the Company's outside counsel, Milbank, Tweed, Hadley & McCloy, LLP ("Milbank").[13] At the meeting, the Fertittas informed the board that they desired to explore the possibility of a going-private transaction for the Company.[14] They noted that their plans were preliminary and that, among other things, they had not yet obtained the required equity and debt financing and had not determined whether a transaction would be viable from an economic point of view.[15] They asked the board to authorize them (i) to explore the feasibility of a transaction with a targeted number of private equity firms or other sources of equity funding, subject to the execution of customary confidentiality agreements approved by Mr. Haskins, (ii) to retain professional advisors, including Milbank as legal counsel and Deutsche Bank Securities Inc. ("Deutsche Bank") as financial advisor, to assist them in exploring a potential transaction, and (iii) to have Station pay the fees and expenses of their professional advisors in connection with a potential transaction.[16] The Company's board of directors, with the Fertittas taking no part in the vote, unanimously approved the request.[17]

On October 12, 2006, Deutsche Bank set up an introductory meeting between the Fertittas and Colony Capital Partners, LLC ("Colony"), a private equity fund.[18] On that same day, the Company entered into a confidentiality agreement with Colony.[19] Throughout the remainder of October of 2006 Colony conducted due diligence on the Company and worked on a preliminary term sheet for the Transaction.[20] During this period, the Fertittas also discussed a potential transaction with other firms. On October 7, 2006, the Fertittas met with representatives of a company identified in the Definitive Proxy as Firm A.[21] At this meeting, Firm A proposed that it would contact a number of high net worth individuals, both domestic and foreign, to participate in a leveraged buy out.[22] The Fertittas rejected this approach for a number of reasons, including uncertainty as to execution, concerns about maintaining the confidentiality of the proposed transaction and regulatory concerns.[23] After this meeting, the Fertittas determined to approach select private equity firms through Deutsche Bank.[24] No further meetings relating to a transaction were held with Firm A.[25]

On October 11, 2006, the Company entered into separate confidentiality agreements with Deutsche Bank and a private equity firm identified in the Definitive Proxy as Firm B, with which Deutsche Bank had initiated contact.[26] On that same date, the Fertittas and Deutsche Bank met with representatives of Firm B.[27] Throughout the remainder of the month of October 2006, the Fertittas, senior management and representatives of Firm B conducted due diligence and worked on a preliminary term sheet for a going-private transaction.[28] In early November 2006, Deutsche Bank and the Fertittas met again with the representatives of Firm B.[29] No further meetings relating to the transaction were held with Firm B.[30] In late October 2006, the Company entered into a confidentiality agreement with another private equity firm identified in the Definitive Proxy as Firm C, with which Deutsche Bank had also initiated contact.[31] A few days later, Deutsche Bank arranged a meeting between the Fertittas and representatives of Firm C.[32] No further meetings relating to the transaction were held with Firm C.[33]

On November 1, 2006, Dr. Nave, as chairman of the Audit Committee of the Company executed a conflict waiver authorizing Ernst & Young LLP ("E&Y"), who also served as the auditor for the Company, to perform accounting and tax due diligence on behalf of Colony with respect to the Transaction.[34] The scope of services provided to Colony by E&Y included an analysis of historical earnings and accounting policies and procedures.[35] Colony conducted extensive due diligence and eventually became the private equity investor for the Transaction.[36]

2. Formation of the 2006 Special Committee

On November 7, 2006, the independent directors of the Company's board of directors (Lee S. Isgur, Lowell H. Lebermann, Jr., Robert E. Lewis and Nave) held a special meeting to interview a law firm identified by the independent directors as potential outside legal counsel.[37] At that meeting, the independent directors interviewed representatives of Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden").[38] After deliberation, the independent directors determined to retain Skadden as outside legal counsel, subject to the formation of a special committee of the board of directors and authorization of the special committee to retain legal counsel.[39] After being selected as counsel, Skadden reviewed with the independent directors the fiduciary duties generally applicable to the actions of a special committee and discussed with those directors their independence for purposes of serving on the special committee.[40] Skadden also advised the independent directors that it might be appropriate for the special committee to engage in its own study of strategic alternatives for the Company.[41]

On November 15, 2006, the Company's board of directors held a special meeting, with Mr. Haskins and a representative of Milbank in attendance.[42] At that meeting, the board of directors determined that establishing a special committee of independent directors was in the best interests of the Company and its shareholders.[43] The proposed special committee consisted of all of the independent directors.[44] After discussion, the board of directors unanimously approved resolutions establishing the proposed special committee (the "2006 Special

Committee") and delegating to it the exclusive power and authority to (i) negotiate a confidentiality agreement with the Fertittas and any other participants in a potential transaction and supervise their due diligence investigation, (ii) enter into negotiations with the Fertittas and any other participants with respect to a potential transaction, (iii) review, evaluate and negotiate with the Fertittas and any other participants with respect to a possible transaction, (iv) report its recommendations with respect to a possible transaction to the board, (v) negotiate definitive agreements with respect to a potential transaction and (vi) take such actions with respect to any other proposals, offers or expressions of interest for a business combination transaction with Station on an unsolicited basis; provided, that any such actions with respect to a transaction with a third party after the execution of definitive agreements with the Fertittas would be in compliance with the terms and conditions of such agreements.[45] Thereafter, the 2006 Special Committee retained Skadden as outside legal counsel.[46]

On November 16, 2006 the 2006 Special Committee held a meeting at the Los Angeles offices of Skadden.[47] Also, in attendance at the meeting were attorneys from the 2006 Special Committee's Nevada counsel, Kummer Kaempfer Bonner Renshaw & Ferrairo (Kummer Kaempfer).[48] At that meeting, the Company discussed, among other things, the retention of a financial advisor and a real estate valuation firm.[49] At that meeting, the 2006 Special Committee interviewed representatives of one investment banking firm and selected Nave to be the chairman of the 2006 Special Committee.[50]

On November 30, 2006, the 2006 Special Committee again met at the Los Angeles offices of Skadden.[51] At that meeting, the 2006 Special Committee interviewed two additional investment banking firms and, after deliberations, retained Bear Stearns & Co. ("Bear Stearns") as its financial advisor based on Bear Sterns' industry experience, its experience with the type of proposed transaction, the commitment of its senior bankers to be personally involved in the transaction and the lack of any conflict that would impair its ability to render an opinion or act as the financial advisor of the 2006 Special Committee.[52]

On December 2, 2006, the board of directors received a letter from Fertitta Colony Partners, LLC ("Parent"), an entity owned by Colony and the Fertittas, in which Parent proposed to acquire all of Station's outstanding shares of common stock for $82.00 per share in cash.[53] According to the proposal letter, Parent had received financing commitments sufficient to consummate the proposed transaction.[54] The proposal letter was accompanied by equity funding commitments from the Rollover Equity Holders (as defined below) and Colony and debt financing commitments from Deutsche Bank Trust Company Americas and German American Capital Corporation.[55] The letter stated that it did not constitute a binding commitment by Parent and that such commitment would be subject to execution of definitive agreements.[56]

For the next two and a half months, the 2006 Special Committee and its advisors negotiated the price per share and terms of the merger agreement with Parent and its advisors.[57] On February 21, 2007, following extensive negotiations, Parent and the 2006 Special Committee agreed to an increased sale price of $90 per share plus dividends.[58] On February 22, 2007, the 2006 Special Committee met with its advisors at Kummer Kaempfer's office.[59] The Committee and its advisors discussed the offer as well as its fiduciary duties.[60] On February 23, 2007 the 2006 Special Committee met again at the office of Kummer Kaempfer.[61] The 2006 Special Committee reviewed the offer and the revised merger agreement with Skadden and, upon the issuance of a fairness opinion by Bear Stearns,[62] the 2006 Special Committee resolved unanimously to recommend that the board approve the merger and adopt the merger agreement and that the board recommend that the shareholders approve the merger agreement.[63] Based in part on the recommendations and the ultimate fairness opinion delivered by Houlihan Lokey Howard & Zukin ("Houlihan Lokey"),[64] the 2006 Special Committee also unanimously determined that the terms of the sale and leaseback transaction, taken together, were fair and reasonable to the Company and its subsidiaries participating in such transaction, and no less favorable to the Company and such subsidiaries, as terms that would be obtainable at the time for a comparable transaction with an unrelated third person.[65]

Following the 2006 Special Committee meeting, the board held a meeting at which Nave presented the report and recommendation of the 2006 Special Committee.[66] The board approved, with the Fertittas taking no part in the vote, the merger and the merger agreement and recommended approval of the merger agreement to Station's shareholders, and unanimously approved other related actions, including resolutions expanding the authority of the 2006 Special Committee to solicit alternative proposals in accordance with the solicitation provisions of the merger agreement.[67] The Company issued a press release announcing the transaction prior to the opening of trading on February 26, 2007.[68] Additionally, the details of the negotiation of the Transaction and the work of the 2006 Special Committee are set forth in the Definitive Proxy, which was distributed to all shareholders of the Company in advance of their required vote on the Transaction.[69] The shareholder vote occurred on August 13, 2007.[70] The Transaction was approved by the holders of 79% of the shares of the Company, including 72% of the shares not held by insiders.[71] The Transaction closed on November 7, 2007 following receipt of the required regulatory approvals.[72]

C. Terms and Structure of the Transaction

1. Capital Structure

As the result of the Transaction, each share of the Company was cancelled and the holders of those shares received $90 per share.[73] The new equity holders of the Company are entities owned and controlled by the Fertittas and Colony.[74] Fertitta Partners, LLC, which is made up of the Fertittas and some of the management of the Company, owns 24.1% of the issued and outstanding shares of non-voting common stock of the Company.[75] FCP Holding, Inc., a wholly-owned subsidiary of Parent, owns the remaining 75.9% of the issued and outstanding shares of non-voting common stock of the Company.[76] Simultaneously with the consummation of the Transaction, shares of voting common stock of the Company were issued for nominal consideration to FCP VoteCo LLC, which is owned by the Fertittas and Thomas J. Barrack, Jr., the Chairman and Chief Executive Officer of Colony.[77]

Colony contributed approximately $2.7 billion in cash equity as part of the Transaction.[78] Prior to the closing, the Fertittas, other members of the Fertittas' family, and certain officers of the Company (collectively, the "Rollover Equity Holders") contributed almost $900 million worth of shares into the new equity holders of the Company rather than cashing out those shares in exchange for the $90 per share distribution.[79] Colony's cash equity contribution, together with the new debt financing, was used to fund payments made in connection with the Transaction.[80] The payments included approximately $4.2 billion distributed to former shareholders of the Company in exchange for their stock at $90 per share (this included approximately $600 million of distributions to the Rollover Equity Holders), approximately $1.4 billion paid to satisfy certain of the preexisting debt of the Company, and approximately $130 million of fees incurred in connection with the Transaction.[81] Because the Company became closely held as a result of the

Transaction, the Company delisted from the New York Stock Exchange and was no longer traded on any exchange or market.[82]

2. Debt Structure

In connection with the Transaction, the Company, as borrower, entered into a senior secured credit agreement that provided senior secured financing of $900 million, consisting of a $650 million revolving credit facility and a $250 million term loan facility (the "Senior Secured Credit Facility").[83] Deutsche Bank serves as the agent for the Senior Secured Credit Facility with 28 other entities who are participants in the lending syndicate.[84] At the time of the closing of the Transaction, the Company borrowed an aggregate principal amount of $510 million under the Senior Secured Credit Facility, which was used, together with other funds, to pay off the Company's previously existing senior secured credit facility with Bank of America.[85]

Additionally, a number of wholly-owned, unrestricted[86] subsidiaries of the Company entered into a mortgage loan in the principal amount of $2.05 billion and related mezzanine financings in the aggregate principal amount of $425 million (collectively, the "CMBS Loans").[87] The proceeds of the CMBS Loans were used to pay a portion of the approximately $4.2 billion paid to the Company's prior shareholders to redeem their stock at $90 per share and to pay fees and expenses incurred in connection with the Transaction.[88]

At the time of the closing of the Transaction, the Company was obligated pursuant to five issuances of unsecured notes in the aggregate principal amount of $2.3 billion (the "Existing Notes"):[89]

Note	Issue Date	Initial Principal Amount
6-1/2% Senior Subordinated Notes Due 2014	January 29, 2004	$450,000,000
6-7/8% in Senior Subordinated Notes Due 2016	February 27, 2004	$700,000,000
6% Senior Notes Due 2012	March 17, 2004	$450,000,000
6-5/8% Senior Subordinated Notes Due 2018	March 13, 2006	$300,000,000
7-3/4% Senior Notes Due 2016	August 1, 2006	$400,000,000

The Transaction did not trigger the change-in-control covenants in the Existing Notes and the Company decided not to pay off the Existing Notes. As a result of the Transaction, the Company's total interesting bearing debt was approximately $5.285 billion, comprised of:

Description	Amount
Senior Secured Credit Facility	$510,000,000
CMBS Loans	$2,475,000,000
Existing Notes	$2,300,000,000
Total	**$5,285,000,000**

3. Provisions for Termination of the Transaction

After the merger agreement was signed, it could have been terminated and the Transaction would not have closed if: (a) the Company failed to obtain regulatory or shareholder approval; (b) the Company pursued an alternative proposal; (c) or one of the parties breached the merger agreement. The consequences of these events were addressed in the termination provisions of the merger agreement.

The merger agreement provided that the Company was required to reimburse Parent and FCP Acquisition Sub, Inc., a wholly-owned subsidiary of Parent ("Merger Sub") for reasonable out-of-pocket fees and expenses incurred in connection with the merger agreement, up to an aggregate cap of $40 million, if the merger agreement was terminated as a result of the Company's failure to obtain shareholder approval of the merger agreement (and there were not other grounds for termination), or if Parent terminated the merger agreement because of a breach.[90] Alternatively, the Company was required to pay a termination fee of $160 million to Parent if:

- the Company terminated the merger agreement because the Company received a superior proposal (the termination fee was reduced to $106 million if the offer was received during the "go-shop" period);
- Parent terminated the merger agreement because the Company's board of directors approved or recommended that the Company's shareholders adopt a superior proposal or the Company willfully breached its covenants under the merger agreement relating to solicitations, superior proposals and board recommendation changes in any manner materially adverse to Parent and Merger Sub;
- Parent terminated the merger agreement because the Company's board of directors withdrew or adversely modified its recommendation that the Company's shareholders approve the merger agreement, and prior to such withdrawal, a superior proposal had been publicly announced or otherwise communicated or made known to the 2006 special Committee; or
- The Company or Parent terminated the merger agreement because the Company's shareholders failed to approve the merger agreement and (a) prior to the special meeting an alternative transaction proposal had been

publicly announced or otherwise communicated or made known to the 2006 Special Committee, (b) such alternative transaction proposal was not withdrawn or terminated prior to the special meeting, and (c) within twelve months after such termination, the Company or one of its subsidiaries entered into such alternative transaction.[91]

In addition to their other remedies, Parent and Merger Sub were entitled to seek specific performance of the terms of the merger agreement if the Company breached the merger agreement.[92]

Parent was required to pay the Company a reverse termination fee of $160 million if the Company terminated the merger agreement due to a breach of Parent's or Merger Sub's representations, warranties, covenants or agreements, including the failure to deposit with the disbursing agent sufficient funds to make all payments pursuant to the merger agreement.[93] Alternatively, Parent was required to pay the Company a regulatory termination fee of $106 million if the Company or Parent terminated the merger agreement because the merger was not consummated by the termination date because the Company was not able to obtain all of the gaming approvals required under the merger agreement.[94] Certain of Parent's obligations, including its obligation to deposit funds with the disbursing agent, were guaranteed by affiliates of Colony up to an aggregate cap of $175 million.[95]

Pursuant to the terms of the merger agreement the Company was also entitled to seek specific performance to require Parent and Merger Sub to make the approximately $2.7 billion equity financing for the Transaction if the Company had satisfied its pre-closing obligations and the funds contemplated by the debt financing were available.[96] While this term appears to have been a restriction on Parent's "walk away right," its practical effect was more limited. The parties expressly acknowledged in Colony's limited guaranty that Parent had only *de minimis* capital.[97] Further, the Company expressly disclaimed any right to seek damages, above and beyond the guaranteed amount, from Colony or its respective affiliates, shareholders, partners, members, directors, officers or agents.[98] The practical effect of the limited guaranty, notwithstanding the availability of specific performance against Parent, was that Colony's exposure for exiting the transaction was limited to the $175 million of Parent's obligation that it guaranteed.

As noted above, the merger agreement provided for a "go-shop" period of 30 business days in which the 2006 Special Committee, and its financial advisor Bear Stearns, were to seek possible alternative transactions.[99] During the go-shop period, Bear Stearns contacted 44 parties, including potential investors identified by Bear Stearns and those suggested by the 2006 Special Committee.[100] Those contacts did not produce any alternative transaction.[101] At the end of the go-shop period, Bear Stearns advised the 2006 Special Committee that it had not received any proposal or expression of interest in a possible alternative transaction.[102]

4. Regulatory and Judicial Review of the Transaction

The terms of the Transaction were open and publicly available through the Company's filings with the SEC. The merger agreement and related documents were disclosed in the Company's filing with the SEC in February of 2007[103]**,** and again when amended in May of 2007.[104] The Company filed with the SEC and distributed to all shareholders the Definitive Proxy on July 9, 2007, which described the Transaction and detailed the negotiations between the 2006 Special Committee and the prospective purchasers, including the involvement of their respective legal and financial advisors. The Transaction was subject to the approval of the

Company's shareholders. Following the issuance of the Definitive Proxy, the shareholders approved the Transaction by vote on August 13, 2007.[105]

The Transaction was also subject to approval by the State Gaming Control Board in Nevada (the "Gaming Control Board"). The staff and members of the Gaming Control Board analyzed the terms of the Transaction, including the capital and debt structure of the Company following the Transaction. On October 4, 2007, the members of the Gaming Control Board voted unanimously to recommend approval of the Company's application for registrations and licensure necessary to proceed with the Transaction.[106] In assessing the proposed Transaction, the Gaming Control Board considered the increased debt the Company would take on as the result of the Transaction but expressed confidence that the Company would be able to service its debt and would remain successful based on its historically strong financial performance.[107] The Nevada Gaming Commission also considered the Transaction and voted to approve the Company's application for registrations and licensure in connection with the Transaction, as recommended by the Gaming Control Board.[108] The Company received approval of the Transaction by the National Indian Gaming Commission on November 1, 2007.[109]

The Transaction was also the subject of derivative claims in litigation filed on behalf of the Company's public shareholders in late 2006 and early 2007. Six separate cases were filed and consolidated in the District Court of Clark County, Nevada (the "Court") in the case *In Re Station Casinos Shareholder Litigation*, Master Case No. A-5323367 (as consolidated, the "Shareholder Derivative Litigation"). The consolidated suit alleged that the defendants, which included the Fertittas and all the members of the 2006 Special Committee, breached fiduciary duties by, among other things, failing to engage in a sale transaction that maximized value to the Company's shareholders and by omitting material information from the preliminary proxy statement filed by the Company with the SEC.[110] Following written discovery and numerous depositions, including of the Fertittas, the members of the 2006 Special Committee, representatives of the Company, and representatives of Colony, Plaintiffs agreed that the Transaction (including the increase in the share price to $90 per share and requested revisions to the preliminary proxy that were reflected in the Preliminary Proxy) was fair.[111] After a hearing on the proposed settlement, the Court entered a Final Judgment and Order dismissing the case with prejudice on February 12, 2008.[112]

D. Timeline of Key Events in the Transaction

The Committee believes that the following timeline will facilitate comprehension of this Report. The timeline is not meant to be exhaustive and the absence of a particular event should not be construed to mean that the Committee did not consider the event as part of it investigation of the Transaction. Rather, the timeline sets forth select events that the Committee believes are helpful in providing a temporal frame of reference.

10/09/2006	Special meeting of Company's board of directors where the Fertittas requested authorization to investigate the economic feasibility of a going-private transaction and to retain professional advisors, including Milbank and Deutsche Bank
11/03/2006	Special meeting of Company's board of directors where the Fertittas provided the board with an update regarding their consideration of a potential going-private transaction and notified the board of the likelihood that they would submit a proposal for the board's consideration
11/07/2006	Special meeting of the Company's independent directors held to interview Skadden as potential outside legal counsel and to consider the formation of a special committee
11/15/2006	Special meeting of Company's board of directors establishing the 2006 Special Committee and authorizing it to, among other things, consider and negotiate a potential transaction with the Fertittas
11/30/2006	Meeting of the 2006 Special Committee where it interviews

	representatives of various investment bank candidates for the position of financial advisor and selects Bear Stearns
12/02/2006	The Company's board of directors receives a letter from Parent proposing to acquire all of the Company's outstanding shares of common stock for $82 per share (the letter also includes equity funding commitments from Colony and from the Fertitta and other Rollover Equity Holders, as well as debt financing commitments from lenders)
12/03/2006	The 2006 Special Committee meets with its legal advisors to, among other things, discuss the terms of the proposal from Parent
12/04/2006	The Company issues a press release and files an 8-K with the SEC announcing receipt of proposal letter, the formation of the 2006 Special Committee, and the 2006 Special Committee's retention of independent legal and financial advisors
12/04/2006	Milbank delivers first draft of proposed merger agreement to Skadden
12/21/2006	Meeting of the 2006 Special Committee where Bear Sterns presents its preliminary valuation analysis of the Company
01/19/2007	Meeting of the 2006 Special Committee where it, among other things, instructs Bear Stearns to communicate to Deutsche Bank that the 2006 Special Committee is not prepared to accept $82 per share
01/26/2007	Meeting of the 2006 Special Committee to, among other things, consider communications and valuation materials received from shareholders, as well as Bear Stearns' updated valuation analysis
02/06/2007	Meeting of representatives of Bear Stearns and Deutsche Bank to discuss Bear Stearns' analysis supporting the 2006 Special Committee's request for a higher offer price per share
02/22/2007	Meeting of the 2006 Special Committee to discuss the revised offer price of $90 per share (plus continued payment of dividends) where Bear Stearns issues an opinion to the 2006 Special Committee that $90 per share is fair, from a financial point of view, to the shareholders and to the Company
02/23/2007	Meeting of the 2006 Special Committee where it resolves unanimously to recommend that the board of directors approve the proposed Transaction and adopt the merger agreement and the debt financing commitments (as revised following continued negotiations); the board of directors (with the Fertittas taking no parting the vote) acts on that recommendation and, following approval, definitive financing and equity commitments are

	delivered and the merger agreement and related documents are executed
02/23/2007	Merger Agreement and related documents are executed
02/26/2007	The Company files a report with the Securities Exchange Commission, attaching the merger agreement and the press release announcing the Transaction
03/25/2007	End of 30-day "go-shop" period, during which the 2006 Special Committee and its advisors solicited offers for alternative transactions.
05/04/2007	An Amendment to the Plan of Merger is executed in order to change the equity structure of the Company in order to facilitate the approval of the Nevada Gaming Commission and the National Indian Gaming Commission
05/07/2007	The Company files a preliminary proxy with the Securities Exchange Commission, attaching the amendment to the merger agreement
07/09/2007	Issuance of the definitive proxy statement for the August 13, 2006 special meeting of the Company's shareholders
08/13/2007	Special meeting of the Company's shareholders at which the shareholders voted to approve the Transaction
10/07/2007	Issuance by Deutsche Bank of "Financing Structure and Projected Performance Update" that included downwardly revised financial projections
10/18/2007	Approval of the Transaction by the Nevada Gaming Commission, based on the recommendation of the State Gaming Control Board
11/01/2007	Approval of the Transaction by the National Indian Gaming Commission
11/07/2007	Closing of the Transaction

III. SCOPE OF COMMITTEE INVESTIGATION

The Committee was formed pursuant to a March 31, 2009 Unanimous Written Consent of the Company's board of directors. It was authorized to investigate any and all potential fraudulent transfer claims and other potential claims in connection with the Transaction and to report its analysis and recommendations to the Company's board of directors.[113]

At its initial meeting, the Committee discussed its duty of independence and impartiality. Nevada law requires that a committee of the board of directors include at least one current director. Dr. Nave is an outside director of the Company and is independent in accordance with the standards set by the New York Stock Exchange. He is the only current member of the board of directors that does not hold an interest (as a shareholder or beneficial owner) in any of the entities that hold the equity of the Company as the result of the Transaction and was chosen by the board to serve on the Committee. To ensure the independence of the Committee, the board appointed two additional members with no prior relationship to the Company. At its initial meeting, the Committee discussed Dr. Nave's service on the Committee and he answered questions concerning matters which might affect his independence. The Committee was satisfied with Dr. Nave's impartiality and concluded that the Committee could conduct a full, fair, and independent investigation, particularly in light of the three member structure of the committee, with two members of the Committee being new to the Company.

The Committee met with SSD on April 10, 2009 and after assuring itself of SSD's capabilities and independence,[114] selected SSD as the Committee's legal counsel. On April 20, 2009 the Committee selected Odyssey as its independent financial advisor following its prior interviews of the key consultants to be involved with the engagement and the Committee's assessment of their capabilities and independence.

The Committee conducted its investigation throughout the months of April to August of 2009. Its activities included regular meetings, frequent consultation with its legal and financial advisors, interviews of Company representatives and third-parties, and analysis of documents and information obtained from the Company and other sources. As of the date of this Report, the Committee held more than 20 formal meetings in addition to the Committee members participating in virtually all of the witness interviews. The Committee had regular and extensive communications with its legal and financial advisors and numerous discussions (without counsel) to discuss the scope and progress of the Committee's investigation and to formulate instructions and feedback to the Committee's advisors.

The Committee reviewed several hundred thousand pages of documents in the course of its investigation, including:

- the Transaction documents;
- more than 100,000 pages of documents produced in discovery in the shareholder litigation regarding the Transaction;
- deposition transcripts of testimony provided by the Fertittas, Colony, and members of the 2006 Special Committee in the shareholder litigation;
- thousands of pages of documents received from the Company in response to specific requests for production from the Committee;
- more than 46,000 emails and other electronically stored documents from key Company custodians identified by the Committee, its counsel, and their electronic discovery vendor;
- the several reports prepared by Bear Stearns, the financial advisor to the 2006 Special Committee;
- presentations and valuation materials prepared by the lenders to the Transaction;
- presentations and valuation materials shared with potential equity investors;
- presentations to, and transcripts of proceedings of, the Nevada Gaming Commission and the Nevada Gaming Control Board regarding regulatory approval of the Transaction;
- Quarterly Statistics Reports and Monthly Gaming Revenue Reports from the Nevada State Gaming Control Board;
- selected audit work papers of Ernst & Young, the Company's independent auditor;
- valuation materials and other information from the financial advisor that performed the purchase price accounting for the Transaction;

- the financial model, budgets, and other financial projections used by the Company in connection with the Transaction;
- the Company's SEC filings; and
- SEC filings for comparable gaming companies.

In addition to its own review of documents, the Committee engaged H5, a specialized electronic discovery vendor, to conduct supplementary searches. H5 employs specialized search technology and linguistics approaches to find relevant documents in high-volume data sets. The Committee directed H5, working in conjunction with SSD, to look for documents that were particularly relevant to the formulation of the Company's financial projections and to search specifically for any documents that might tend to indicate that the Company believed that the projections were aggressive or unduly optimistic. The Committee reviewed the results of H5's searches and used documents identified by H5 to conduct witness interviews and to supplement the other aspects of the Committee's investigation. Based on its review of the documents and the results of interviews, the Committee found no evidence that any person or entity believed the projections were aggressive or unduly optimistic.

The Committee and its advisors interviewed 19 people during the course of its investigation, some of them on multiple occasions to address follow-up issues raised by the Committee. All of the interviews included at least one member of the Committee and SSD, and the majority of the interviews were attended by the entire Committee. The members of the Committee participated substantively in the interviews, including by identifying areas of inquiry, asking questions in addition to those posed by the Committee's legal counsel, and compiling issues for follow-up. The Committee interviewed the following individuals during the course of its investigation:

- Frank J. Fertitta III, the CEO of the Company and Chairman of the board of directors;
- Lorenzo J. Fertitta, the Company's President from 2001-2008 and the current Vice Chairman of the board of directors;
- Jonathan Grunzweig, member of the board of directors and Principal and Chief Investment Officer of Colony;
- Richard Haskins, the Company's Executive Vice President and General Counsel;
- Thomas Friel, the Company's Executive Vice President, Chief Accounting Officer, and Treasurer;
- Joleen Legakes, the Company's Vice President, Corporate Finance;
- Daniel Schafer, the Company's Director of Financial Analysis;
- Curt Mayer, the Company's Vice President of Finance;
- Glenn Bashore, the Company's Director of Operations;
- William Warner, the Company's former Chief Operating Officer and a current consultant to the Company;
- Kenneth Baronsky, a partner with Milbank, who led the representation of the Fertittas in the Transaction;
- Peter Zofrea, a partner with E&Y who was the lead audit partner for the Company for five years through the end of calendar year 2007;
- Thomas Roche, a partner with E&Y who became the lead audit partner for the Company in 2008 when Peter Zofrea cycled out of that role based on standard SEC guidelines; Mr. Roche was also the lead partner in charge of E&Y's firmwide gaming practice;
- Todd Moody, Brendon Gallagher, and Troy Jones, who were members of the valuation group for E&Y that assisted the E&Y audit team with its review and audit of the Duff & Phelps purchase price allocation and their analysis of asset impairments;
- Timothy Golden and Jason Albert, a Managing Director and Vice President, respectively, of Duff & Phelps, the financial advisor who performed the purchase price allocation for the Transaction that was included in the Company's December 31, 2007 Annual Report;

- Charles Edelman, a former Senior Managing Director and head of the global mergers and acquisitions practice for Bear Stearns & Co., who led the engagement for the 2006 Special Committee and signed Bear Stearns' fairness opinion.

The Committee asked to interview a representative of Deutsche Bank involved in the Transaction. Deutsche Bank declined to make a representative available for interview by the Committee. The Committee also asked to interview Thomas J. Barrack, Jr., the Chairman and Chief Executive Officer of Colony. In response to the request, Colony communicated to the Committee that Colony's policy was to make available one knowledgeable party in response to such requests for information. Colony and Mr. Barrack did, however, confirm in writing to the Committee that Colony and Mr. Barrack concurred with respect to the accuracy and completeness of the positions and factual information provided by Jonathan Grunzweig, the Principal and Chief Investment Officer of Colony who was involved in the Transaction.

In conjunction with and in addition to the Committee's investigation, the Committee asked its financial advisor, Odyssey, to determine, among other things: whether the financial projections used for the Transaction were reasonable when made in light of the Company's historical methodology and assumptions; whether the financial projections used for the Transaction were reasonable when made in light of the economic conditions and the outlook for the gaming sector expressed by Wall Street gaming analysts at the time of the Transaction; whether the Company was insolvent at the time of the Transaction or became insolvent as a result of the Transaction; and whether the Company was left with adequate capital to conduct its business following the Transaction.[115] A copy of Odyssey's report to the Committee regarding these issues (the "Odyssey Report") is attached at Exhibit D. The Committee also conducted an independent review of information concerning comparable gaming companies, including the timing of their recognition of the impairment of goodwill by those companies.

The Committee was not limited by the Company regarding its access to documents or information. To the best of the Committee's knowledge, the Company provided all of the information requested by the Committee and its advisors and cooperated fully with requests for interviews. The Committee believes that it received documents and information sufficient to make the findings and conclusions in this Report on a fully-informed basis.

IV. SUMMARY OF KEY FINDINGS AND CONCLUSIONS

1. The Committee has concluded that the financial projections for the Transaction were reasonable when made. The Company's actual performance did not meet the projections. The Committee has concluded that the projections were not unduly optimistic or overly aggressive based on the Company's processes for financial forecasting, the Company's historical performance, and the available economic data at the time the projections were made.

2. The Committee has concluded that (a) the Company was not insolvent at the time of the Transaction and that it did not become insolvent as the result of the Transaction, (b) the Company was not left with unreasonably small capital as the result of the Transaction, and (c) the Committee has concluded that the Company did not intend or expect to incur debts beyond its ability to pay as the debts matured.

3. The Committee found no evidence or indication that any person or entity intended to hinder, defraud, or delay a creditor of the Company by performing the Transaction, or believed that any creditor of the Company would be hindered, defrauded, or delayed as the result of the Transaction. The Committee's investigation indicated that the Fertittas, other management of the Company, Colony, and other participants in the Transaction had a good faith belief that the Transaction would succeed and that the Company would enjoy continued growth.

4. The Committee's investigation found no evidence that any person or entity engaged in inequitable conduct in connection with the Transaction such that a claim by that person or entity in the Company's bankruptcy proceedings should be equitably subordinated to any other claim.

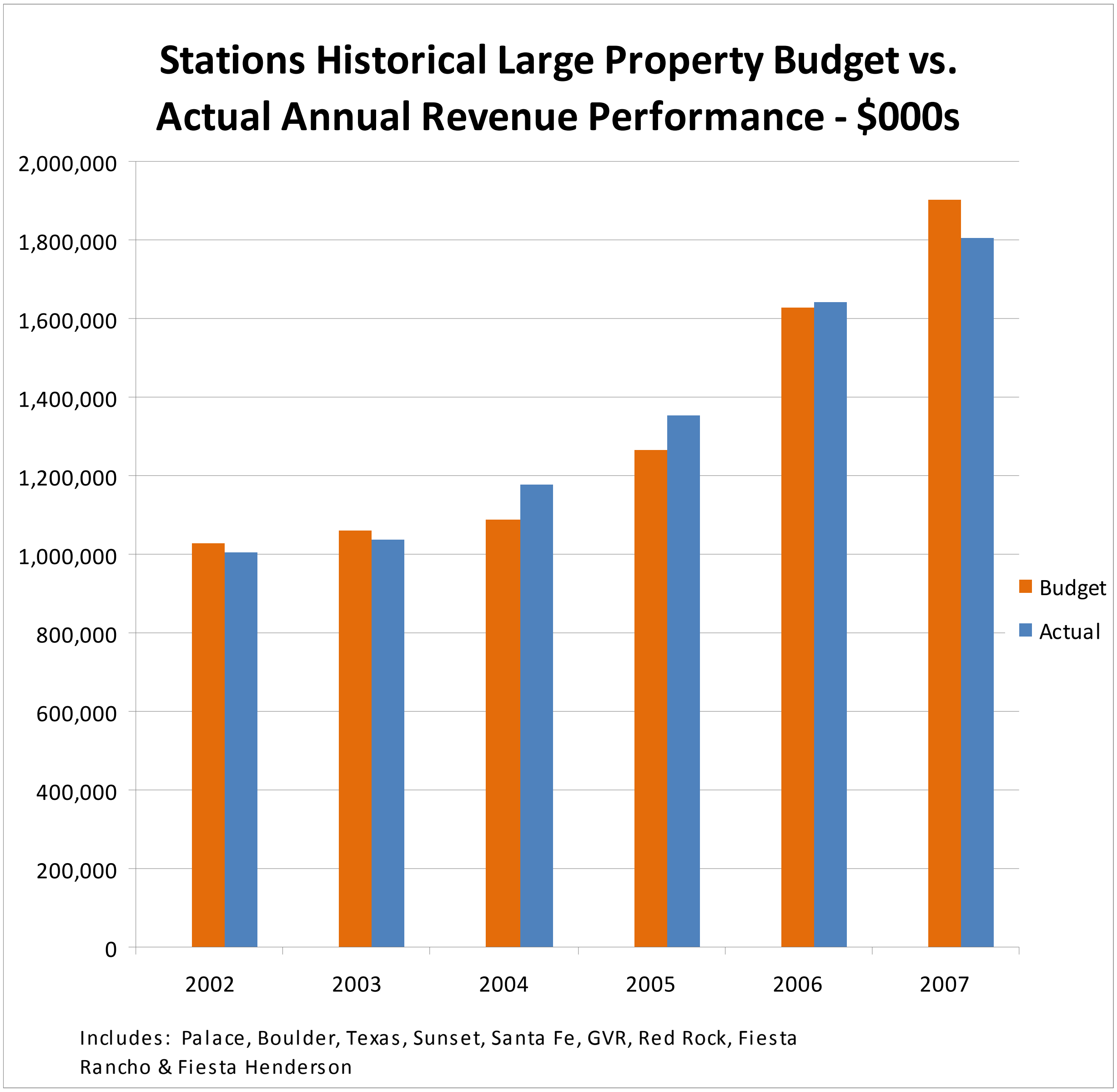
V. FINANCIAL PROJECTIONS AND PERFORMANCE OF THE COMPANY

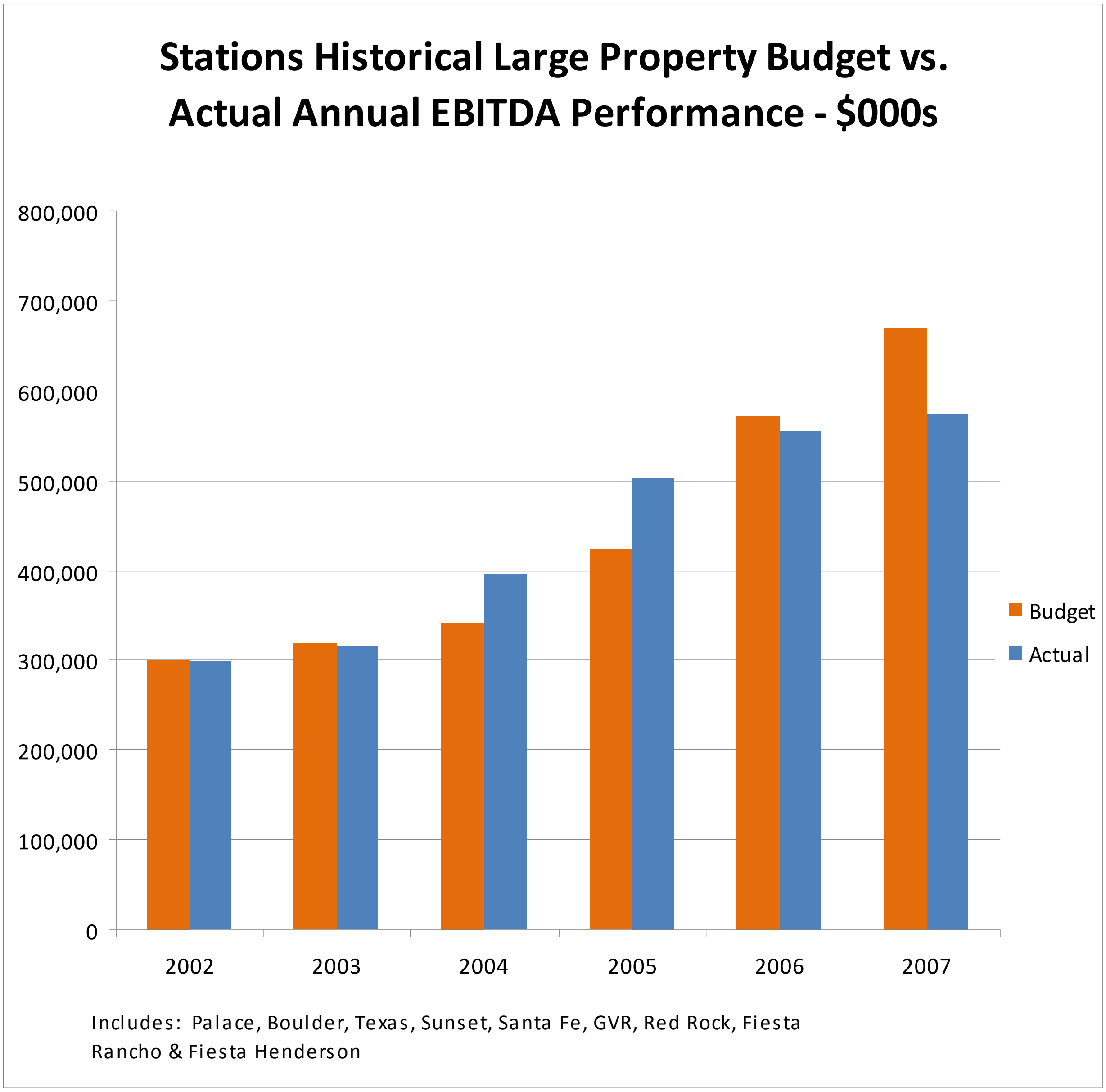
A. Historical Trends

Historically, the Company used both a "top down" and "bottom up" approach to financial budgeting. The forecasting process would start with the operations side of the business and would consider overall economic conditions, operations issues for the Company, and other macro-level matters to come up with an initial budget.[116] The portion of the target number attributable to the individual Company properties would be communicated to them, and the individual properties would build up their property-specific budget and numbers to evaluate whether their proposed number was obtainable. The budgets would be refined based on this dialogue between the corporate office and the individual properties.

The Committee asked Odyssey to conduct an independent analysis of the Company's financial projections for the Transaction. Odyssey concluded the Company used the same process and methodology that the Company used historically to create its annual budgets.[117] The Committee's investigation also determined that the Company followed a historically consistent approach to make the financial projections used for the Transaction. The Committee asked the witnesses it interviewed whether they were aware of any changes to the process or methodology the Company used to make financial projections for the Transaction as compared to the Company's historical approach to financial forecasting. No witnesses were aware of any such changes.

The Company enjoyed historical success in its financial forecasts. For the years 2002-2007, the Company's performance against revenue and EBITDA forecasts for its large properties was as follows:[118]





The Company met these revenue projections from 2004 to 2006 and missed them by 2.2% in 2002 and 2.0% in 2003.[119] Similarly, the Company met these EBITDA projections in 2004 and 2005. In 2002 and 2003, the Company missed these EBITDA projections by less than 1.0% and in 2006, by less than 3.0%.[120] The Committee concluded that the Company's historical performance versus budget demonstrated that the Company's approach to financial projections was sound and produced forecasts that were realistic but not overly aggressive.

The Company's success with financial forecasting took place in the context of continued growth and sustained successful performance by the Company. In each year from 1998 through 2006, the Company enjoyed growth in gross revenue, gaming revenue and EBITDA.[121] The Company had a long-term track record of increases in gaming revenue at rates higher than the Las Vegas market generally and the Las Vegas locals market specifically:[122]

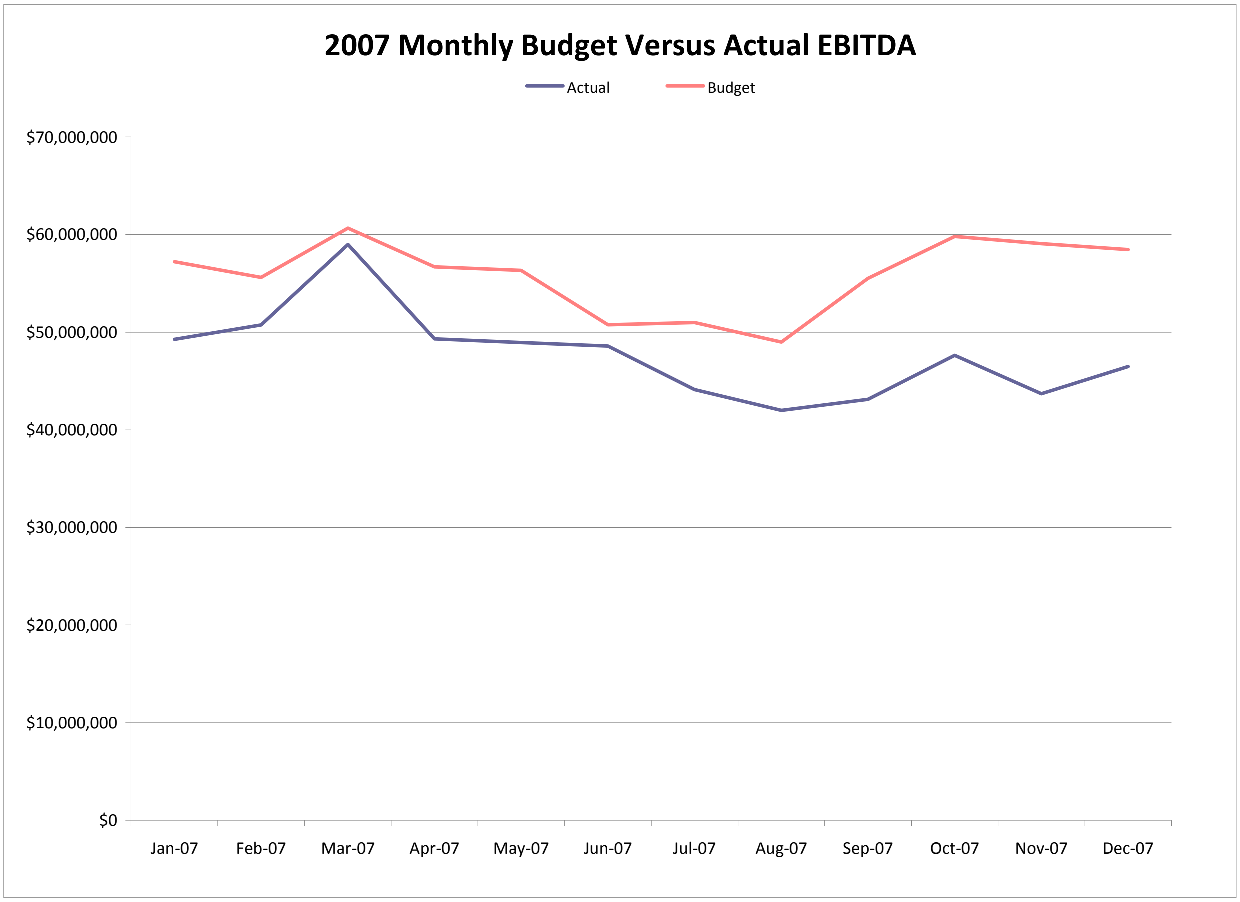
Historical Gaming Revenue through LTM 2007 (in 000's)

	Las Vegas	% change	Las Vegas Locals	% change	Station Casinos	% change
1990	-	-	402.3	-	-	-
1991	-	-	460.0	14.3%	-	-
1992	-	-	514.8	11.9%	92.8	-
1993	2,870.3	-	564.5	9.7%	97.9	5.5%
1994	3,486.1	21.5%	684.8	21.3%	129.5	32.3%
1995	3,697.2	6.1%	877.2	28.1%	210.9	62.9%
1996	3,578.6	-3.2%	968.2	10.4%	265.2	25.8%
1997	3,809.4	6.4%	1,109.3	14.6%	333.5	25.7%
1998	3,812.4	0.1%	1,364.6	23.0%	416.9	25.0%
1999	4,488.7	17.7%	1,444.1	5.8%	477.6	14.6%
2000	4,804.4	7.0%	1,538.2	6.5%	516.0	8.0%
2001	4,691.0	-2.4%	1,598.2	3.9%	661.7	28.2%
2002	4,654.2	-0.8%	1,658.5	3.8%	743.8	12.4%
2003	4,761.1	2.3%	1,744.4	5.2%	775.2	4.2%
2004	5,334.0	12.0%	1,996.7	14.5%	891.8	15.0%
2005	6,035.6	13.2%	2,260.0	13.2%	1,021.3	14.5%
2006	6,688.5	10.8%	2,534.8	12.2%	1,207.6	18.2%
LTM*	6,839.9	5.5%	2,603.4	6.2%	1,377.7	14.1%
Avg. growth rate		6.9%		12.0%		20.7%
CAGR		6.4%		11.6%		19.7%

* Last 12 momths through October 2007

B. Financial Projections for the Transaction

The Company forecasted 2007 EBITDA at approximately $664.6 million.[123] The Company's actual performance in 2007 did not meet this forecast. The Company's actual performance versus forecast on a monthly basis for 2007 was as follows:[124]



The EBITDA projections for the Transaction in the Definitive Proxy were approximately $664.6 million for 2007 and approximately $749.6 million for 2008. Based on performance in 2007 that was trending approximately 10% below forecast, the Company reduced the financial projections it used for the Transaction by a corresponding amount. In October 2007, Deutsche Bank prepared an update to the financing and projections for the Transaction.[125] It included EBITDA projections of $586.3 million for 2007 and $676.4 million for 2008.[126] These numbers were based directly on the Company's revised projections. These revised projections were the last ones made prior to the closing of the Transaction on November 7, 2007.[127] Odyssey also concluded that the revised projections were prepared using methodology and assumptions consistent with the Company's historical approach and were consistent with the outlook for the gaming sector expressed by Wall Street gaming analysts at the time of the Transaction. Although the Company did not meet the revised projections, Odyssey and the Committee concluded that they were reasonable at the time they were made, as discussed in Section VI.E.3 of this Report and pages 5-11 of Odyssey's Report.

VI. ANALYSIS OF POTENTIAL FRAUDULENT TRANSFER CLAIMS

A. Overview of Legal Standards

The Committee analyzed potential challenges to the Transaction under fraudulent transfer theories. The Committee considered potential claims under both the United States Bankruptcy Code ("Bankruptcy Code") and state law. The legal issues surrounding potential fraudulent transfer claims were the subject of extensive review and discussions between the Committee and SSD throughout the Committee's investigation. In general terms, the Committee considered whether: (1) any transfer made or obligation incurred in connection with the Transaction could be avoided because it was made with the actual intent to hinder, delay, or defraud a creditor; or (2) any transfer made or obligation incurred in connection with the Transaction could be avoided as constructively fraudulent because the Company received less than reasonably equivalent value in exchange and (a) was either insolvent at the time of the transfer or incurrence of the obligation or was rendered insolvent as the result of it, (b) the transfer or incurrence of the obligation left the Company with unreasonably small capital, or (c) the Company incurred debts (or believed or reasonably should have believed that it would incur debts) beyond its ability to pay them as they become due.[128]

B. What state law applies?

The Committee understands that a Nevada bankruptcy court (where the Company filed a petition for relief under chapter 11 of the Bankruptcy Code) will conduct a choice of law analysis under the federal common law applying the Restatement (Second) of Conflict of Laws.[129] The Restatement asks which state has "the most significant relationship to the occurrence and the parties" by comparing "the relevant policies" of each state and the "relative interests of those states in the determination of the particular issue."[130] With regard to potential fraudulent transfer claims, section 145 of the Restatement emphasizes four principles to determine the applicable law: "(1) the place where the injury occurred, (2) the place where the conduct causing the injury occurred, (3) the . . . place of incorporation and place of business of the parties, and (4) the place where the relationship, if any, between the parties is centered.[131]

Applying those principles to the facts discerned in its investigation, the Committee believes that Nevada law would apply to any state law fraudulent transfer claims. The Company is a Nevada corporation, as are many of its affiliates. The negotiation of the Transaction was centered in Nevada, most of the transfers occurred in Nevada, and virtually all of the Company's real estate and tangible personal property is located in Nevada. There are potentially countervailing considerations, including the place where injury occurred, which likely would be considered to be the place where individual creditors are located. However, it seems unlikely that consideration of other factors would outweigh the very strong connections of the Company and the Transaction to the state of Nevada. Accordingly, where discussion of state law is appropriate, this Report focuses on Nevada law. However, none of the Committee's findings or recommendation depends on the particular application of Nevada law as opposed to the law of another state.

C. What transfers made or obligations incurred in connection with the Transaction are potentially subject to avoidance?

There were many individual transfers made and obligations incurred that aggregated to accomplish the structure of the Transaction, including but not limited to:

- Station Casinos, Inc.'s ("SCI's) borrowing of approximately $510 million under the Senior Secured Credit Facility and the granting of security interests and pledge of property by SCI and certain subsidiaries to secure the borrowing;[132]

- the transfer of approximately $493 million from SCI (borrowed under the Senior Secured Credit Facility) to Bank of America to pay SCI's preexisting indebtedness;[133]

- Merger Sub's payment of $935 million to Bank of America to pay SCI's preexisting indebtedness;[134]

- the sale of the real property and improvements associated with Palace Station Hotel & Casino, Sunset Station Hotel & Casino, and Red Rock Casino Resort Spa and a portion of the real property and improvements of Boulder Station Hotel & Casino (the "PropCo Properties") to FCP PropCo, LLC ("PropCo") for $3.1 billion;[135]

- PropCo's borrowing of $2.05 billion and the granting of mortgages in the PropCo Properties;[136]

- the borrowing by certain direct or indirect parent entities of PropCo -- FCP MezzCo Borrower I, LLC, FCP MezzCo Borrower II, LLC and FCP MezzCo Borrower III, LLC (collectively the "Mezzanine Borrowers") -- of the aggregate amount of $425 million and the grant of security interests and pledge of equity interests by the Mezzanine Borrowers, their affiliates and the equity holders of SCI;[137]

- the execution of a certain master lease between SCI and PropCo whereby SCI leased from PropCo the PropCo Properties;[138]

- the sublease agreements between SCI and each of SCI's subsidiaries comprising the operating entities for Palace Station, Sunset Station, Red Rock and Boulder Station whereby SCI subleased its rights under the master lease to its subsidiaries that operate the businesses on the PropCo Properties;[139]

- the equity contribution of $2.7 billion from Parent to FCP HoldCo to Merger Sub[140] in exchange for equity in Merger Sub;[141]

- Merger Sub's equity contribution (through the Mezzanine Borrowers) of $720 million to FCP PropCo;[142] and

- the transfer of approximately $3.7 billion to Wells Fargo Bank, N.A. for its payment, as disbursing agent, to the former shareholders of SCI at $90 per share.[143]

The Committee understands that a court in the Ninth Circuit would likely "collapse" the formal structure of the Transaction and analyze its substantive effects on the Company rather than review the Transaction as a group of interrelated but separate transfers.[144] In a collapsed transaction, courts generally disregard the formalities of the many individual events that make up a leveraged buy-out ("LBO") transaction and instead focus on the overall economic effect of the transaction on the company that is the subject of the transaction. Decisions in the Ninth Circuit suggest that it is appropriate to collapse an LBO transaction where the selling shareholders had knowledge of the leveraged nature of the financing.[145]

In a collapsed leveraged buy-out transaction, courts typically treat the debt and security obligations as undertaken by the target corporation and the loan proceeds as paid by the corporation to the selling shareholders.[146] The total cost of payments made in connection with the Transaction was approximately $5.7 billion, consisting of approximately $4.2 billion to pay shareholders and holders of options and restricted stock, approximately $1.4 billion to satisfy preexisting debt, and approximately $130 million of fees associated with the Transaction.[147] The cost of the Transaction was not fully leveraged because Colony contributed approximately $2.7 billion in cash equity and because approximately $1.4 billion of the cost of the Transaction paid down existing debt. So the additional interest bearing debt incurred by the Company as the result of the Transaction was approximately $1.6 billion.[148]

The Committee did not make any conclusion regarding the appropriateness of collapsing the Company's Transaction, but instead chose to evaluate the Transaction as collapsed in order to take a conservative approach to the evaluation of potential claims. Because a collapsed transaction would offer fewer defenses to potential defendants in a fraudulent transfer action, the Committee determined that it was prudent to evaluate the Transaction on that basis for purposes of its investigation and this Report. Reviewing the Transaction as collapsed, the Committee treated the Company as, in effect, borrowing an additional approximately $1.6 billion of interest bearing debt and paying it to selling shareholders in the form of redemption of their shares of the Company at $90 per share.

D. Were transfers made or obligations incurred in connection with the Transaction with actual fraudulent intent?

In evaluating potential fraudulent transfer claims, the Committee's investigation looked for indications that any participant in the Transaction acted with the intent to hinder, delay, or defraud any existing or future creditor. Recognizing that direct proof of such intent would be difficult to find, the Committee also looked for the presence of so-called "badges of fraud" that might correspond to fraudulent intent, including whether:

- the transfer or obligation was to an insider;
- the debtor retained possession or control of the property transferred after the transfer;
- the transfer or obligation was disclosed or concealed;
- before the transfer was made or obligation was incurred, the debtor had been sued or threatened with suit;
- the transfer was of substantially all the debtor's assets;
- the debtor absconded;
- the debtor removed or concealed assets;
- the value of the consideration received by the debtor was reasonably equivalent to the value of the asset transferred or the amount of the obligation incurred;
- the debtor was insolvent or became insolvent shortly after the transfer was made or the obligation was incurred;
- the transfer occurred shortly before or shortly after a substantial debt was incurred; and/or

- the debtor transferred the essential assets of the business to a lien or who transferred the assets to an insider of the debtor.[149]

The Committee did not limit its investigation to these specific factors, but rather inquired into all the facts and circumstances of the Transaction in considering whether the Company or any other participant in the Transaction acted with actual fraudulent intent.[150]

Among other methods of inquiry, the Committee asked each of the people it interviewed whether he or she was aware of any fraudulent intent or improper conduct by any other person or entity in connection with the Transaction. None of those persons was aware of any such intent or conduct. All of the witnesses interviewed by the Committee stated that they expected, and believed that others expected, that the Transaction would be successful and that the Company would enjoy continued growth. Beyond direct inquiries to witnesses, the Committee also reviewed documents received from the Company and third parties to look for any evidence of fraudulent intent. That analysis also did not uncover any indication of an intent to hinder, delay, or defraud any creditor in connection with the Transaction.

Nor did the Committee find the presence of any other factor (whether a formally recognized "badge of fraud" or otherwise) that suggested the presence of actual intent to hinder, delay, or defraud creditors. The Transaction did result in the transfer of all of the Company's assets and involved transfers to insiders in the form of payments for shares sold by management of the Company and other insiders. However, the Committee considered these to be inherent features of the "going private" nature of the Transaction rather than an indication of fraud, particularly where the insider shareholders received the same consideration as all of the other shareholders of the Company.

The Transaction called for approximately $2.3 billion of debt under the Existing Notes to remain outstanding. Unlike the Company's debt obligations under its pre-Transaction credit facility, which were paid as required by the provisions of the existing credit agreement, the Existing Notes were not repaid as part of the Transaction. The Transaction was structured to comply with the covenants contained in the indentures for the Existing Notes. The Company received an opinion from Milbank that the structure of the Transaction did not constitute a change of control under the indentures governing the Existing Notes. While the issue of the Existing Notes was a point of focus for the Committee's inquiry, the Committee does not believe that structuring the Transaction to comply with the covenants in the indentures governing the Existing Notes is evidence of fraudulent intent by the Company.

More importantly, the Committee's investigation found no evidence of any belief or intent by the Company or any other party that the Existing Notes would not be repaid according to their terms if the Transaction proceeded. As discussed in more detail below, the financial projections used for the Transaction indicated that the Company would be able to satisfy all its financial obligations when due, including under the Existing Notes. In addition to assessing the reasonableness of the financial projections, the Committee looked for evidence that the Company did not believe the projections at the time they were made. Among other analyses, the Committee tasked H5 with conducting a search of the Company's documents for any indication that the Company believed its financial projections were deficient. The Committee's investigation found no evidence that the Company believed the Transaction would cause it to become unable to pay its debts as they became due, or that the Company otherwise had an intent to hinder, delay, or defraud the holders of the Existing Notes or any other creditors.

In contrast to the lack of any evidence of fraudulent intent, the Committee found evidence of facts that it believed to be inconsistent with any implication of fraud in connection with the Transaction. Those facts included: (1) the openness of the Transaction, most notably as reflected in the Company's filings and disclosures with the SEC; (2) that the Transaction (and specifically the sale price for the shares of the Company) was independently negotiated and approved by the 2006 Special Committee of the board of the directors of the Company, represented by its own independent legal and financial advisors; and (3) that senior management of the Company did not cash-out their entire equity interest in sale proceeds but rather instead elected to contribute a substantial portion as equity in the new entity.

Regarding this last point, the Fertittas collectively received nearly $294 million in proceeds from the sale of shares and options as the result of the Transaction. However, between them, they contributed more than $720 million in equity to the new entity rather than cashing out the value of those additional shares through the Transaction. A summary of distributions to, and rollover equity investment by the Fertittas, Delise and Blake Sartini (their sister and brother-in-law), and officers of the Company is set forth below:[151]

Shareholder	Total Cashed-Out	Total Rolled Over
Blake & Delise Sartini	$200,919,330	$148,858,560
Frank J. Fertitta III	$148,654,355	$358,189,560
Lorenzo Fertitta	$145,069,850	$363,433,770
Scott Neilsen (CDO)	$41,130,055	$20,000,070
William Warner (EVP- COO)	$39,825,510	$3,941,280
Richard Haskins (EVP - GC)	$16,563,680	$2,974,050
Thomas Friel (CAO)	$5,860,265	$500,040
Lowell Lebermann	$2,801,700	
James Nave	$3,641,700	
Robert Lewis	$1,575,000	

Lee Isgur	$2,205,000	
Total	**$608,246,445**	**$897,897,330**

Lebermann, Nave, Lewis, and Isgur were directors who comprised the 2006 Special Committee and therefore were not provided with the option of rolling over equity into the entity to be created if they recommended approval of the Transaction. The Committee viewed the Fertittas' and management's substantial investment in the success of the Transaction to be inconsistent with any inference of actual fraudulent intent. These facts, the openness of the Transaction, and the lack of any evidence or inference of an intent to hinder, delay, or defraud any creditor has led the Committee to conclude that there is no basis to challenge the Transaction under fraudulent transfer theories premised on actual fraudulent intent.

E. Were there transfers made or obligations incurred in connection with the Transaction that were constructively fraudulent?

1. Did the Company receive reasonably equivalent value?

The Committee understands that "value" is given in exchange for a transfer made or obligation incurred where property is transferred or an antecedent debt is secured or satisfied,[152] and that whether the value provided is "reasonably equivalent" is a question of fact dependent on all the circumstances surrounding a particular transaction.[153] In this instance, the Committee again chose to take the conservative approach of determining value from the perspective of the Company in terms of the "collapsed" Transaction.[154]

While the Committee understands that reasonably equivalent value can include "indirect value" (such as improved operational efficiencies) in addition to direct economic benefits, and believes the Transaction did include such indirect value, it concludes that the Company did not receive reasonably equivalent value as measured against the collapsed Transaction. The net effect of the Transaction was that the Company incurred approximately $1.6 billion of additional interest-bearing debt without *the Company* receiving a corresponding direct economic benefit.[155] While this view might seem like an oversimplification of the many separate events that made up the Transaction, the Committee believes that it reflects a prudent approach to the consideration of potential claims concerning a challenged LBO transaction.[156]

If the Transaction were not evaluated on a collapsed basis, reasonably equivalent value would be determined for each of the individual transfers and obligations that make up the Transaction.[157] Many of those transfers would by definition be made for reasonably equivalent value because they involve the satisfaction or securing of a present or antecedent debt of equal value.[158] Transfers by debtor entities that gave security in the amount of borrowed funds or that made payments to satisfy their preexisting debt in connection with the Transaction could not be avoided as constructively fraudulent because they received reasonably equivalent value.[159]

The Committee is aware that some creditors have raised questions regarding the portion of the Transaction that involved the sale and leaseback of the PropCo Properties between SCI and PropCo. The Committee did not investigate, and formed no conclusions regarding, the effects of the sale and leaseback on issues involving the use of cash collateral or the administration of the bankruptcy cases of SCI, PropCo, and their debtor affiliates. The Committee has concluded that the sale and leaseback does not provide a basis for a fraudulent transfer claim in connection with the Transaction because it was made for reasonably equivalent value. Houlihan Lokey issued a fairness opinion to the 2006 Special Committee that the sale and leaseback, taken together, were made on terms that were fair, from a financial point of view, to SCI and the operating subsidiaries contributing the real estate comprising the PropCo

Properties.[160] The real estate comprising the PropCo Properties was appraised at $3.1 billion and was sold to PropCo for $3.1 billion.[161]

The Committee concluded that SCI cannot be considered to have received reasonably equivalent value for the approximately $3.7 billion of transfers by or on behalf of SCI to the disbursing agent for distributions to shareholders because SCI itself received no value from the redemption of its stock. The Committee did not conclude that the redemption of stock in connection with the Transaction was inherently improper, only that SCI did not receive reasonably equivalent value from it, either viewing the Transaction on a collapsed or non-collapsed basis.

2. Was the Company insolvent at the time of the transfers or rendered insolvent as the result of the transfers?

The Committee understands that under both the Uniform Fraudulent Transfer Act and section 548 of the Bankruptcy Code, a transfer made or obligation incurred for less than reasonably equivalent value is constructively fraudulent if the debtor is insolvent or is rendered insolvent by the transfer or incurrence of the obligation, and that a debtor is insolvent if the sum of its debts is greater than its assets at fair valuation.[162] Additionally, the Committee understands that under the Uniform Fraudulent Transfer Act, a debtor that is not paying its debts as they become due is presumed to be insolvent.[163]

The balance sheet figures for the assets and liabilities of the Company as of September 30, 2007 and December 31, 2007 (when the assets had been stated at fair value as of the closing date of the Transaction) were as follows:[164]

Schedule 4.a

Station Casinos Balance Sheet Comparison
Balance Sheet ($000s), except ratios

	9-30-07 Pre-LBO[1]	12-31-07 Post-LBO[2]
Total Assets	3,931,734	8,988,666
Total Liabilities	4,222,636	6,417,604
Net Assets	(290,902)	2,571,062
Interest Bearing Debt	3,626,253	5,244,424
Cash & Cash Equivalents	98,958	96,392
Net Interest Bearing Debt	3,527,295	5,148,032
Debt/Total Book Cap	1.09	0.67
Debt/Book Equity	nm	2.04
Net Debt/Total Book Cap	1.06	0.66
Net Debt/Book Equity	nm	2.00

[1] From balance sheet data on 10-Q as of 9-30-07. Asset values based on GAAP.

[2] From balance sheet data on 10-K as of 12-31-07. Asset values based on SFAS 141 purchase accounting.

The carrying value for assets on the Company's September 30, 2007 balance sheet is not relevant to a solvency analysis because they are not stated at fair market value.[165] The Committee asked Odyssey to conduct an independent analysis of whether the Company was insolvent at the time of the Transaction or became insolvent as the result of the Transaction, with reference to the fair value of the assets reflected on the Company's balance sheet. Odyssey evaluated the Company's solvency in connection with the Transaction using three different valuation methods: a discounted cash flow analysis, a trading comparables analysis, and a transaction comparables analysis.[166] Each valuation method used by Odyssey led them to conclude that the Company was not insolvent at the time of the Transaction and that it was not rendered insolvent as the result of the Transaction.[167] The results of Odyssey's valuation analysis is described in detail at pages 14-19 of the Odyssey Report and summarized below.

In its discounted cash flow analysis, Odyssey used the same cash flow projections that were provided to Duff & Phelps by the Company in order for Duff & Phelps to perform an allocation of the purchase price pursuant to SFAS 141.[168] Duff & Phelps' purchase price allocation work included a detailed analysis of the Company's business. E&Y audited Duff & Phelps' allocation of the purchase price and found it to be reasonable. Duff & Phelps' analysis differed from a true valuation in that it was not made for the purpose of determining the fair value of the Company's assets but rather for the purpose of allocating the purchase price that had already been determined by the Transaction. Thus, Duff & Phelps simply calculated the discount rate that would result in the value of the Company's cash flows being equal to the purchase price paid in the Transaction, which was 7.5%.[169]

In order to value the Company's cash flows for solvency purposes, Odyssey used the Company's actual weighted average cost of capital ("WACC"). While it was not the discount rate used in the purchase price allocation, Duff & Phelps determined that the Company's actual WACC was 9%.[170] Notably, 9% was the midpoint of the WACC range used by Bear Stearns in rendering its fairness opinion to the 2006 Special Committee,[171] which occurred more than a year prior to Duff & Phelps' purchase price allocation.

Using the 9% discount rate, Odyssey's discounted cash flow analysis valued the Company's core operating assets at approximately $5.3 billion.[172] In its purchase price allocation, Duff & Phelps determined that the Company's non-core operating assets (which included substantial real estate holdings for long-term development, Native American gaming management contracts, and interests in joint ventures) were valued at approximately $2.1 billion.[173] Duff & Phelps' analysis of the non-core operating assets was also audited by E&Y and determined to be reasonable.[174] The analysis was also consistent with the value attributed to the Company's real estate in other valuations, including the one performed by CB Richard Ellis.[175]

By adding $2.1 billion (i.e., the same figure used by Duff & Phelps for the value of non-core operating assets) to its $5.3 billion discounted cash flow analysis of the Company's core operating assets Odyssey determined the total enterprise value of the Company to be approximately $7.4 billion.[176] The book value of the Company's total liabilities prior to the Transaction was approximately $4.2 billion and after the Transaction was approximately $6.4 billion.[177] Thus, using this combined approach applied to the information Duff & Phelps used in their purchase allocation work, Odyssey determined that the Company was not insolvent at the time of the Transaction and was not rendered insolvent as a result of the Transaction.[178]

Odyssey also determined that the Company was not insolvent using the trading comparables valuation method. Odyssey identified a peer group of comparable gaming companies. Analyzing those companies and their projected EBITDA, Odyssey determined that they were valued at multiples of approximately 11.6x of estimated 2007 EBITDA and 10.9x of estimated 2008 EBITDA.[179] Applying those multiples to the Company's revised projected EBITDA in 2007 and 2008, and accounting for the value of the Company's land and other non-EBITDA producing assets generated an overall enterprise value of approximately $8.2 billion for 2007 and $8.8 billion for 2008.[180] When comparing these enterprise values to the $6.4 billion in liabilities, Odyssey's trading comparables analysis demonstrated that the Company was not insolvent at the time of the Transaction and was not rendered insolvent as the result of the Transaction. In identifying the peer group and calculating the multiples, Odyssey excluded two gaming companies with large scale development projections underway in Macau, for which investors were paying substantial premiums.[181] If Odyssey had not followed a conservative approach of excluding those companies, its trading comparables enterprise valuations of the Company would be higher.

Finally, Odyssey determined that the Company was not insolvent using a transactions comparables analysis that evaluated similar gaming company transactions (including those identified by Bear Stearns in its reports to the 2006 Special Committee) in order to determine implied EBITDA multiples.[182] Applying those multiples to the Company's revised EBITDA projections for 2007 and 2008, and allowing for the value of the non-EBITDA generating assets, Odyssey's comparable transactions analysis determined an enterprise value of approximately $7.7 billion in 2007 and $8.0 billion in 2008.[183] This valuation method again demonstrated that the Company was not insolvent at the time of the Transaction and was not rendered insolvent as a result of the Transaction, when comparing these enterprise values to the $6.4 billion in liabilities.[184]

The Committee believes that Odyssey's conclusions regarding the Company's solvency under each of the three valuation methods is consistent with other indicators of the Company's value. Chief among these is the total $8.9 billion purchase price paid for the Company in a Transaction in which Colony, an arms-length purchaser, contributed approximately $2.7 billion in cash equity. That purchase price is strong evidence of the Company's value at the time of the Transaction.[185] Numerous other parties viewed the Company's value the same way, including the lenders to the Transaction,[186] and sophisticated third-party investors who desired to invest in the Transaction through Colony.[187]

3. Was the company left with unreasonably small capital for the business in which it was to engage?

The Committee understands that neither section 548 of the Bankruptcy Code nor the Uniform Fraudulent Transfer Act specifically defines "unreasonably small capital" but that it is a question of fact to be decided in each case.[188] In conducting its investigation of the adequacy of the Company's capitalization, the Committee focused on the Company's financial projections and its forecasted capital needs and debt service obligations. The Committee has concluded that the appropriate inquiry is not whether the Company's financial projections were correct in hindsight, but whether they were reasonable at the time they were made.[189]

In the case of the Company's projections, it is apparent in retrospect that the Transaction was finalized during a period of subpar performance in 2007 that presaged the arrival of more significant declines in late 2007 and throughout 2008. Unfortunately for the Company and others involved in the Transaction, the coming economic turmoil was not readily discernible at the time. The Committee's investigation uncovered no evidence that the Fertittas, Colony, the lenders, or any other party involved with the Transaction expected the significant declines in the Company's performance that actually occurred following the closing of the Transaction. To the contrary, the Fertittas and the management of the Company interviewed by the Committee indicated that they viewed performance in 2007 as merely a temporary dip that they had already addressed by adjusting the LBO projections downward in the fall of 2007.[190]

That view was shared by many others who had a strong economic interest not to ignore signs of a problem. Colony could have effectively backed out of the transaction and capped its exposure at $175 million.[191] Colony reaffirmed its belief in the Transaction after revisions to the financing and structuring of the Transaction in the fall of 2007.[192] Numerous sophisticated investors requested to participate in the equity investment for the Transaction through Colony in the fall of 2007.[193] Similarly, members of the lending syndicate for the Senior Secured Credit Facility had the opportunity to terminate their participation following changes to the financing and structure of the Transaction in October 2007. Only two of them did, for reasons unrelated to concerns about the Transaction. [194] In fact, the Senior Secured Credit Facility was oversubscribed.

There is no indication that others in the gaming industry expected a significant or extended downturn around the time of the Transaction. The Harrah's leveraged buyout -- a transaction significantly larger than the Company's Transaction -- closed at the end of January 2008.[195] The Committee asked Odyssey to assess the Company financial projections in light of contemporaneous economic indicators and the view of Wall Street analysts regarding the gaming industry. Odyssey concluded that the Company's projections were reasonable and consistent with the outlook for the industry that prevailed at the time.[196]

The Committee also analyzed the timing of impairment adjustments to goodwill by gaming companies. Under SFAS 142,[197] goodwill must be recognized as impaired, and its value reduced and recorded as a loss, when the carrying amount of goodwill exceeds its fair value. The Company did not recognize any impairment to goodwill until the fall of 2008, thus reflecting the view of the Company that deteriorating economic conditions and the effect on the Company's performance was not recognized as other than temporary before that time. The independent analysis by the Committee of the timing of goodwill impairment by other gaming companies is consistent with the timing of the Company's recognition:[198]

Summary of Balance Sheet Information as of 12/31/07 for Comparable Companies to Station Casinos, Inc

Source: 10K audited finanical statements as of 12/31/08 (balance sheet amounts shown are for 12/31/07 and are in 000's)

	Station	*Herbst*	*Boyd*	*MGM*	*Harrahs*	*Ameristar*	*Penn Nat'l*	*Pinnacle*	*LV Sands*	*Wynn*
Auditors	*E&Y*	*Deloitte*	*Deloitte*	*Deloitte*	*Deloitte*	*E&Y*	*E&Y*	*Deloitte*	*PWC*	*E&Y*
Total Assets	$ 8,988,666	$ 1,080,385	$ 4,487,596	$ 22,727,686	$ 23,357,700	$ 2,412,096	$ 4,967,032	$ 2,193,544	$ 11,466,517	$ 6,299,282
Total Liabilities	$ 6,417,604	$ 1,199,114	$ 3,102,190	$ 16,666,983	$ 16,730,800	$ 1,908,970	$ 3,846,070	$ 1,141,185	$ 9,206,243	$ 4,351,123
Stockholders' Equity (Deficit)	$ 2,571,062	$ (118,729)	$ 1,385,406	$ 6,060,703	$ 6,626,900	$ 503,126	$ 1,120,962	$ 1,052,359	$ 2,260,274	$ 1,948,159
Goodwill at 12/31/07	$ 2,964,938	$ 112,438	$ 404,206	$ 1,262,922	$ 3,553,600	$ 338,036	$ 2,013,139	$ 45,286	$ -	$ -
If Adjusted	$ (393,876)	$ (231,167)	$ 981,200	$ 4,797,781	$ 3,073,300	$ 165,090	$ (892,177)	$ 1,007,073	$ 2,260,274	$ 1,948,159
Intangible Assets at 12/31/07	$ 1,007,107	$ 244,059	$ 538,095	$ 362,098	$ 2,039,500	$ 232,646	$ 777,441	$ 74,487	$ -	$ 60,074
If Adjusted	$ (1,400,983)	$ (475,226)	$ 443,105	$ 4,435,683	$ 1,033,800	$ (67,556)	$ (1,669,618)	$ 932,586	$ 2,260,274	$ 1,888,085
Goodwill and Intangible Asset Impairment Losses										
Losses Recorded during 2008	$ 2,925,292	$ 106,271	$ 350,298	$ 1,179,788	$ 5,489,600	$ 314,500	$ 466,200	$ 69,930	$ 37,568	$ -
Losses Recorded during 2007	$ 8,043	$ 69,800	$ 3,728	$ -	$ 169,600	$ -	$ -	$ -	$ -	$ -
Disclosure of Testing in Q1 or Q2 of 2008	No	Yes	Yes	No	No	Yes	No	No	No	No

Duff & Phelps performed the work for the Company's testing of impairment of goodwill in the fall of 2008. This work was distinct from Duff & Phelps' work on the purchase price allocation as of November 7, 2007. The Committee questioned representatives of Duff & Phelps, management of the Company, and the Company's auditors, E&Y, as to whether any of them believed that an impairment of the Company's goodwill needed to be recognized earlier. The Committee focused on the period through March of 2008, which was the date of the filing of the Company's annual report for the year ended December 31, 2007, which included the purchase price allocation adjustments as of the closing of the Transaction on November 7, 2007.[199] All of the parties questioned by the Committee indicated that they did not believe that the Company needed to recognize any impairment as of that date and were unaware of any other party suggesting the need for impairment. These responses from Duff & Phelps and E&Y corroborated the statements of the Fertittas and the management of the Company that they believed that declining performance of the Company in late 2007 and early 2008 was temporary.

The reality is that few foresaw the meltdown in the local, national, and global economies that occurred in 2008. The Company and its Transaction should not be held to a different standard than countless other economic actors. Accordingly, the Committee concluded that the appropriate inquiry was not how fast or how much the Company's performance diverged from projections following the closing of the Transaction in November 2007, but whether the projections were reasonable at the time they were made.

In assessing the reasonableness of the financial projections at the time they were made, the Committee considered factors such as whether the projections were based on historical data,[200] whether they took into account potential difficulties and the possibility of economic downturn,[201] whether they were based on input from the Company's management,[202] whether expert analysis validated the projections,[203] and whether the projections were sufficient to attract investors and lenders.[204] The Committee and its advisors interviewed members of the Company's finance team responsible for developing the projections on multiple occasions regarding the methodology and assumptions for the projections. The results of each line of inquiry led the Committee to conclude that the financial projections used in connection with the Transaction were reasonable at the time they were made.

a. The Committee believes that the Company's financial projections were well grounded with reference to historical data and methodology.

The Company followed this same approach to formulate the projections used in connection with the Transaction. Among other inquiries, the Committee asked each person it interviewed whether the witness was aware of any significant differences between the assumptions and methodology used to create the financial projections for the Transaction and the assumptions and methodology the Company used historically. No person interviewed was aware of any such difference. The Committee interviewed representatives of the Company's auditor, E&Y and reviewed E&Y's audit work papers. E&Y indicated that it never had any concerns about the adequacy of the process the Company followed to make financial projections. No one at E&Y (including the core audit team and the E&Y valuation personnel who assisted with the review of Duff & Phelps' work) was aware of any change to the Company's approach to financial projections in 2007 or 2008.

The Committee asked Odyssey to determine whether there was any material difference between the process the Company used to prepare the financial projections for the Transaction and the Company's historical approach to financial forecasting. Odyssey concluded there was not.[205] It determined that the Company followed the same process for developing financial projections for the Transaction as it had historically used to prepare its annual budget.

The consistency of the projections used for the Transaction with the Company's historical approach to financial forecasting was persuasive to the Committee because the Company generally has been accurate in its forecasts. As discussed above, the Company met its large property EBITDA forecasts in 2004 and 2005, was within 1% of the forecast in 2002 and 2003, and was within 3% of forecast in 2006.[206] The Committee also concluded that the financial projections for the Transaction were well-grounded with reference to the Company's historical results. The Company was not a business with an unproven track record. It had enjoyed sustained growth in total revenue, gaming revenue, and EBITDA for many years.[207]

The financial projections for the Transaction did not exaggerate the Company's historical success. The primary drivers of the Company's successful business model were population growth and win per capita.[208] Over the period from 1998 to 2006, population growth for the Las Vegas locals market averaged 5.5%.[209] In the financial projections for the Transaction, the Company estimated an average population growth rate of 4.5 for the period of 2007 through

2012.[210] For the period from 1998 through 2006, the Company's win per capita increased by an average rate of 3.7% every year.[211] In the financial projections for the Transaction, the Company forecast annual growth in win per capita of 3% per year for 2007 through 2012.[212]

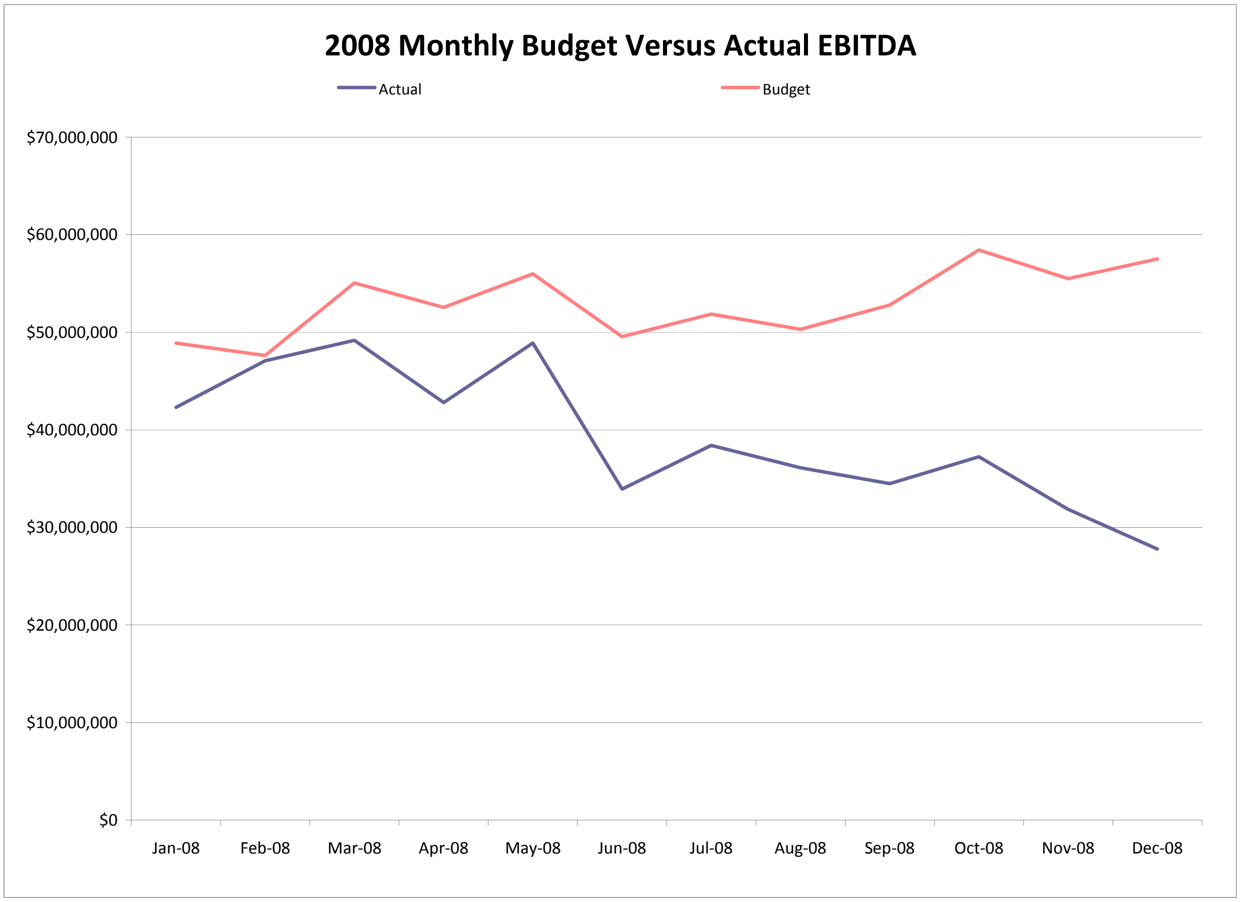
b. The Committee believes that the Company's projections properly took into account potential difficulties and the possibility of economic downturn.

The Committee's investigation revealed that the Company actively considered the possibility that actual results might fall below forecast. In the first instance, the Company's projections were the product of a robust process that included input from both operations and finance personnel. It also featured both a "top down" and "bottom up" approach that took into account input from individual Company properties.[213] The Company was generally successful with its annual forecasts of EBITDA.[214]

The Committee's investigation did not indicate that the Company, despite its history of success, ignored the possibility of a setback. The Committee interviewed the Company's Director of Financial Analysis, Dan Schafer, regarding the sensitivity analyses he was directed to perform around the time changes were made to the financing structure of the Transaction in the fall of 2007 (as reflected in the October 2007 Deutsche Bank Update). Mr. Schafer performed "stress testing" of the Company's assumptions against the financial covenants required for the Transaction. He indicated that there was no sensitivity analysis that suggested the Company could not maintain compliance with its financial covenants. To the contrary, Mr. Schafer's conclusion from the sensitivity analyses was the Company had "significant flexibility in the numbers" as they pertained to anticipated performance and covenant compliance.[215]

If all anticipated capital expenditures were incurred, the Company calculated that it could have missed 2008 EBITDA projections by $85 million and still complied with applicable financial covenants.[216] Mr. Schafer estimated that there was $50-80 million of flexibility in anticipated capital expenditures concerning desired versus critical capital spending. The Committee also interviewed the Company's Executive Vice President and Chief Accounting Officer, Thomas Friel, regarding sensitivity analyses of the financial projections used for the Transaction. Mr. Friel stated that no sensitivity analysis ever indicated that the Company would be unable to meet its capital needs and debt obligations following consummation of the Transaction.

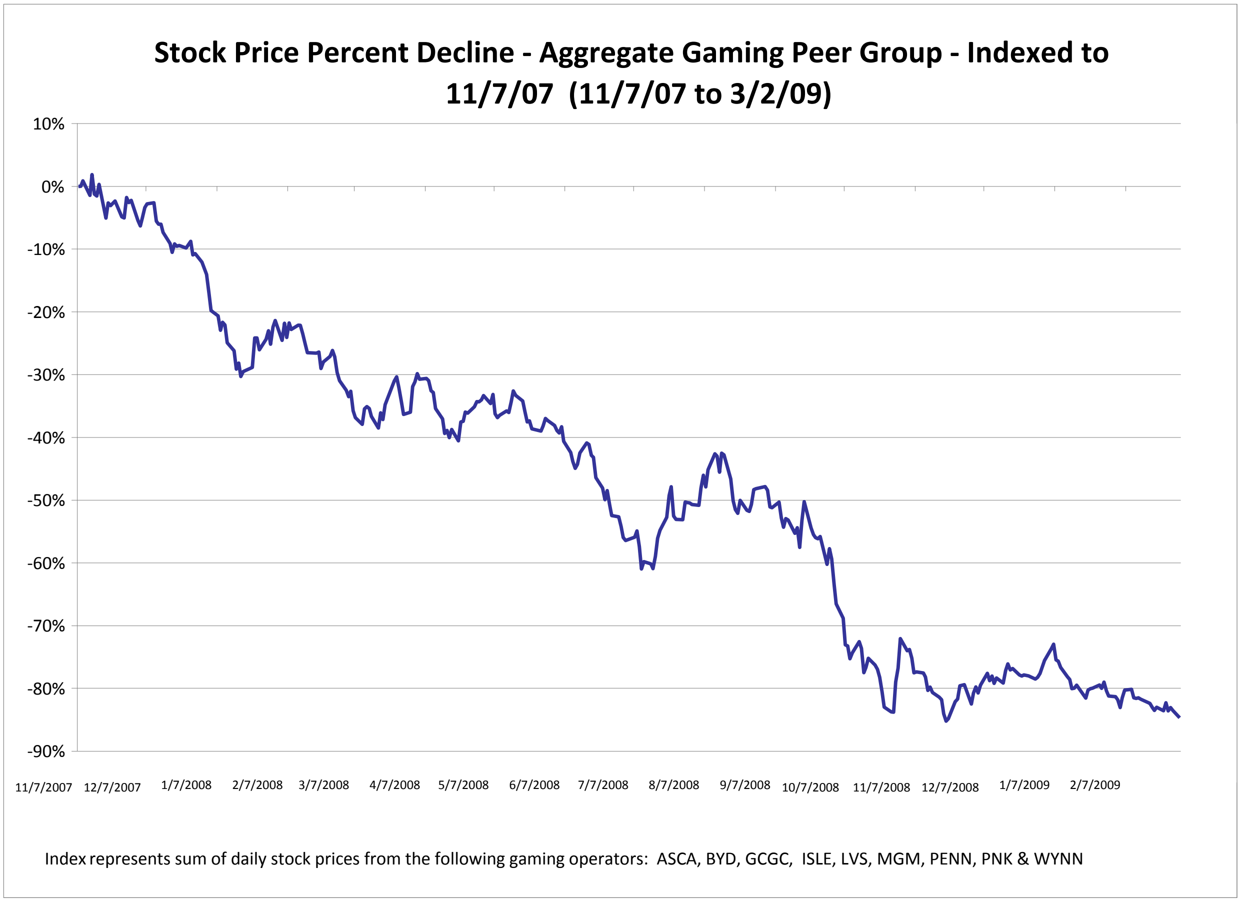
The Company also accounted for the possibility of economic downturn by revising its revenue projections downward during the period from contemplation of the Transaction through and after the closing in November 2007. As discussed above, the financial projections for the Transaction were revised downward based on actual performance through the fall of 2007 and these revised projections were provided to the primary parties in the transaction and included in Deutsche Bank's 2007 Deutsche Bank Update.[217] Following the closing of the Transaction, the Company continued to perform below projections in the fourth quarter of 2007. Reflecting this performance and the overall decline in general economic conditions, the Company's 2008 Operating Budget forecasted EBITDA of $608 million. Even at the revised projection, the Company did not meet its monthly EBITDA forecast for any month in 2008:[218]



The steep declines in the Company's 2008 performance correlated with macroeconomic events and the performance of the local, national, and global economies. Economic events in the fall of 2008 included, for example, the bankruptcy filing of Lehman Bros., the government bailout of AIG, the renationalization of Fannie Mae and Freddie Mac, and the freezing of the credit markets.[219] The effect and perception of these economic events was reflected in the stock market. The Dow Jones Industrial Index declined 34% in 2008, including a drop of nearly 778 points on September 29, 2008 and a decline of 25% in October alone.[220] The Committee concluded that the impact of such severe and unprecedented economic developments were not reasonably predictable at the time that the Company's projections for the Transaction were made.

The Committee also concluded that the inability to predict the coming economic downturn was not unique to the Company. In addition to Odyssey's analysis of the methodology and assumptions used in the Company's financial projections for the Transaction, it also analyzed Wall Street equity analyst research reports for the gaming industry around the time the Company's projections were made. Odyssey found the Company's projections were reasonable in light of the consensus view among equity analysts in the fall of 2007.[221] Odyssey also determined that the financial projections used for the Transaction were reasonable in light of general economic conditions and data available around the time of the Transaction.[222]

Rather than an indication that the Company did not allow for the possibility of a downturn, the Committee concluded that the post-Transaction financial performance of the Company reflected the severity and swiftness with which local, national, and global economic conditions struck the gaming industry as a whole. The performance of gaming company stocks in the months after the closing of the Transaction illustrates these effects. Odyssey charted the percentage decline in a composite of gaming company stocks following the closing of the Transaction and they reflect the same rapid and severe decline experienced by the Company:[223]



c. The financial projections for the Transaction were based on input from the Company's management and were validated by expert analysis.

The financial projections used for the Transaction included substantial input from management of the Company. Indeed, management prepared the initial projections consistent with the Company's historical approach to financial projections in the years prior to the Transaction. During the negotiation of the Transaction and in the period prior to closing, various participants in the Transaction (including Colony, Deutsche Bank, and Bear Stearns) communicated with the Company's finance team regarding the financial projections.

The financial projections underlying the Transaction were reviewed by Deutsche Bank and Colony as debt and equity investors, respectively. Additionally, Bear Stearns reviewed the financial projections as independent advisor to the 2006 Special Committee. Bear Stearns analyzed the projections and performed extensive due diligence (including a share price valuation of the Company using several different methodologies) in connection with its issuance of a fairness opinion to the 2006 Special Committee stating that the financial terms of the proposed Transaction were fair to the Company and its shareholders.[224] Neither Bear Stearns nor any of the other financial advisors and investment banks involved in the Transaction ever suggested that projections were unreasonable at the time they were made.

d. The projections for the Transaction were sufficient to attract significant equity and debt investment.

Colony is a sophisticated equity investor with significant experience in the gaming industry. It had the opportunity to review the Company's financial projections and to conduct extensive due diligence, including meeting with the Company's financial team.[225] As a practical matter, Colony could have walked away from a commitment to make a $2.7 billion equity commitment by paying up to a maximum of a $175 million break-up fee.[226] Colony reaffirmed its belief in the success of the Transaction even after downward revisions to financial projections in the fall of 2007.[227]

Other sophisticated equity investors asked (and were permitted) to participate in the equity investment through Colony.[228] Similarly, many large and sophisticated financial institutions chose to extend debt financing to the Transaction. In fact, the senior debt offering for the Transaction was oversubscribed, leading to an increase in the size of the Senior Secured Credit Facility from $500 million to $900 million.[229] When there were changes to the financing structure of the Transaction in October 2007 (and downward adjustments to the Company's revenue projections), the prospective members of the lending syndicate were given the opportunity to withdraw from the Transaction. Only two of the more than nineteen lenders did so. The Committee believes that the strong interest in the Transaction by financial institutions and institutional investors belies any conclusion that the Company was left with unreasonably small capital as the result of the Transaction.

4. Did the Company intend to incur, or did it believe (or reasonably should it have believed) that it would incur debts beyond its ability to pay as they became due?

The Committee understands that a transfer for less than reasonably equivalent value is constructively fraudulent if at the time of the transfer the debtor intended or expected to incur debts beyond its ability to pay as the debts matured. The Committee further understands that the test has both a subjective and objective prong (because the Uniform Fraudulent Transfer Act extends to transfers where the debtor "reasonably should have believed" that it would incur such debts even if it did not hold the subjective belief).[230]

The Committee's investigation found no evidence that any representative of the Company (or any other person) believed or intended that the Company would be unable to pay its debts as they matured following the Transaction. To the contrary, as discussed above, the Committee determined that the Company conducted numerous sensitivity analyses on its financial projections leading the Company to believe that it had significant cushions in its financial projections that would allow it to comfortably meet its debt obligations. Even when the financial projections for the Transaction were revised downward, the Committee found no evidence that any representative of the Company believed that the softening performance in late 2007 was other than a temporary decline.[231]

The Company did continue to pay its debt obligations following the Transaction. It made all required payments on its debt obligations until February 2009,[232] more than 14 months following the closing of the Transaction.[233] Rather than any inherent inability of the Company to pay its debts following the Transaction, the Committee believes that the Company's financial problems were caused in large measure by the precipitous decline in the Company's business caused by the severity of the economic recession throughout 2008 and 2009, and more particularly, the effect of the recession on the Las Vegas market.

The Committee also found no basis to conclude that the Company should reasonably have believed that it would incur debts beyond its ability to pay as the result of the Transaction. This objective prong of the inquiry also looks to the reasonableness of the Company's financial projections at the time they were made.[234] As discussed above, the Committee's investigation revealed, and Odyssey's independent financial analysis concluded, that the Company's financial projections for the Transaction were based on historical assumptions and methodology that were consistent with available industry data. In hindsight, the projections proved to be wrong. But that is not a basis to conclude that they were unreasonable at the time they were made, particularly where numerous sophisticated financial institutions and equity investors participated in the Transaction based on the same projections.

F. Are there applicable defenses to fraudulent transfer claims?

1. Good faith defenses.

The Committee understands that under the Uniform Fraudulent Transfer Act, a transferee that takes in good faith and for reasonably equivalent value has a complete defense to claims premised on actual fraudulent intent.[235] Similarly, a transferee that takes in good faith has a partial defense to claims premised on constructive fraud: the transferee is entitled, to the extent of the value given, to a lien on or a right to retain any interest transferred, enforcement of any obligation incurred, or a reduction in the amount of the liability on a judgment.[236] Section 548 of the Bankruptcy Code makes no distinction between intentional and constructive fraud claims for purposes of the good faith defense. With respect to either, a transferee that takes in good faith and for value is entitled, to the extent of the value given, to a lien on or a right to retain any interest transferred, enforcement of any obligation incurred, or a reduction in the amount of the liability on a judgment.[237]

2. Limits on remedies under section 550 of the Bankruptcy Code.

Additionally, the Committee understands that under the Bankruptcy Code, there is a distinction between a plaintiff's right to avoid a transfer or obligation and the right to recover against any particular defendant. In other words, even if a transfer is voidable, a plaintiff still may not be entitled to recover the value from certain defendants. Section 550 of the Bankruptcy Code governs the remedies available against particular categories of defendants to fraudulent transfer claims (regardless of whether the claim is asserted under section 548 of the Bankruptcy Code or under the Uniform Fraudulent Transfer Act). The Committee understands that section 550 divides defendants to fraudulent transfer claims into three classes:

a) initial transferee (i.e., the entity that first received the transfer at issue or for whose benefit the transfer was made);

b) immediate transferee (i.e., an entity that received a transfer one step removed from the transfer at issue - *i.e.,* who received the transfer from an initial transferee); and

c) mediate transferee (any entity that received a transfer two steps removed from the initial transferee - *i.e.*, who received a transfer from an immediate transferee).[238]

A plaintiff may not recover transferred property or its value from an immediate or mediate transferee that took for value, in good faith, and without knowledge of the voidability of the transfer.[239] "Good faith" generally means that the transferee lacks knowledge of the transferor's insolvency.[240] The transferee has the burden of proof on the issues comprising the defense.[241]

In leveraged buyouts where the court "collapses" the transaction, it may elect to treat selling shareholders and lenders as initial transferees even if they would otherwise qualify as mediate or immediate transferees if the formal structure of the transaction were upheld.[242] Courts may also deny section 550 limitations to transferees who may be charged with knowledge of the improperly leveraged nature of the financing.[243] For purposes of this Report, the Committee has assumed that a fraudulent transfer claim would not be foreclosed based on good faith defenses or limitations on recovery under section 550 of the Bankruptcy Code. In other words, the Committee does not believe that potential defendants would be successful in having potential fraudulent transfer claims dismissed based on those defenses prior to trial. The Committee believes, however, that the possible application of those defenses poses fact-intensive inquiries that would add significantly to the time and expense of litigation.

3. Bar to fraudulent transfer claims regarding settlement of securities transactions under section 546(e).

The Committee understands that section 546(e) of the Bankruptcy Code provides that a fraudulent transfer plaintiff "may not avoid transfers that constitute settlement payments, as defined in section 101 or 741 of this title, made by or to (or for the benefit of) a … stockbroker, financial institution, financial participant, or securities clearing agency … that is made before the commencement of this case, except under section 548(a)(1)(A) of this title." The plain reading of that language suggests that, with the exception of transfers made with actual fraudulent intent under section 548(a)(1)(A) of the Bankruptcy Code, section 546(e) bars fraudulent transfer claims that seek avoidance of settlement payments for securities transactions. Many courts have given Section 546(e) that straightforward reading.[244] Other courts have found that fraudulent transfer plaintiffs may avoid transfers of private stock, but not publicly-traded stock.[245]

The Committee understands that, while the Ninth Circuit has joined other circuits in adopting an "extremely broad" definition of "settlement payment" as including any transfer of securities that completes a securities transaction,[246] it has not squarely decided whether section 546(e) bars claims against selling shareholders in an LBO transaction. One decision in the Ninth Circuit has applied section 546(e) to bar a claim against a stockbroker in connection with an LBO transaction.[247] In its Transaction, the Company used a disbursing agent to effectuate payments to selling shareholders. After the Transaction was approved by the Company's shareholders, the disbursing agent sent letters to record holders of the shares with instructions as to how to surrender the shares in exchange for the merger consideration. Wells Fargo Bank, N.A. served as the disbursing agent and qualifies as a "financial institution" within the plain meaning of section 546(e). Because many of the shares of the Company were held in street name by broker-dealers, many payments also involved stockbrokers and securities clearing agencies within the meaning of section 546(e). Within the last four months, both the Eight Circuit and the Sixth Circuit have applied section 546(e) to bar claims against selling shareholders in an LBO in exactly the same circumstances.[248] Additionally, neither of those cases involved publicly-traded stock, which further supports the application of section 546(e) to the Company's Transaction.

Based on the weight of authority and recent decisions applying section 546(e) to bar claims in identical circumstances, the Committee believes that there is a strong likelihood that a court in the Ninth Circuit would apply section 546(e) of the Bankruptcy Code to bar fraudulent transfer claims against selling shareholders in connection with the Transaction.

Additionally, approximately $300 million of distributions to the Rollover Equity Holders were funded directly by Parent through FC Investor, Inc., both non-debtor entities.[249] Those direct sales of shares did not involve transfers by a debtor and would not be avoidable regardless of the application of section 546(e).[250]

VII. OTHER POTENTIAL CLAIMS

A. Breach of Fiduciary Duty

The Committee understands that any claim for breach of fiduciary duty concerning the Transaction would likely be governed by Nevada law. Under Nevada law, the elements of a claim for breach of fiduciary are: (1) existence of a fiduciary duty, (2) breach of the duty, and (3) damages proximately caused by the breach.[251] Officers and directors of a corporation have a duty of care, which requires them to act on an informed basis. They also have a duty of loyalty, which requires them to act in good faith and in the corporation's (and shareholders') best interests. The Committee further understands that a third-party may be liable for aiding and abetting a breach of fiduciary duty where (1) there is a breach of a fiduciary duty owed to the plaintiff by a primary party, (2) the third-party has actual knowledge of the breach, (3) the third-party knowingly induces or participates in the breach, and (4) the plaintiff suffers damages as a result of the breach.[252]

A fiduciary duty exists when one party is bound to act for the benefit of the other party. Fiduciary duties arise as a matter of law in certain relationships, including relationships between corporate officers or directors and the corporation. Officers and directors have a duty of care, which requires them to act on an informed basis. They also have a duty of loyalty, which requires them to act in good faith in the corporation's (and shareholders') best interests. Under the "business judgment" rule, officers and directors are presumed to have acted on an informed basis, in good faith, and in the honest belief that their actions were in the best interests of the company. But the business judgment rule does not shield officers or directors from liability for intentional misconduct, fraud, or a knowing violation of law.

In this case, the Committee interviewed witnesses, reviewed transcripts of depositions from the prior shareholder derivative litigation, and reviewed documents regarding the decision of the 2006 Special Committee recommending that the Company should enter into the Transaction, including the record of actions and the factors described in the Definitive Proxy. The Committee's investigation found no evidence that any officer or director of the Company breached a fiduciary duty in connection with the Transaction, or that any third-party aided and abetted such a breach. While the Committee recognized that breach of fiduciary duty is a separate cause of action, the absence of any facts suggesting that the Company's financial projections were unreasonable or that the Company would be unable to satisfy its debt obligations after the Transaction also led the Committee to conclude that there was no basis for a breach of fiduciary duty claim in connection with the Transaction.[253]

The Committee also found no evidence that any officer or director of the Company acted in an unreasonable, bad faith, or uninformed basis. To the contrary, the Committee's investigation confirmed that the 2006 Special Committee[254] conducted a thorough analysis of the Transaction and took appropriate actions based on the advice of its independent legal and financial advisors. Notably, the 2006 Special Committee received a fairness opinion from Bear Stearns that the $90 per share price for the Transaction was fair to the Company's shareholders.

The Committee found it particularly persuasive that the shareholder derivative litigation -- asserting claims against officers and directors for breach of fiduciary duty in connection with the Transaction -- was settled and then dismissed with prejudice following fairness discovery and an opportunity for objection.[255] Even though there may not be formal issue preclusion or claim preclusion as the result of the previous litigation,[256] the Committee believes that the dismissal of the prior breach of fiduciary duty claims after litigation discovery is consistent with the Committee's conclusion that there is no basis for a breach of fiduciary duty claim in connection with the Transaction.

Similarly, the Committee believes that the approval of the Transaction by the Gaming Control Board is yet another persuasive factor indicating that there is no basis for a breach of fiduciary duty claim. Like many others who looked at the terms and structure of the Transaction, the Gaming Control Board (following diligence by its staff professionals) expressed a belief that the Company would be able to service its increased debt and would remain successful based on its historically strong financial performance:

> CHAIRMAN NEILANDER: Very good. I will bring this matter back to the Board for its deliberation.
>
> This has been a difficult one just in the sense that it is a fairly complicated deal. I'm very comfortable that I understand the deal, I understand the reasons for it, and in applying the application to the language in the statutes and the regulation, I think the applicant has met its burden of proof.
> The only troubling thing to me is that the company will be highly leveraged compared to what it is now. I shouldn't say highly but it will be significantly more leveraged. However, the company has historically had very strong cash flow.
>
> We use a measure of one of the ratios we use to keep track of a company's financial stability is a profitability ratio where we use EBITDA to total revenue, and then we compare that to a group of industry peers, and this company has always been at the top of that list in terms of that mark. And I don't see this leverage as having an impact on that side of it. So I think there is going to be capacity for additional borrowing if the company were to need it.

> So the existing management, obviously, we're very familiar with them, they have a strong track record in Nevada of success and regulatory compliance.
>
> Very familiar with the Colony side as well. Colony was the first private equity deal that we handled, almost eight, nine years ago now. So this really is a pretty easy call for me.
>
> While the company could probably do the things we have talked about by remaining public, it's chosen to take a different avenue and access a different type of capital market, I am not going to substitute my judgment for that of the company. I don't think that's the role of a regulator.
>
> So while I could see the company or I could sit here and make a thousand arguments as to why maybe you are better off staying where you are, I don't believe that's my role, and I think the company will be successful the way that it is proposed to be structured. So I'm comfortable supporting the application today.[257]

* * *

Dr. Nave advised the Committee that he concluded that it would be appropriate for him to abstain from deliberating and voting on the issue of the Committee's recommendation to the board of directors as to whether it should bring claims for breach of fiduciary duty in connection with the Transaction. Based on his service on the 2006 Special Committee and its role in negotiating the terms of the Transaction, and his inclusion in the relatively small group of officers and directors who could be considered defendants for such claims, Dr. Nave concluded that it would be appropriate for him to abstain from consideration or voting on the Committee's recommendation concerning potential breach of fiduciary duty claims. While the other members of the Committee had no concerns about Dr. Nave's fairness and impartiality, they accepted his decision to abstain in order to avoid any appearance that the Committee's recommendation lacked impartiality.

B. Equitable Subordination

The Committee understands that under section 510(c) of the Bankruptcy Code, a bankruptcy court may, under principles of equitable subordination, subordinate for purposes of distribution all or part of an allowed claim to all or part of another allowed claim or all or part of an allowed interest to all or part of another allowed interest. The Committee also understands that equitable subordination generally requires three findings by the bankruptcy court: (1) that the claimant engaged in some type of inequitable conduct, (2) that the misconduct injured creditors or conferred unfair advantage on the claimant, and (3) that subordination would not be inconsistent with the Bankruptcy Code.[258]

The Committee's investigation included analysis of the potential for equitable subordination claims in connection with the Transaction. The Committee did not uncover evidence to support such a claim. The Committee looked for such evidence in its interviews of witnesses, its review of documents, and the specialized review of electronically stored information that the Committee's legal advisors undertook with H5.[259]

Equitable subordination claims have sometimes been asserted against lenders. In one recent decision[260] that has received significant attention in the legal press, a bankruptcy court subordinated the claim of a secured lender where it found that the lender's actions in the case were so far overreaching and self-serving that they "shocked the conscience of the Court."[261] According to the court in that case:

> In 2005, [Lender] was offering a new financial product for sale. It was offering the owners of luxury second-home developments the opportunity to take their profits up front by mortgaging their development projects to the hilt. [Lender] would loan the money on a non-recourse basis, earn a substantial fee, and sell off most of the credit to loan participants. The development owners would take most of the money out as a profit dividend, leaving their developments saddled with enormous debt. [Lender] and the development owners would benefit, while their developments –

> and especially the creditors of their developments – bore all the risk of loss. This newly developed syndicated loan product enriched [Lender], its employees and more than one luxury development owner, but it left the developments too thinly capitalized to survive.[262]

The court found that "[Lender] had to have known what a distribution would do to the Debtors' financial statements, and in particular, their balance sheets, yet [Lender] proceeded with the loan, and thus earned its large fee." Critical to the finding of gross and egregious conduct was the determination that the Lender "relied almost exclusively on the Debtors' future financial projections, even though such projections bore no relation to the Debtors' historical or present reality."[263] Based on these facts, the court concluded that the "only plausible explanation for [Lender's] actions is that it was simply driven by the fees it was extracting from the loans it was selling, and letting the chips fall where they may."[264]

The Committee recognized that evaluating a potential claim for equitable subordination was an intensively fact-specific inquiry and that the type of conduct described above is not the only possible basis for such a claim. But as a point of reference, the Committee found no similar evidence of lender misconduct with respect to the Transaction. The financial projections supporting the Transaction were subject to due diligence by numerous parties, including Colony as a third-party investor contributing approximately $2.7 billion in new cash equity. Moreover, as discussed at length above, the Committee concluded that the financial projections were reasonable in light of the Company's historical performance.[265] Unlike the situation where the bankruptcy court could find no "plausible explanation" for the lender's actions other than greed and misconduct, the information considered by the Committee in this case supports a conclusion that the lenders, like others participants in the Transaction, reasonably could have believed that Transaction would be successful and that the Company could enjoy continued financial success.

Deutsche Bank declined to make a representative available for interview in response to requests by the Committee that it do so. Based on the information available to it, the Committee had no basis to conclude that equitable subordination is warranted in connection with the Transaction, either with respect to a claim by a lender or a claim by any other person or entity.

C. Other Potential Theories of Liability

The Committee considered whether there were other potential causes of action that could be asserted in connection with the Transaction. In light of the Committee's findings and conclusions, including that there was no evidence that any person acted with an intent to hinder, defraud, or delay a creditor, that the financial projections for the Transaction were reasonable when made, that the Company was not insolvent at the time of the Transaction and that it did not become insolvent as the result of the Transaction, and that the participants in the Transaction had a good faith belief that the Transaction would succeed and that the Company would enjoy continued growth, the Committee does not believe that there is any reasonable basis for other causes of action challenging the Transaction.

The Committee's investigation was limited to potential causes of action in connection with the Transaction. The Committee did not investigate or analyze potential claims arising from conduct occurring after the Transaction or potential claims concerning matters unrelated to the Transaction. The Committee formed no conclusions regarding any such potential claims.

VIII. ANALYSIS OF EFFECT ON POTENTIAL REORGANIZATION

The Committee understands that the Company is now operating as a debtor-in-possession with all the authority and responsibility of a bankruptcy trustee concerning property of the estate, including causes of action.[266] The Committee further understands that a debtor-in-possession loses its exclusive authority to bring claims on behalf of the estate if the debtor-in-possession unjustifiably fails or refuses to bring an action. Leading cases outside the Ninth Circuit frame the inquiry in terms of whether a debtor-in-possession engages in an unjustified refusal to bring colorable claims.[267] In the Ninth Circuit, the issue has been described as requiring "a balancing of the competing interests to determine whether or not the debtor-in-possession's failure to bring the action is unjustifiable and therefore constitutes an abuse of discretion."[268] In these circumstances, a creditors' committee or individual creditors may gain standing to assert the claims instead. But even if a colorable claim exists, a bankruptcy court must determine whether bringing it would be a net benefit to the bankruptcy estate.[269]

In this case, while some claims challenging the Transaction might require resolution of issues of fact and may survive a motion to dismiss, the Committee does not believe the claims have a meaningful likelihood of success on the merits. The Committee's conclusion in this regard is supported by: 1) the lack any reasonable factual basis uncovered by the Committee's investigation to support fraudulent transfer theories or other claims; and 2) the Committee's conclusion that avoidance claims against selling shareholders receiving transfers through a disbursement agent would be barred by section 546(e) of the Bankruptcy Code (both by existing Ninth Circuit authority adopting a broad definition of "settlement payment" and, if litigated to appeal, by a decision that would follow very recent decisions in the Sixth and Eighth Circuits as well as established decisions in the Third and Tenth Circuits).

The Committee also believes that some transferee defendants could be successful in establishing good faith defenses that would allow them to defeat fraudulent transfer claims and/or reduce the recoveries against them to the extent of any value they provided. Moreover, with respect to potential defendants who provided value in the form of funds loaned to the Company (or to the collapsed transaction), even a successful avoidance action would not eliminate the estate's obligation to them because, upon avoidance of the challenged transfer or obligation, the defendant would receive an unsecured claim against the debtor's estate in the amount of any consideration given.[270] The Committee is aware that some potential defendants might have access to insurance policies or other funds that could provide a source of recovery if claims against them were successful. In the Committee's view, the existence of insurance coverage does not change the merits of potential claims or significantly affect the consideration of whether the claims would benefit the estate if brought.

The Committee understands that the effect of litigation on the reorganization process is a factor to consider in assessing potential claims. Accordingly, the Committee believes that it is appropriate to state the Committee's conclusion that litigation challenging the Transaction would be protracted, extremely costly, and could significantly delay or disrupt the reorganization process.

IX. RECOMMENDATION TO BOARD OF DIRECTORS

Based on the results of the Committee's investigation over the last five months, and in light of all of the foregoing considerations, the Committee recommends to the board of directors that the Company should not bring litigation claims challenging the Transaction.[271] The Committee further recommends to the board of directors that the Company should oppose any request by creditors or others that they be authorized to bring the claims on behalf of the Company's bankruptcy estate. In addition to all of the other conclusions discussed in this Report, the Committee's recommendations are based on its key findings and conclusions that: 1) the financial projections for the Transaction were reasonable at the time they were made in light of the Company's historical performance, the Company's approach to financial forecasting, and the available economic data at the time the projections were made; 2) the Company (i) was not insolvent at the time of the Transaction and did not become insolvent as the result of the Transaction, (ii) was not left with unreasonably small capital as the result of the Transaction, and (iii) did not intend or expect to incur debts beyond its ability to pay as the debts matured. 3) there is an absence of evidence or information suggesting that any person or entity intended to hinder, delay, or defraud any creditor, and there is contrary evidence indicating that the participants in the Transaction believed in good faith that the Transaction would be successful and the Company would enjoy continued growth; and 4) there is an absence of evidence indicating that any person or entity engaged in inequitable conduct such that a claim by the person or entity in the Company's bankruptcy case should be equitably subordinated.

Unfortunately for the many parties affected, the Transaction was not successful. The Committee does not believe that it is appropriate to engage in hindsight analysis but instead believes that potential claims challenging the Transaction need to be evaluated based on the facts and information that were known or reasonably foreseeable at the time. Rather than any misconduct or inherent problem with the Transaction or the Company's business, the Committee believes that the ultimate failure of the Transaction can most directly be explained by the severe, rapid, and unanticipated deterioration of the local, national, and global economies following the closing of the Transaction. The Committee believes that the interests of the Company and its bankruptcy estate would be better served by pursuing an efficient and economical reorganization than by commencing litigation concerning the Transaction.

1 This Report does not distinguish between Station Casinos, Inc. and its various affiliates unless the distinction is germane to the issue discussed.

2 Weekly is a former partner at Arthur Andersen. Some of the Company's officers are also former Arthur Andersen employees. Weekly had no dealings with them at Arthur Andersen. Weekly and his wife also hosted a charity bowling tournament at the Company's Texas Station property in 2003 and 2004 but did not interact with any senior manager of the Company.

3 The organizational chart is the one attached as Exhibit A to the Omnibus Declaration of Thomas Friel in Support of the Debtors' Chapter 11 Petitions and First Day Motions on July 28, 2009 ("Friel Declaration").

4 Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on June 18, 2008.

5 Friel Declaration at p. 3-4.

6 Friel Declaration at p. 4.

7 Friel Declaration at p. 4-9.

8 Friel Declaration at p. 4.

9 Friel Declaration at p. 11-13.

10 Friel Declaration at p. 13-14

11 *See* Definitive Proxy Statement of the Company on Schedule 14A filed with the Securities Exchange Commission on July 9, 2007 ("Definitive Proxy") at p. 17.

12 Definitive Proxy at p. 17*;* July 22, 2009 Interview of Frank J. Fertitta III and Lorenzo J. Fertitta ("July 22 Fertittas Interview"); June 8, 2007 Deposition of Frank J. Fertitta III at p. 46.

13 Definitive Proxy at p. 17.

14 Definitive Proxy at p. 17.

15 Definitive Proxy at p. 17.

16 Definitive Proxy at p. 18.

17 Definitive Proxy at p. 18.

18 Definitive Proxy at p. 18.

19 Definitive Proxy at p. 18.

20 Definitive Proxy at p. 18.

21 Definitive Proxy at p. 17. The Committee's investigation determined the identity of Firm A and the other firms not identified by name in the Definitive Proxy but this Report also does not disclose their identity in order to respect the Company's confidentiality agreements.

22 Definitive Proxy at p. 17; May 12, 2009 Interview of Richard Haskins ("May 12 Haskins Interview"); July 22 Fertittas Interview.

23 Definitive Proxy at p. 17.

24 Definitive Proxy at p. 17; May 4, 2009 Interview of Thomas Friel ("May 4 Friel Interview").

[25] Definitive Proxy at p. 17; May 4 Friel Interview.

[26] Definitive Proxy at p. 18.

[27] Definitive Proxy at p. 18.

[28] Definitive Proxy at p. 18.

[29] Definitive Proxy at p. 19.

[30] Definitive Proxy at p. 19.

[31] Definitive Proxy at p. 18.

[32] Definitive Proxy at p. 18.

[33] Definitive Proxy at p. 18.

[34] Definitive Proxy at p. 19.

[35] Definitive Proxy at p. 19.

[36] Definitive Proxy at p. 18; July 22 Fertittas Interview; June 10, 2009 Interview of Jonathan Grunzweig ("June 10 Grunzweig Interview").

[37] Definitive Proxy at p. 19.

[38] Definitive Proxy at p. 19.

[39] Definitive Proxy at p. 19.

[40] Definitive Proxy at p. 19.

[41] Definitive Proxy at p. 19.

[42] Definitive Proxy at p. 19.

[43] Definitive Proxy at p. 19.

[44] Definitive Proxy at p. 19.

[45] Definitive Proxy at p. 19-20.

[46] Definitive Proxy at p. 20.

[47] Definitive Proxy at p. 20.

[48] Definitive Proxy at p. 20.

[49] Definitive Proxy at p. 20.

[50] Definitive Proxy at p. 20.

[51] Definitive Proxy at p. 20.

[52] Definitive Proxy at p. 20.

[53] Current Report of the Company on Form 8-K filed with the SEC on December 4, 2006; Definitive Proxy at p. 21.

[54] Definitive Proxy at p. 21.

[55] Definitive Proxy at p. 21.

[56] Definitive Proxy at p. 21.

57 Definitive Proxy at p. 21-25.

58 Definitive Proxy at p. 25.

59 Definitive Proxy at p. 25.

60 Definitive Proxy at p. 25.

61 Definitive Proxy at p. 25.

62 February 23, 2007 Fairness Opinion of Bear, Stearns & Co., Inc. (Definitive Proxy Annex C).

63 Definitive Proxy at p. 25.

64 November 6, 2007 Houlihan Lokey Fairness Opinion (STAX-019598-9604).

65 Definitive Proxy at p. 25.

66 Definitive Proxy at p. 26.

67 Definitive Proxy at p. 26.

68 Definitive Proxy at p. 26; *see also* Current Report of the Company on Form 8-K, filed with the Securities Exchange Commission on February 26, 2009 at Exhibit 99.1.

69 Definitive Proxy at p. 21-25.

70 Definitive Proxy; Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on August 14, 2007.

71 Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on August 14, 2007.

72 Current Report of the Company on Form 8-K files with the Securities and Exchange Commission on November 8, 2009 at p. 1.

73 *See* Definitive Proxy at p. 84. The outstanding options to purchase shares of the Company's common stock were canceled and the holders of the stock options received the difference between $90 and the exercise price per of each share, previously subject to an option agreement. The shares of the Company's common stock, which were granted subject to vesting or other restrictions were also cancelled and the holders of such "restricted" shares received $90 per share. *Id.* at p. 84-85.

74 *See* Definitive Proxy at p. 59.

75 Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on November 8, 2008.

76 Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on November 8, 2008.

77 Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on November 8, 2008.

78 Deutsche Bank October 2007 Financing, Structure & Projected Performance Update (STAX-013109-3130); *see also* Funds Transfer Memorandum - Station Casinos, Inc. Agreement and Plan of Merger - November 7, 2007 ("November 7, 2007 Funds Transfer Memorandum").

79 The Rollover Equity Holders cashed out approximately $600 million in common stock, options, and restricted stock. *See* the respective Statements of Changes in Beneficial Ownership of Securities on Form 4 filed with the Securities and Exchange Commission on November 9, 2007 by Frank Fertitta,

Lorenzo Fertitta, Scott Nielsen, William Warner, Richard Haskins, Thomas Friel, Lowell Liebermann, James Nave, Robert Lewis and Lee Isgur; *see also* General Statement of Acquisition of Beneficial Ownership on Form 13D filed with the Securities and Exchange Commission on November 14, 2007 by Blake Sartini. Several members of the Company's management also elected to roll over equity into the Transaction.

80 *See* Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on November 8, 2007 at p. 1 and 4.

81 The Definitive Proxy in July 2007 identified figures of approximately $4.5 billion in distributions to shareholders, approximately $1.1 billion in satisfaction of preexisting debt and $100 million in Transaction related expenses. *See* Definitive Proxy at p. 64. The final numbers were approximately $4.2 billion in distributions to shareholders, $1.4 billion in satisfaction of preexisting debt and $130 million in Transaction related expenses. November 7, 2007 Funds Transfer Memorandum; *See also* Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on November 8, 2007.

82 See Notification of Removal from Listing and/or Registration under 12(b) of the Securities Exchange Act of 1924 on Form 25 filed with the Securities Exchange Commission by the New York Stock Exchange on November 7, 2007.

83 Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on November 8, 2007 at p. 1.

84 *See* STAX020710. Several of the entities appear to be related parties.

85 Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on November 8, 2007 at p. 1 and 8.

86 "Unrestricted" refers to certain subsidiaries of the Company that were allowed to add additional debt under the covenant provisions of the indentures to the Existing Notes, so long as the additional debt was non-recourse with respect to the Company and its restricted subsidiaries.

87 *See* Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on November 8, 2007 at p. 4.

88 November 7, 2007 Funds Transfer Memorandum.

89 Friel Declaration at p. 20; *see also* Current Report on Form 8-K filed with the Securities and Exchange Commission on November 9, 2007 at Exhibit 99.1 (for principal balance as of September 30, 2007);

90 Agreement and Plan of Merger dated as of February 23, 2007 by and among SCI, Parent and Merger Sub, and May 4, 2007 amendment thereto (as amended, the "Merger Agreement").

91 Merger Agreement at p. 47.

92 Merger Agreement at p. 53.

93 Merger Agreement at p. 47.

94 Merger Agreement at p. 48.

95 Limited Guarantee dated as February 23, 2007 by Colony Investor VII, L.P., Colony Investor VIII, L.P. and Colony Parallel Investors VIII Holdings, L.P. in favor of SCI (the "Limited Guarantee") at p. 1. The $175 million maximum guarantee includes a guarantee of the $160 million break fee and a guarantee of up to $15 million in expense reimbursement.

[96] Merger Agreement at p. 53.

[97] Limited Guarantee at p. 6.

[98] Limited Guarantee at p. 6; *see also* Merger Agreement at p. 54.

[99] Merger Agreement at p. 32.

[100] Definitive Proxy at p. 26.

[101] Definitive Proxy at p. 26; September 9, 2009 Interview of Charles Edelman ("September 9 Edelman Interview").

[102] Definitive Proxy at p. 26.

[103] *See* Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on February 26, 2007 at Exhibit 2.1.

[104] *See* Preliminary Proxy Statement of the Company on Schedule 14A filed with the Securities Exchange Commission on May 7, 2007 at Annex B.

[105] Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on August 14, 2007.

[106] Transcript of October 4, 2007 meeting of State Gaming Control Board.

[107] Transcript of October 4, 2007 meeting of State Gaming Control Board at p. 98-102.

[108] Transcript of October 18, 2007 meeting of Nevada Gaming Commission; Current Report of the Company on Form 8-K field with the SEC on October 19, 2007.

[109] See Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on November 2, 2007.

[110] *In Re Station Casinos Shareholder Litigation*, Master Case No. A-5323367, Shareholders' Amended Consolidated Class Action Complaint filed June 5, 2007.

[111] Definitive Proxy at p. 78; *see also* Annual Report of the Company on Form 10-K filed with the Securities and Exchange Commission on March 5, 2008 at p. 29.

[112] *In Re Station Casinos Shareholder Litigation*, Master Case No. A-5323367, Final Judgment and Order entered February 12, 2008.

[113] March 31, 2009 Unanimous Written Consent of the Board of Directors.

[114] In considering SSD's experience, the Committee found particularly notable SSD's service as special counsel to the Committee of Unsecured Creditors of Enron Corp. regarding the investigation of potential claims.

[115] *See* Odyssey Report at p. 1. Odyssey's work for the Committee also included: a summary of economic indicators around the time of the Transaction; an analysis of the effect of the Transaction on the Company's financials; stress testing of the financial assumptions underlying the Transaction; an analysis of comparable gaming company transactions and a historical analysis of gaming company peers.

[116] Odyssey Report at p. 5-8; June 20, 2009 Interview of Glen Bashore; May 4 Friel Interview.

[117] Odyssey Report p. 5.

[118] Odyssey Report at Schedule 1.c Charts 1 & 2

119 Odyssey Report at p. 8.

120 Odyssey Report at p. 8.

121 Odyssey Report at p. 7.

122 Odyssey Report at Schedule 7.b.

123 Definitive Proxy at p. 51.

124 Odyssey Report at Schedule 1.b Chart 2.

125 Deutsche Bank October 2007 Financing, Structure & Projected Performance Update (STAX-013109-3130).

126 Deutsche Bank October 2007 Financing, Structure & Projected Performance Update (STAX-013109-3130).

127 June 30, 2009 Interview of Dan Schafer.

128 *See* 11 U.S.C. § 548(a)(1)(I)-(III); Uniform Fraudulent Transfer Act §§ 4(a)(2), 5(a).

129 *Mandalay Resort Group v. Miller (In re Miller)*, 292 B.R. 409, 413 (B.A.P. 9th Cir. 2003) ("In the Ninth Circuit, federal common law choice of law rules apply in bankruptcy cases."). Nevada state courts also apply the Restatement. *See* GMC *v. Eighth Judicial Dist. Court of Nev.*, 134 P.3d 111, 116 (Nev. 2006).

130 Rest. (2nd) Conflict of Laws § 6(2).

131 Rest. (2nd) Conflict of Laws § 145(2). *See In re WorldCom, Inc*., 2003 Bankr. LEXIS 1401 (Bankr. S.D.N.Y. Oct. 31, 2003); *In re Best Prods. Co.*, 168 B.R. 35, 51 (Bankr. S.D.N.Y. 1994) (§ 145 would "likely" be applied to a fraudulent transfer claim in a leveraged buy-out), *aff'd*, 68 F.3d 26 (2d Cir. 1995); *ASARCO LLC v. Americas Mining Corp*., 382 B.R. 49, 63-64 (S.D. Tex. 2007). *But see In re Kaiser* Steel *Corp*., 87 B.R. 154, 159-160 (Bankr. D. Colo. 1988) (applying § 244 of the Restatement and interpreting that section to focus on the location of the property conveyed and the place of conveyance).

132 Friel Declaration at p. 15.

133 November 7, 2007 Funds Transfer Memorandum.

134 November 7, 2007 Funds Transfer Memorandum.

135 *See* Amended and Restated Purchase and Sale Agreement dated October 31, 2007 by and among Boulder Station, Inc., Palace Station Hotel & Casino, Inc., Sunset Station, Inc., Charleston Station, LLC, Fiesta Station Holdings, LLC, Lake Mead Station Holdings, LLC, Santa Fe Station, Inc. and FCP NewCo, LLC. The PropCo Properties includes only part of the real property in connection with Boulder Station, Inc. *See* Friel Declaration at p. 5.

136 Current Report of the Company on Form 8-K files with the Securities and Exchange Commission on November 8, 2009 at p. 4**.** The Mortgage Loan Facility was amended and restated in March 2008 to reduce the aggregate borrowing to $1.8 billion. *See* Friel Decl. at p. 18.

137 Current Report of the Company on Form 8-K files with the Securities and Exchange Commission on November 8, 2009 at p. 4**.** The Mezzanine Loan Facility was amended and restated in March 2008 to increase the aggregate borrowing to $675 million. *See* Friel Decl. at p. 18 & Exhibit C.

138 *See* Master Lease Agreement dated November 7, 2007 between FCP PropCo and SCI.

[139] *See* Sublease, dated November 7, 2007, between SCI and Boulder Station, Inc.; *see also* Sublease, dated November 7, 2007, between SCI and Charleston Station, LLC.; *see also* Sublease, dated November 7, 2007, between SCI and Palace Station Hotel & Casino, Inc.; *see also* Sublease, dated November 7, 2007, between SCI and Sunset Station, Inc.

[140] As defined above, "Merger Sub" is FCP Acquisition Sub, Inc. As the result of the Transaction, Merger Sub was merged into SCI with SCI as the surviving entity.

[141] November 7, 2007 Funds Transfer Memorandum.

[142] November 7, 2007 Funds Transfer Memorandum.

[143] November 7, 2007 Funds Transfer Memorandum.

[144] *Kupetz v. Wolf*, 845 F.2d 842 (9th Cir. Cal. 1988); *Lippi v. City Bank*, 955 F.2d 599, 612 (9th Cir. Haw. 1992); *See also Bay Plastics v. BT Commercial Corp.* (*In re Bay Plastics)*, 187 B.R. 315, 329 (Bankr. C.D. Cal. 1995); *Murphy v. Meritor Savings Bank* (*In re O'Day Corp.*), 126 B.R. 370, 394 (Bankr. D. Mass. 1991); (collapsing an LBO where "all parties . . . were aware of the structure of the transaction and participated in implementing it"); *In re Revco D.S., Inc.*, 118 B.R. 468, 517-18 (Bankr. N.D. Ohio 1990) (observing that collapsing LBO for analysis is the more modern view); *Official Comm. of Unsecured Creditors v. Clark (In re Nat'l Forge Co.)*, 344 B.R. 340, 348 (W.D. Pa. 2006) (collecting authority and stating that in deciding whether to collapse an LBO "courts focus not on the form of the transaction but on its substance -- especially the knowledge and intent of the parties involved in the transaction")

[145] *E.g., In re Bay Plastics*, 187 B.R. at 328-29; *Lippi*, 955 F.2d at 611-12; *Kupetz*, 845 F.2d at 847-48.

[146] *E.g., In re Bay Plastics*, 187 B.R. at 328-29

[147] *See* Note 76, *supra.*

[148] *See* Odyssey Report at Schedule 4.a.

[149] *See* Nev. Rev. Stat. § 112.180. *See also Acequia Inc. v. Clinton (In re Acequia Inc.)*, 34 F.3d 800, 806 (9th Cir. Idaho 1994); *see also Freeland v. Enodis Corp.*, 540 F.3d 721, 733 (7th Cir. Ind. 2008) (citing *United States v. Denlinger*, 982 F.2d 233, 236 (7th Cir. Ind. 1992)); *see also Kupetz v. Wolf*, 845 F.2d at 846, 848.

[150] *Asarco LLC v. Americas Mining Corp.*, 396 B.R. 278, 370-71 (citing *General Trading v. Yale Materials Handling Corp.*, 119 F.3d 1485, 1498-99 (11th Cir. Fla. 1997)); *Leonard v. Coolidge (In re Nat'l Audit Def. Network)*, 367 B.R. 207, 219-220 (Bankr. D. Nev. 2007) (holding that badges of fraud inquiry under Nevada UFTA does not establish exclusive list of factors to consider).

[151] *See* the respective Statements of Changes in Beneficial Ownership of Securities on Form 4 filed with the Securities and Exchange Commission on November 9, 2007 by Frank Fertitta, Lorenzo Fertitta, Scott Nielsen, William Warner, Richard Haskins, Thomas Friel, Lowell Liebermann, James Nave, Robert Lewis and Lee Isgur; *see also* General Statement of Acquisition of Beneficial Ownership on Form 13D filed with the Securities and Exchange Commission on November 14, 2007 by Blake Sartini. Several members of the Company's management also elected to roll over equity into the Transaction.

[152] Nev. Rev. Stat. § 112.170; 11 U.S.C. § 548(d)(2).

[153] *See, e.g., Nordberg v. Arab Banking Corp. (In re Chase & Sanborn Corp.)*, 904 F.2d 588, 593 (11th Cir. Fla. 1990).

[154] *E.g.*, *MFS/Sun Life Trust-High Yield Series v. Van Dusen Airport Servs. Co.*, 910 F. Supp. 913, 937 (S.D.N.Y. 1995).

[155] *See* discussion at Section V.C, *supra.*

[156] *See, e.g.*, *MFS/Sun Life Trust-High Yield Series*, 910 F. Supp. at 937 (discussing analogous test of fair consideration under UFCA and noting that "[b]ecause the assets of the target are pledged as security for a loan that benefits the target's former owners rather than the target itself, it is unlikely that any LBO can satisfy fair consideration requirements"); *In re Bay Plastics*, 187 B.R. at 334 ("The vice of an LBO lies in the fact that the selling shareholders are paid indirectly with assets from the corporation itself, rather than by the purchasers"); *Pajaro Dunes Rental Agency v. Spitters (In re Pajaro Dunes Rental Agency)*, 174 B.R. 557, 579 (Bankr. N.D. Cal. 1994) (corporation's transfer of borrowed funds to parent entity prevents corporation from satisfying reasonably equivalent value test); *Leonard v. Norman Vinitsky Residuary Trust (In re Jolly's, Inc.)*, 188 B.R. 832, 842 (Bankr. D. Minn. 1995) ("This element [of reasonably equivalent value], really, is the driving force behind the application of the law of constructively-fraudulent transfers to LBOs--the gut-level thought being that the acquired company, a stranger to the credit transaction between its prospective parent and the LBO lender, receives nothing of recognizable value to compensate it for the loss of its equity in its assets.")

[157] *See* Section V.C, *supra* for a discussion of some of the transfers and obligations involved in the Transaction.

[158] *See* 11 U.S.C. § 548(d)(2); Nev. Rev. Stat. § 112.170.

[159] *See* discussion of payment and security transactions at Section VI.C, *supra*; *see also* November 7, 2007 Funds Transfer Memorandum.

[160] November 6, 2007 Houlihan Lokey Fairness Opinion.

[161] Amended and Restated Purchase and Sale Agreement dated October 31, 2007 by and among Boulder Station, Inc., Palace Station Hotel & Casino, Inc., Sunset Station, Inc., Charleston Station, LLC, Fiesta Station Holdings, LLC, Lake Mead Station Holdings, LLC, Santa Fe Station, Inc. and FCP NewCo, LLC.

[162] Nev. Rev. Stat. § 112.160(1); 11 U.S.C. § 101(32).

[163] Nev. Rev. Stat. § 112.160(2).

[164] *See* Odyssey Report at Schedule 4.a.

[165] *See, e.g.*, *Covey v. Commercial Nat'l Bank of Peoria*, 960 F.2d 657, 660 (7th Cir. 1992) ("[I]f the market value of a firm's assets exceeds its liabilities, it is solvent notwithstanding red ink in the balance sheet. The reverse is true as well: a firm whose assets are worth less than book value may be insolvent despite a financial statement showing positive net worth."); *Arrow Elec., Inc. v. Justus (In re Kaypro)*, 230 B.R. 400, 413 (BAP 9th Cir. Cal. 1999) (discussing substantively identical solvency requirement under 11 U.S.C. § 547 and holding that GAAP standards are relevant but not controlling); *In re Sierra Steel, Inc.* 96 B.R. 275, 278 (BAP 9th Cir. Nev. 1989) (same); *Kendall v Sorani*, 151 B.R. 1012, 1019 (Bankr. N.D. Cal. 1993); *In re Ohio Corrugating Co.*, 91 B.R. 430, 438 (Bankr. N.D. Ohio 1988) (court would give GAAP treatment of assets and liabilities "presumptive validity"). In assessing "fair valuation" for the balance sheet insolvency test, courts hold that assets must be valued based on current uses and market conditions rather than historic costs that may be reflected on the balance sheet. *In re Bay Plastics*, 187 B.R. at 330 (holding that assets on the balance sheet must be "marked to market" for purposes of determining their value in a balance sheet insolvency evaluation);

In re Ohio Corrugating Co., 91 B.R. at 437-38 (reducing book value of assets to reflect needed repairs and adequacy of appraisals).

166 Odyssey Report at p. 14-15.

167 Odyssey Report at p. 14-19 & Schedules 8.a-8.e.ii.

168 Statement of Financial Accounting Standards No. 141 - Business Combinations (Issued 6/01). This statement provides guidance on purchase accounting including recording goodwill and other intangible assets as a result of a purchase transaction.

169 Odyssey Report p. 14; Duff & Phelps SFAS 141 Fair Value Analysis of Identifiable Assets as of November 7, 2007 (STAX019605-9928) ("Duff & Phelps SFAS 141 Analysis")

170 Odyssey Report p. 15; Duff & Phelps SFAS 141 Analysis.

171 February 23, 2007 Fairness Opinion of Bear, Stearns & Co., Inc. (Definitive Proxy Annex C).; Odyssey Report at p. 16.

172 Odyssey Report at p. 15.

173 Duff & Phelps SFAS 141 Analysis; Odyssey Report at p. 15.

174 June 12, 2009 Interview of Peter Zofrea ("June 12 Zofrea Interview").

175 *See* Bear Stearns February 22, 2007 Presentation to the Special Committee - Project Rising Sun (SPC002024-2094), discussing CB Richard Ellis appraisal and internal management estimates of value.

176 Odyssey Report at p. 15-16.

177 Odyssey Report a p. 15-16. The Company's total liabilities increased by approximately $2.2 billion. Approximately $1.6 billion of this was interest bearing debt and most of the remainder was an accounting entry for deferred tax liability. *See* Amendment No. 2 to Annual Report of the Company (for year ended December 31, 2007) on Form 10-K/A filed with the Securities and Exchange Commission on August 11, 2008 at Footnote 17.

178 Odyssey Report p. 16.

179 Odyssey Report at p. 16 & Schedule 8.a.1.

180 Odyssey Report at p. 17 and Schedule 8.a.

181 Odyssey Report at p. 16.

182 Odyssey Report at p. 16.

183 Odyssey Report at p. 17-18 & Schedule 8.a.ii.

184 Odyssey Schedule 8.a.

185 *E.g., Moody v. Security Pacific Business Credit*, 971 F.2d 1056, 1067 (3d Cir. Pa. 1992); *MFS/Sun Life Trust-High Yield Series*, 910 F. Supp. at 939.

186 *See* Odyssey Report at p. 18**;** Bear Stearns February 22, 2007 Presentation to the Special Committee - Project Rising Sun (SPC002024-2094)

187 July 22 Fertittas Interview.

188 *See, e.g., Sheffield Steel Corp. v. HMK Enters. (In re Sheffield Steel Corp.)*, 320 B.R. 423, 445 (Bankr. N.D. Okla. 2004).

[189] *See, e.g., Moody v. Security Pacific Business Credit*, 971 F.2d 1056, 1073 (3d Cir. 1992) ("[T]he test for unreasonably small capital is reasonable foreseeability."); *MFS/Sun Life Trust-High Yield Series*, 910 F. Supp. at 944. *See also Fidelity Bond & Mortgage Co. v. Brand*, 371 B.R. 708, 724 (E.D. Pa. 2007) (declining to apply hindsight review where projections were based on historically accurate data and stating that the "test for determining whether parties to a leveraged buy-out left a business with unreasonably small assets is whether it was reasonably foreseeable that an acquisition would fail at the time the projections were made"); *Asarco LLC*, 396 B.R. at 397 (a court "must consider the reasonableness of the company's projections with respect to whether they were prudent at the time made, not in hindsight"); *Peltz v. Hatten*, 279 B.R. 710, 737 (D. Del. 2002) ("When sophisticated parties make reasoned judgments about the value of assets that are supported by then prevailing marketplace values and by the reasonable perceptions about growth, risks, and the market at the time, it is not the place of fraudulent transfer law to reevaluate or question those transactions with the benefit of hindsight.")

[190] July 22 Fertittas Interview; May 4 Friel Interview.

[191] Colony's guarantee of Parent's obligation was limited to this amount with no other recourse against Colony. *See* discussion at section II.C.3, *supra*.

[192] June 10 Grunzweig Interview.

[193] July 22 Fertittas Interview.

[194] May 4 Friel Interview.

[195] *See* Odyssey Report at Schedule 6.a.

[196] Odyssey Report at p. 8-10.

[197] Statement of Financial Accounting Standards No. 142 - Goodwill and Other Intangible Assets (Issued 6/01). This statement addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. FASB Board.

[198] This document was prepared by the Committee during its investigation.

[199] *See* Annual Report *of* the Company on Form 10-K filed with the Securities and Exchange Commission on December 31, 2007.

[200] *See, e.g., Moody*, 971 F.2d at 1073; *Fidelity Bond & Mortgage Co. v. Brand*, 371 B.R. 708, 723-25 (E.D. Pa. 2007) (non-LBO affirming finding of reasonableness as to projections based on "historically accurate data"); *In re Radiology Assoc., Inc.*, 611 A.2d 485, 491 (Del. Ch. 1991) (non-LBO case finding projections reasonable when based on application of a growth rate to historical earnings); *Murphy v. Meritor Savings Bank (In re O'Day Corp.)*, 126 B.R. 370, 406-07 (Bankr. D. Mass. 1991) (finding projections unreasonable because they ignored historical data and "employ[ed] earnings assumptions that greatly exceed[ed] the actual average experienced over the period of reference").

[201] *Moody*, 971 F.2d at 1073; *Boyer v. Crown Stock Distrib. Inc.*, 2009 U.S. Dist. LEXIS 12393, at *37 (projections "did not adequately account for the fact that sales sometimes decline"); *Bay Plastics, Inc. v. BT Commercial Corp. (In re Bay Plastics, Inc.)*, 187 B.R. 315, 335 (C.D. Cal. 1995) (suggesting that projections are unreasonable if they take an "overly optimistic" view of "economic developments impacting the business")

[202] See, e.g., *Brandt v. Trivest II, Inc. (In re Plassein Int'l Corp.)*, 2008 Bankr. LEXIS 1473, at *24 (Bankr. D. Del. May 5, 2008); *Iridium IP LLC v. Motorola, Inc. (In re Iridium Operating LLC)*, 373

B.R. 283, 347 (Bankr. S.D.N.Y. 2007) (non-LBO case noting that "[o]ne important indication of the reasonableness of a company's projections is management's input into the creation of the projections."); *In re Radiology Assoc., Inc.*, 611 A.2d at 490.

[203] *See Brandt*, 2008 Bankr. LEXIS 1473, at *25; *In re Iridium*, 373 B.R. at 319, 345, 348; *MFS/Sun Life Trust*, 910 F. Supp. at 925; *MFS/Sun Life Trust*, 910 F. Supp. at 944.

[204] *See Brandt*, 2008 Bankr. LEXIS 1473, at *25 ("[A] powerful indication of contemporary, informed opinion as to value comes from private investors who with their finances and time at stake, and with access to substantial professional expertise, concluded at the time that the business was indeed one that could be profitably pursued") (internal quotes and brackets omitted); *In re Iridium*, 373 B.R. at 320-22, 349 ("The fact that Iridium closed on three syndicated bank loans and raised over $2 billion in the capital markets . . . is an indication of both solvency and capital adequacy."); *MFS/Sun Life Trust*, 910 F. Supp. at 925-26; *Credit Managers Asso. v. Federal Co.*, 629 F. Supp. 175, 183-87 (C.D. Cal. 1985).

[205] Odyssey Report p. 5-7.

[206] *See* Section V, *supra*; Odyssey Report at p. 8 and Schedule 1.c.

[207] *See* Section V, *supra;* Odyssey Report at Schedule 7.b.

[208] May 5, 2009 Interview of Joleen Legakes. Win per capita is the total gaming win from target markets divided by the number of residents in those markets. Odyssey Report at p. 6.

[209] Odyssey Report p. 6.

[210] Odyssey Report p. 6.

[211] Odyssey Report a p. 6.

[212] Odyssey Report at p. 6.

[213] Odyssey Report p. 5; May 4 Friel Interview.

[214] *See*, Section V, *supra*.

[215] May 6, 2009 Interview of Dan Schafer.

[216] May 6, 2009 Interview of Dan Schafer.

[217] Deutsche Bank October 2007 Financing, Structure & Projected Performance Update (STAX-013109-3130).

[218] *See* Odyssey Report at Schedule 1.b Chart 3.

[219] *See, e.g.*, Kimberly Amedeo, Top Ten Economic Issues in 2008-Year in Review: http://useconomy.about.com/od/criticalssues/p/2008_Economy.htm

[220] *Id.*

[221] Odyssey Report at p. 8-11.

[222] Odyssey Report at p. 11-14.

[223] Odyssey Report at Schedule 7.d Chart 5 (illustrating the composite percentage decline in shares of ASCA, BYD, GCGC, ISLE, LVS, MGM, PENN, PNK & WYNN).

224 *See* Bear Stearns Presentation to the Special Committee of Station Casinos, Inc. dated January 19, 2007 (SPC000185-0253); Bear Stearns Presentation to the Special Committee of Station Casinos, Inc. Regarding Preliminary Valuation Analysis dated December 21, 2006 (SPC003489-03657).

225 June 10, 2009 Grunzweig Interview; July 22 Fertittas Interview.

226 *See* discussion of break-up fees at Section II.C.3, *supra.*

227 June 10, 2009 Grunzweig Interview.

228 July 22 Fertittas Interview

229 *See* Definitive Proxy at p. 9; Deutsche Bank Financing Structure and Projected Performance Update.

230 Nev. Rev. Stat. § 112.180(1)(b)(2).

231 *E.g.*, May 16 Friel Interview; July 22 Fertittas Interview; May 6, 2009 Interview of William Warner.

232 *See* Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on February 4, 2009 and Exhibit 99.1 thereto.

233 *See* Current Report of the Company on Form 8-K filed with the Securities and Exchange Commission on February 4, 2009 and Exhibit 99.1 thereto.

234 *E.g. MFS/Sun Life Trust-High Yield Series*, 910 F. Supp. at 943; *Credit Managers*, 629 F. Supp. at 184; *Moody*, 971 F.2d at 1073.

235 *See* Nev. Rev. Stat. § 112.220(1).

236 *See* Nev. Rev. Stat. § 112.220(4).

237 *See* 11 U.S.C. § 548(c).

238 See 11 U.S.C. § 550(a).

239 11 U.S.C. § 550(b).

240 *E.g., Brown v. Third Nat'l Bank (In re Sherman)*, 67 F.3d 1348, 1355 (8th Cir. Mo. 1995).

241 *See In re Nordic Village, Inc.*, 915 F.2d 1049, 1055 (6th Cir. 1990); *also Kendall v. Sorani*, 151 B.R. at 1021.

242 *See, e.g., Lippi*, 955 F.2d at 611 (noting request by bankruptcy trustee that the court "'collapse' the interrelated transactions into one aggregate transaction which had the overall effect of conveying [corporate] property to the tendering shareholders and the LBO lenders."); *Wieboldt Stores, Inc. v. Schottenstein*, 94 B.R. 488, 502-503 (N.D. Ill. 1988) (for purposes of a motion to dismiss, "collapsing" the LBO transaction as to inside shareholders and LBO lenders and considering them initial transferees but refusing to collapse transaction regarding claims against other shareholders).

243 *E.g., Kendall v Sorani*, 151 B.R. at 1022 (LBO lender did not meet burden of proof as to lack of knowledge of voidability where it knew debtor's financial condition and that purchaser intended to leverage his purchase of debtor's stock).

244 *See Kaiser Steel Corp. v. Charles Schwab & Co.*, 913 F.2d 846, 848-50 (10th Cir. Colo. 1990) (sale of common stock for cash and preferred stock during LBO was a settlement payment and could not be avoided under Section 546(e)); *Official Comm. of Unsecured Creditors v. Clark (In re Nat'l Forge Co.)*, 344 B.R. 340, 351-66 (W.D. Pa. 2006) (prepetition stock redemptions made in connection with an LBO transaction were settlement payments and could not be avoided); *Loranger Mfg. Corp. v. PNC Bank (In re Loranger Mfg. Corp.)*, 324 B.R. 575, 584-86 (Bankr. W.D. Pa. 2005) (LBO

completed by wire transfer from bank to shareholder was a settlement payment that could not be avoided); *Wyle v. Howard, Weil, Labouisse, Friedrichs Inc. (In re Hamilton Taft & Co.)*, 176 B.R. 895, 899-900 (Bankr. N.D. Cal. 1995) (payment of T-Bills pursuant to a reverse repurchase agreement and made to complete an LBO could not be avoided), *aff'd*, 196 B.R. 532 (N.D. Cal. 1995).

245 *Official Comm. of Unsecured Creditors of Norstan Apparel Shops, Inc. v. Lattman (In re Norstan Apparel Shops, Inc.)*, 367 B.R. 68, 76-77 (Bankr. E.D.N.Y. 2007) (transfers that did not involve publicly traded securities or otherwise implicate the public securities markets were not settlement payments and did not qualify for safe harbor under Section 546(e)), *and Official Comm. of Unsecured Creditors v. ASEA Brown Boveri, Inc. (In re Grand Eagle Cos.)*, 288 B.R. 484, 494 (Bankr. N.D. Ohio 2003) (private stock transaction not protected by Section 546(e)).

246 *Jonas v. Resolution Trust Corp.*, 971 F.2d 322, 326 (9th Cir. Cal 1992). *But see Kipperman v. Circle Trust F.B.O. (In re Grafton Partners, L.P.)*, 321 B.R. 527, 539-40 (BAP 9th Cir. 2005) (holding, outside of the LBO context, that a transfer that "did not occur on a public market and did not involve the process of clearing trades" was not a settlement payment for purposed of section 546(e)); *In re Crown Vantage, Inc.*, 2006 U.S. Dist. LEXIS 61089, at *17-18 (N.D. Cal. Aug. 11, 2006).

247 *See, e.g., Wyle v. Howard, Weil, Labouisse, Friedrichs Inc. (In re Hamilton Taft & Co.)*, 196 B.R. 532, 536-37 (N.D. Cal. 1995) (holding, with respect to an LBO transaction, that securities transfers involving stockbrokers are settlement payments), *aff'd*, 114 F.3d 991 (9th Cir. 1997); *In re Hamilton Taft & Co.*, 176 B.R. at 899, 901 (applying broad definition of "settlement payment" and rejecting contention that Section 546(e) does not apply to LBOs).

248 *See, e.g., Contemporary Indus. Corp. v. Frost*, 2009 U.S. App. LEXIS 9020, at *11-13 (8th Cir. Apr. 29, 2009) (2009 decision rejecting *Munford* and holding that settlement payments that pass through a financial institution a disbursing agent are not recoverable even in an LBO with private stock); *In re: QSI Holdings, Inc.*, No. 08-1176 (6th Cir. July 6, 2009) (same). *But see Munford v. Valuation Research Corp. (In re Munford, Inc.)*, 98 F.3d 604, 610 (11th Cir. Ga. 1996) (trustee could avoid settlement payments to shareholders in an LBO transaction because disbursing agent never acquired beneficial interest and selling shareholder remained the actual transfer from who the trustee could recover).

249 November 7, 2007 Funds Transfer Memorandum.

250 *See* November 7, 2007 Funds Transfer Memorandum.

251 *E.g., Brown v. Kinross Gold USA, Inc., 531 F. Supp. 2d 1234, 1245 (D. Nev. 2008)*

252 *E.g., G.K. Las Vegas Ltd. P'ship v. Simon Property Group, Inc.*, 460 F. Supp. 2d 1246, 1261 (D. Nev. 2006).

253 *See, e.g., In re Fidelity Bond & Mortgage Co.*, 340 B.R. 266, 301 (E.D. Pa. 2006); *Kupetz v. Continental Ill. Nat'l Bank & Trust Co.*, 77 B.R. 754, 765-66 (C.D. Cal. 1987).

254 Because Dr. Nave served as a director on the 2006 Special Committee, the other members of the Committee met separately to discuss and consider potential claims for breach of fiduciary duty. The other two members of the Committee each have concluded that there is no basis for a claim for breach of fiduciary duty in connection with the Transaction.

255 *In Re Station Casinos Shareholder Litigation*, Master Case No. A-5323367, Final Judgment and Order entered February 12, 2008.

256 *See, e.g., In re Erlewine*, 349 F.3d 205, 210-11 (5th Cir. 2003) ("As the interests of the Debtor's creditors were not represented in the divorce action, preclusion doctrines do not bar the Trustee from

vindicating the creditors' interests in this subsequent avoidance action."); *Corzin v. Fordu (In re Fordu)*, 201 F.3d 693, 705 (6th Cir. 1999) ("Trustee is not simply the successor-in-interest to the Debtor: he represents the interest of all creditors of the Debtor's bankruptcy estate."); *Dionne v. Keating (In re XYZ Options, Inc.)*, 154 F.3d 1262, 1269 (11th Cir. 1998) ("Trustee [is not in privity with debtor because he] represents the rights of the [debtor's] creditors . . . who were not parties to the . . . consent judgment and whose interests were not represented by [the debtor] . . . ."); *Gray v. Fill (In re Fill)*, 82 B.R. 200, 217 (Bankr. S.D.N.Y. 1987) (trustee held not to stand in privity with the debtor, "[f]or it is plain that the rights of creditors are not considered in the pre-bankruptcy suit").

[257] Transcript of October 4, 2007 meeting of State Gaming Control Board at p. 98-101.

[258] *See, e.g.*, *Henry v Lehman Commer. Paper, Inc.*, 471 F.3d 977, 1006 (9th Cir. 2006); *Feder v. Lazar (In re Lazar)*, 83 F.3d 306, 309 (9th Cir. 1996); s*ee also In re Mobile Steel Co.*, 563 F.2d 692, 700 (5th Cir. Ala. 1977) and *New Jersey Steel Corporation v. Bank of New York*, 1997 U.S. Dist. LEXIS 18137, *14-15 (S.D.N.Y. 1997)

[259] *See* Section III, *supra*.

[260] *E.g., Credit Suisse v. Official Committee of Unsecured Creditors (In re Yellowstone Mt. Club, LLC)*, Case No. 08-61570-11, Adv No. 09-00014 (Bankr. D. Mont. May 13, 2009).

[261] *Credit Suisse v. Official Committee of Unsecured Creditors (In re Yellowstone Mt. Club, LLC)*, Case No. 08-61570-11, Adv No. 09-00014, Slip Op. at p. 15.

[262] *Credit Suisse v. Official Committee of Unsecured Creditors (In re Yellowstone Mt. Club, LLC)*, Case No. 08-61570-11, Adv No. 09-00014, Slip Op. at p. 16.

[263] *Credit Suisse v. Official Committee of Unsecured Creditors (In re Yellowstone Mt. Club, LLC)*, Case No. 08-61570-11, Adv No. 09-00014, Slip Op. at p. 18.

[264] *Credit Suisse v. Official Committee of Unsecured Creditors (In re Yellowstone Mt. Club, LLC)*, Case No. 08-61570-11, Adv No. 09-00014, Slip Op. at p. 16-19.

[265] *See* Section V, *supra*.

[266] 11 U.S.C. § 1107(a); *See also Commodity Futures Trading Com. v. Weintraub*, 471 U.S. 343, 355 (1985) (noting that a DIP's "directors bear essentially the same fiduciary obligation to creditors and shareholders as would the trustee for a debtor out of possession"); *Wolf v. Weinstein*, 372 U.S. 633**,** 651 (1963) (observing that in bankruptcy law, the "willingness to leave the Debtor in possession is premised upon an assurance that the officers and managing employees can be depended upon to carry out the fiduciary responsibilities of a trustee.")

[267] *Canadian Pac.* Forest *Prods. v. J.D. Irving, Ltd. (In re Gibson Group)***,** 66 F.3d 1436, 1446 (6th Cir. 1995); *In re STN Enterprises*, 779 F.2d 901, 904-05 (2nd Cir. 1985).

[268] In re *Curry* & Sorensen, 57 B.R. 824, 828 (BAP 9th Cir. 1986).

[269] *See, e.g., In re STN Enterprises*, 779 F.2d at 905 (holding that mere presentation of a colorable claim for relief is not sufficient and that court "must also examine . . . whether an action asserting such claim(s) is likely to benefit the reorganization estate" including consideration of "probabilities of legal success and financial recovery in event of success…."); *PW Enters. v. N.D. Racing Comm'n (In re Racing Servs.)*, 540 F.3d 892, 901 (B.A.P. 8th Cir. 2008) ("At bottom, the determination of whether the trustee unjustifiably refuses to bring a creditor's proposed claims will require bankruptcy courts to perform a cost-benefit analysis. While by no means exhaustive, among the factors the court should consider in conducting this analysis are: (1) [the] probabilities of legal success and financial

recovery in event of success; (2) the creditor's proposed fee arrangement; and (3) the anticipated delay and expense to the bankruptcy estate that the initiation and continuation of litigation will likely produce.") (internal cites and quotes omitted).

270 *See, e.g.*, *In re Verco Indus.*, 704 F.2d 1134, 1138 (9th Cir. 1983) ("[E]ven where the transferee is responsible for the transfer being invalidated as fraudulent, that factor does not prevent the transferee from asserting a claim against the transferor."); *Misty Management Corp. v. Lockwood*, 539 F.2d 1205, 1214-15 (9th Cir. Nev. 1976) ("[T]he modern view is that a transferee guilty of fraudulent behavior may nevertheless prove a claim against the bankrupt estate, once he returns the fraudulently conveyed property to the estate."); *In re Best Prods. Co.*, 168 B.R. at 58; *Wild West World, L.L.C. v. Mainland Valuation Servs. (In re Wild West World, L.L.C.)*, 2008 Bankr. LEXIS 2964, at *11-12 (Bankr. D. Kan. Oct. 1, 2008).

271 Dr. Nave did not deliberate or vote on the Committee's recommendation concerning potential breach of fiduciary duty claims. *See* Section VII.A, *supra*.

EXHIBIT A

Profiles of Committee Members

F3

Fenix Financial Forensics LLC
9375 East Shea Blvd.
Suite 100
Scottsdale, Arizona 85260
Tel: 602.315.8543
Email: dweekly@F3AZ.com

David B. Weekly, CPA, CFE, CIRA, CFF

David Weekly is a Senior Managing Director for Fenix Financial Forensics LLC (F3) and is based in Phoenix, Arizona. Mr. Weekly's experiences include expert witness testimony on a wide range of commercial damage issues in U.S. district, state and bankruptcy courts and in arbitration and mediation, with particular emphasis on accounting and financial issues, commercial disputes, construction claims, lender liability and investigations of fraud matters.

Mr. Weekly has additional expertise with complex financial investigations, contract compliance, theft and misappropriation of assets, bankruptcy, and workout services. He has conducted numerous investigations in connection with failed companies, including evaluating financial reporting controls and causes of business failure. These investigations typically require the assessment of a business enterprise or an alleged scheme, the quantification of losses or diverted funds, and the identification of potentially responsible parties.

Mr. Weekly's industry experience includes construction, financial services, banking, commodities, distribution, mining, real estate, healthcare, insurance, multilevel marketing and retail bowling centers.

Prior to establishing F3, Mr. Weekly was a member of the national Forensic and Litigation Consulting team for FTI Consulting, Inc. He was also the partner-in-charge of KPMG's U.S. Dispute Advisory Services practice. Before joining KPMG, Mr. Weekly served as the worldwide director of Litigation Services, partner-in-charge of the U.S. Complex Claims and Events practice and partner-in-charge of National Law Firm Relationships for Arthur Andersen LLP.

Mr. Weekly has been a frequent speaker at conferences on such topics as expert witness issues, damage analysis, construction claims and alternative billing methods. In addition, he is the founder of the Arizona Corporate Counsel Forum, which hosts meetings quarterly on topics of interest to Arizona corporate counsel. Mr. Weekly also serves on the professional advisory board of Arizona State University's School of Accountancy.

Professional History

Fenix Financial Forensics LLC ("F3") - Senior Managing Director – Phoenix, AZ (10/08 – Present)

Independent Contractor - FTI Consulting, Inc. - Phoenix, AZ (9/06 – 9/08)

FTI Consulting, Inc. – Senior Managing Director, National Forensic and Litigation Consulting Leadership Team member and Forensic Services leader for Western and Central Regions – Phoenix, AZ (11/03 – 9/06)

KPMG LLP – Partner in Charge of U.S. Dispute Advisory Services Practice – Phoenix, AZ (05/02 – 10/03)

Arthur Andersen LLP – Partner in Charge of National Law Firm Relationships and Arizona Claims and Disputes Practice – Phoenix, AZ (09/01 – 05/02)

Arthur Andersen LLP – Partner in Charge of Business Consulting (Desert Southwest) and Partner in Charge of Pacific Region Claims and Disputes Practice – Phoenix, AZ (02/00 – 08/01)

Arthur Andersen LLP – Firmwide Director of Litigation Services and Partner in Charge of the U.S. Complex Claims and Events Practice – Phoenix, AZ (09/95 – 09/00)

Arthur Andersen LLP – Partner in Charge of Strategy, Finance & Economics (SFE) in the Desert Southwest – Phoenix, AZ (08/88 – 02/00)

Arthur Andersen LLP – Manager, Litigation & Bankruptcy Consulting; Audit Manager – Phoenix, AZ (11/84 – 08/88)

North American Coin & Currency, Ltd. (Public Company – Reorganized) – Executive Vice President, Secretary and Treasurer. Also served as General Manager for Court Appointed Trustee from September 1982 through November 1983. Acquired Series 7, 24 and 63 Securities licenses and acted as Principal for NASD Broker/Dealer operation formed during reorganization – Phoenix, AZ (09/82 – 11/84)

North American Coin & Currency, Ltd. – Controller – Phoenix, AZ (04/80 – 09/82)

Arthur Andersen LLP – Audit Division Senior Accountant, Financial Institutions and Construction Industry emphasis – Phoenix, AZ (12/76 – 04/80)

United States Navy (Vietnam veteran) – (05/70 – 05/74)

Certifications

Certified Public Accountant (Arizona and Missouri)

Certified Insolvency and Restructuring Advisor

Certified Fraud Examiner

Certified in Financial Forensics

Professional Affiliations

American Institute of Certified Public Accountants

Assn of Certified Fraud Examiners

Professional Advisory Board, ASU School of Accountancy

Arizona Society of Certified Public Accountants

American Bankruptcy Institute

Assn of Insolvency and Restructuring Advisors

American Bar Assn Litigation Section, Associate Member and former Co-Chair of Corporate Counsel Subcommittee on Expert Witnesses

Education

Bachelors of Science in Accounting, Arizona State University (1976)

Civic Affiliations

Served on two Maricopa County Bar Association committees to recommend judicial salaries in Arizona

Served on Board of Directors and Executive Committee – Junior Achievement of Arizona

Served on Valley Citizens League

Prior consulting to Team USA Bowling and YABA

Previously coordinated/coached numerous youth activities

Jerry F. Coffey

jfcoffey@yahoo.com

6202 7th Ave. S.
Gulfport, Florida 33707

813-301-4998 Office
813-394-7518 Cell

EXPERIENCE

Entegra Power Group LLC — **Tampa, Florida**
General Counsel — **November, 2004 - present**

Responsible for managing all legal matters for independent electric generation company with the two largest gas-fired power plants in the United States:

- Member of company management team participating in all strategic activities
- Led company through pre-arranged Chapter 11 restructuring with renegotiated financing and transitioning of company upon transfer of assets to lenders
- Member of senior team negotiating refinancing transactions
- Handle corporate stock ownership transactions and shareholder relations
- Manage outside counsel for all types of legal issues including corporate, finance, regulatory and litigation
- Responsible company officer for corporate and regulatory compliance matters

FPL Energy Group — **Juno Beach, Florida**
Senior Counsel — **June, 2004 – Nov. 2004**

Managed energy trading and origination contracts function for large national energy trading organization:

- Negotiated energy trading master agreements with multiple counterparties
- Participated in structured transaction origination team
- Participated in corporate-wide risk management committee

NRG Energy, Inc. — **Minneapolis, Minnesota**
Assistant General Counsel — **June, 2003 – June, 2004**

Responsible for managing all legal matters relating to company's power marketing and asset management division:

- Management role in day-to-day and strategic decisions for marketing and commercial operations company with assets in all major energy markets
- Assisted in completing Chapter 11 restructuring turn around of NRG companies
- Negotiate, review and draft long-term and master energy marketing agreements
- Participated in negotiations and drafting of $2.7 billion refinancing package
- Lead and supporting roles in company acquisition efforts
- Responsible for company asset sale and project development programs
- Responsible for compliance for energy marketing and trading operations

Aquila Merchant Services, Inc. — **Kansas City, Missouri**
Assistant General Counsel — **1990 - 95 and 2000 - 2003**

Manage a team of five energy lawyers and outside counsel. Responsible for all legal matters concerning energy trading and marketing company:

- Primary counsel for structured and alternate risk marketing group, including negotiation and drafting of tolling, power & gas purchase & sale, risk management, gas transportation and power transmission agreements
- Lead participant on team to develop entry into power marketing business
- Help develop and implement regulatory strategy
- Support company's merger, acquisition and divestiture and litigation matters
- Lead counsel on implementing company's exit strategy from merchant energy business

Blackwell Sanders Peper Martin, L.L.P. **Kansas City, Missouri**
Partner **1995 – 96 and 1997 – 2000**
Provided transactional, regulatory, and litigation, advice to large energy and utility clients:

- Negotiated and drafted long-term gas and power sales and purchase agreements
- Handled legal matters in development and subsequent partial sale of generating facility
- Handled acquisition of natural gas storage facility

CalEnergy Company **Omaha, Nebraska**
Senior Counsel **1996 – 1997**
Helped a large independent power producer grow via project acquisitions and developments:

- Supported all company marketing and fuel procurement and hedging activities and strategy
- Developed form EPC agreements for international power development projects
- Participated in master restructuring of IPP contracts with major New York utility

Koch Industries, Inc. **Wichita, Kansas**
Senior Division Order Analyst **1985 – 1990**
Supervised team of division order analysts:

- Handled oil and gas lease title analysis for all major producing regions
- Supported marketing of company-owned production and exploration assets
- Participated in drafting legislation and policy with regards to royalty payments

EDUCATION

Creighton University School of Law Omaha, Nebraska
J.D., 1984

University of North Dakota Grand Forks, North Dakota
B.A. 1981

James E. Nave, DVM

Curriculum Vitae

General Information

Home
Las Vegas, Nevada

Business
Tropicana Animal Hospital
2385 East Tropicana
Las Vegas, Nevada 89119
Ph. 702-736-4944
Fax 702-736-5080
E-mail jnavedvm@aol.com

Date of Birth
August 14, 1944
Forsyth, Missouri

Daughter, Alisa, born 1979

Education

Forsyth High School, 1962
Bachelor of Science, University of Missouri, 1966
Doctor of Veterinary Medicine, University of Missouri, 1968

Military Service

Captain, United States Army, 1968-71
Fort Wadsworth, New York, 1968-69
Vietnam, 1969-70
Fort Carson, Colorado, 1970-71

Business Career

Paradise Pet Clinic, Las Vegas, Nevada, 1971-72
25th Street Veterinary Clinic, Las Vegas, Nevada, 1972-73
Tropicana Animal Hospital, Las Vegas, Nevada 1974 - Present
Owner/Manager, Multiple Veterinary Hospitals, Las Vegas, Nevada 1976 - Present
Bank of Nevada, Board of Directors, 1994 - Present
- Chairman, Site Committee, 1994 - Present
- Member, Loan Committee, 1994 – 2003
- Chairman, Investment Committee, 2000 - 2005

Business Career Cont'd

Stations Casinos, Board of Directors, 2001 – 2007
Chairman, Audit Committee, 2001 – 2007
Member, Governance and Compensation Committee, 2001 – 2007
Chairman, Special Committee for LBO 2006-2007
Stations Casinos – Private Company
Board of Directors 2007 - Present
Western Alliance Bancorp, Board of Directors, 2002 - Present
Member, Audit Committee, 2002 – Present
Member Compensation Committee 2004 - Present

Professional Associations

American Veterinary Medical Association
Member, 1968-Present
Chairman, Convention Advisory Committee, 1985
Member, Redistricting Committee, 1986
House of Delegates, Alternative Delegate, Nevada 1985-89
House of Delegates, Delegate, Nevada 1989-91
Member PAC Policy Board, 1990-91
Nevada Legislative Coordinator, 1989-Present
Executive Board Member, District X, 1991-97
Chairman, AVMA Executive Board, 1996-97
President Elect, AVMA, 1999-2000
President AVMA, 2000-01
Chairman, National Commission on Veterinary Economic Issues, 2000-2007
Globalization Agent for Education and License, 2001-2009
Director of International Affairs 2009 – Present

World Veterinary Association
North American Councilor 2002 – Present

American Animal Hospital Association
Affiliate Member, 1976-90
Hospital Member, 1990-Present
Member, Insurance committee, 1990-92

Member, National Academy of Practitioners

Nevada Veterinary Medical Association
Member, 1971-Present
Vice President, 1984-85
President, 1985-86
Member, Legislation committee, 1985-99
Chairman, Program committee, 1989-99
Vice Chairman, NVMA Political Action Committee, 1989-99

Nevada Board of Veterinary Medical Examiners
Vice President, 1984-88

Clark County Veterinary Medical Association
Member, 1971-Present
Chairman, Ethics Committee, 1972-73
Chairman, Animal Rabies Clinic, 1972-76
Chairman, Ordinance Committee, 1985-87

Western Veterinary Conference
Member 1973-Present
Board of Directors, 1985-88
Secretary-Treasurer, 1985-88
Vice President, 1988-90
President, 1991-92
Program Coordinator, 1991-92, 1994-95

University of Missouri, College of Veterinary Medicine
Development Committee, Member, 1984-92, 2002-2007
Development Committee, Chairman, 1986-92, 2002-2007

Civic Activities

Nevada Athletic Commission
Member, 1988-1999
Chairman, 1989-92, 1994-96

United Way Campaign, Southern Nevada
Chairman, Veterinary Section, 1985
Chairman, Professional Division, 1986-90

Recognition Awards

Bronze Star, Military Service in Vietnam, 1970
U.S. Army Certificate of Achievement, 1971
University of Missouri, College of Veterinary Medicine, Alumnus of the Year, 1987
Nevada Veterinarian of the Year, Nevada Veterinary Medical Association, 1988
Boxing commissioner of the Year, North American Boxing Federation, 1990
Boxing Commissioner of the Year, World Boxing Council, 1992,1993,1996,1997,1998
University of Missouri, Faculty-Alumni Award, 2001
Western Veterinary Conference, 2003, Designated as James E. Nave, DVM 75th Annual Diamond Jubilee Convention

AVMA Presidential Award – 2003
AVMA Award 2009

EXHIBIT B

Organizational Chart of the Company

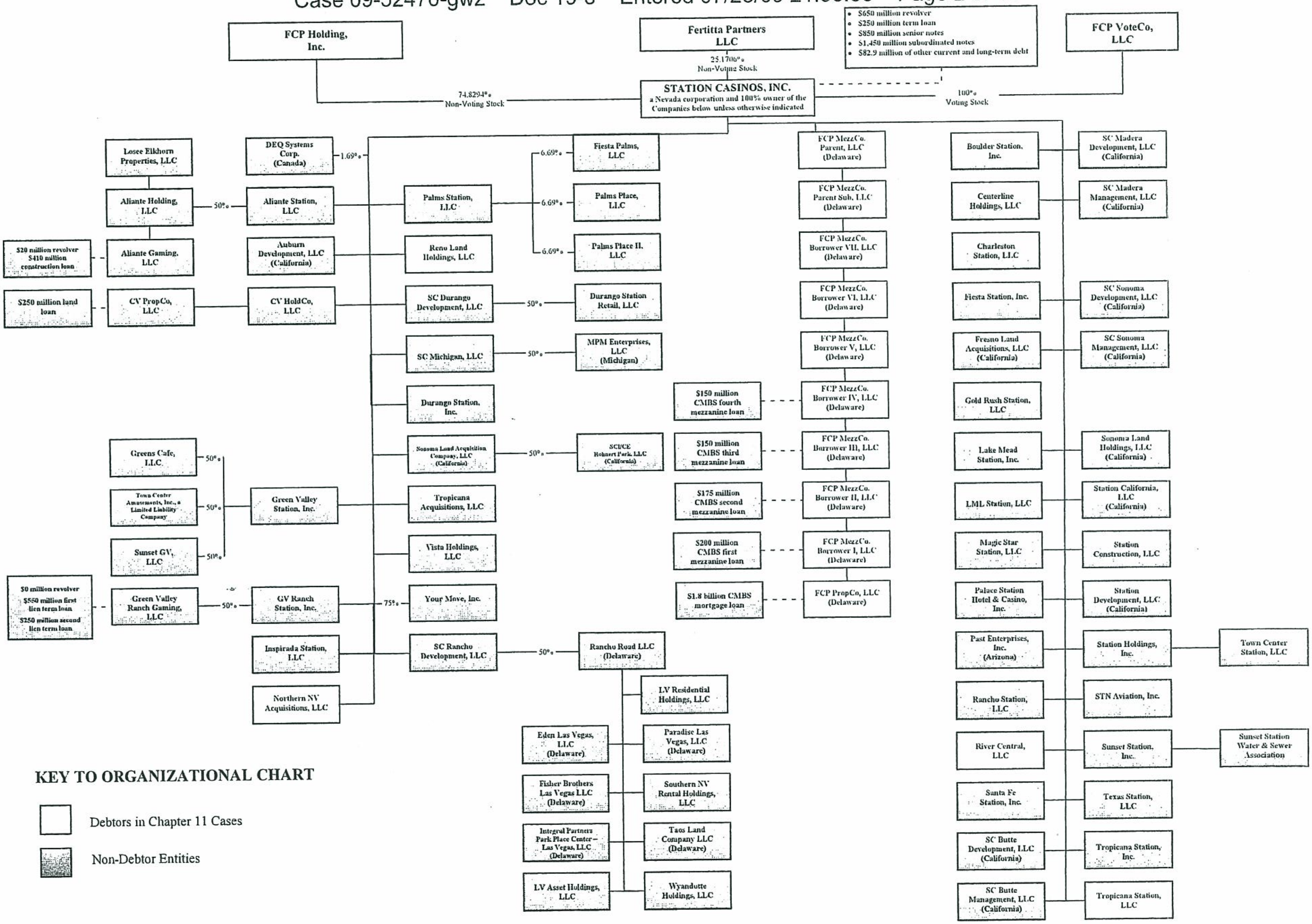

FCP Holding, Inc.
Fertitta Partners LLC
25.1706%
Non-Voting Stock
• $650 million revolver
• $250 million term loan
• $850 million senior notes
• $1,450 million subordinated notes
• $82.9 million of other current and long-term debt
FCP VoteCo, LLC
74.8294%
Non-Voting Stock
STATION CASINOS, INC.
a Nevada corporation and 100% owner of the Companies below unless otherwise indicated
100%
Voting Stock
Losee Elkhorn Properties, LLC
Aliante Holding, LLC
50%
Aliante Gaming, LLC
$20 million revolver
$410 million construction loan
$250 million land loan
CV PropCo, LLC
DEQ Systems Corp. (Canada)
1.69%
Aliante Station, LLC
Auburn Development, LLC (California)
CV HoldCo, LLC
Palms Station, LLC
Reno Land Holdings, LLC
SC Durango Development, LLC
SC Michigan, LLC
Durango Station, Inc.
Sonoma Land Acquisition Company, LLC (California)
Tropicana Acquisitions, LLC
Vista Holdings, LLC
Your Move, Inc.
SC Rancho Development, LLC
6.69%
Fiesta Palms, LLC
6.69%
Palms Place, LLC
6.69%
Palms Place II, LLC
50%
Durango Station Retail, LLC
50%
MPM Enterprises, LLC (Michigan)
50%
SCUCE Rohnert Park LLC (California)
Greens Cafe, LLC
50%
Town Center Amusements, Inc., a Limited Liability Company
50%
Sunset GV, LLC
51%
Green Valley Station, Inc.
$0 million revolver
$550 million first lien term loan
$250 million second lien term loan
Green Valley Ranch Gaming, LLC
50%
GV Ranch Station, Inc.
75%
Inspirada Station, LLC
Northern NV Acquisitions, LLC
50%
Rancho Road LLC (Delaware)
LV Residential Holdings, LLC
Eden Las Vegas, LLC (Delaware)
Paradise Las Vegas, LLC (Delaware)
Fisher Brothers Las Vegas LLC (Delaware)
Southern NV Rental Holdings, LLC
Integral Partners Park Place Center – Las Vegas, LLC (Delaware)
Taos Land Company LLC (Delaware)
LV Asset Holdings, LLC
Wyandotte Holdings, LLC
FCP MezzCo. Parent, LLC (Delaware)
FCP MezzCo. Parent Sub, LLC (Delaware)
FCP MezzCo. Borrower VII, LLC (Delaware)
FCP MezzCo. Borrower VI, LLC (Delaware)
FCP MezzCo. Borrower V, LLC (Delaware)
$150 million CMBS fourth mezzanine loan
FCP MezzCo. Borrower IV, LLC (Delaware)
$150 million CMBS third mezzanine loan
FCP MezzCo. Borrower III, LLC (Delaware)
$175 million CMBS second mezzanine loan
FCP MezzCo. Borrower II, LLC (Delaware)
$200 million CMBS first mezzanine loan
FCP MezzCo. Borrower I, LLC (Delaware)
$1.8 billion CMBS mortgage loan
FCP PropCo, LLC (Delaware)
Boulder Station, Inc.
Centerline Holdings, LLC
Charleston Station, LLC
Fiesta Station, Inc.
Fresno Land Acquisitions, LLC (California)
Gold Rush Station, LLC
Lake Mead Station, Inc.
LML Station, LLC
Magic Star Station, LLC
Palace Station Hotel & Casino, Inc.
Past Enterprises, Inc. (Arizona)
Rancho Station, LLC
River Central, LLC
Santa Fe Station, Inc.
SC Butte Development, LLC (California)
SC Butte Management, LLC (California)
SC Madera Development, LLC (California)
SC Madera Management, LLC (California)
SC Sonoma Development, LLC (California)
SC Sonoma Management, LLC (California)
Sonoma Land Holdings, LLC (California)
Station California, LLC (California)
Station Construction, LLC
Station Development, LLC (California)
Station Holdings, Inc.
Town Center Station, LLC
STN Aviation, Inc.
Sunset Station, Inc.
Sunset Station Water & Sewer Association
Texas Station, LLC
Tropicana Station, Inc.
Tropicana Station, LLC
KEY TO ORGANIZATIONAL CHART
Debtors in Chapter 11 Cases
Non-Debtor Entities

EXHIBIT C

Definitive Proxy Statement on Schedule 14A
filed with the Securities Exchange Commission
on July 9, 2007
(annexes omitted)

DEFM14A 1 a07-13127_1defm14a.htm DEFM14A

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

SCHEDULE 14A

(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

Station Casinos, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

o No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:
Station Casinos, Inc. common stock, par value $0.01 per share
(2) Aggregate number of securities to which transaction applies:
57,276,150 shares of Station Casinos, Inc. common stock outstanding and 2,141,057 options to purchase Station common stock.
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
Calculated solely for the purpose of determining the filing fee. The transaction valuation is determined based upon the sum of (a) the product of (i) 57,276,150 shares of Station common stock outstanding on July 5, 2007, and (ii) the merger consideration of $90.00 per share (equal to $5,154,853,500) and (b) an aggregate of $166,862,810 expected to be paid upon the cancellation of outstanding options having an exercise price less than $90.00 (the "Total Consideration"). The filing fee, calculated in accordance with Exchange Act Rule 0-11(c)(1), was determined by multiplying 0.00003070 by the Total Consideration.
(4) Proposed maximum aggregate value of transaction:
$5,321,715,710
(5) Total fee paid:
$163,376.67

x Fee paid previously with preliminary materials.
o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

IMPORTANT SPECIAL MEETING OF STOCKHOLDERS

AUGUST 13, 2007

July 9, 2007

Dear Fellow Stockholder:

You are cordially invited to attend a special meeting of stockholders of Station Casinos, Inc., a Nevada corporation (“Station”), to be held on Monday, August 13, 2007 at 2:00 p.m. local time, at Red Rock Casino Resort Spa, 11011 West Charleston Boulevard, Las Vegas, Nevada. The attached proxy statement provides information regarding the matters to be acted on at the special meeting, including at any adjournment or postponement thereof.

At the special meeting, you will be asked to consider and vote upon a proposal to approve an Agreement and Plan of Merger, dated as of February 23, 2007 and amended as of May 4, 2007, entered into among Station, Fertitta Colony Partners LLC, a Nevada limited liability company (“Parent”), and FCP Acquisition Sub, a Nevada corporation and a wholly-owned subsidiary of Parent (“Merger Sub”). Pursuant to the terms of the merger agreement, Merger Sub will be merged with and into Station and as a result Station will continue as the surviving corporation. Following the consummation of the merger, approximately 25% of the issued and outstanding shares of non-voting common stock of Station will be owned by Fertitta Partners LLC, a Nevada limited liability company which will be owned by affiliates of Frank J. Fertitta III, Chairman and Chief Executive Officer of Station, Lorenzo J. Fertitta, Vice Chairman and President of Station, Blake L. Sartini and Delise F. Sartini (“Fertitta Partners”). The remaining 75% of the issued and outstanding shares of non-voting common stock of Station will be owned by FCP Holding, Inc., a Nevada corporation and a wholly-owned subsidiary of Parent (“FCP HoldCo”). Parent will be owned by an affiliate of Colony Capital LLC and affiliates of Frank J. Fertitta III and Lorenzo J. Fertitta. Substantially simultaneously with the consummation of the merger, shares of voting common stock of Station will be issued for nominal consideration to FCP VoteCo LLC, a Nevada limited liability company (“FCP VoteCo”) which will be owned by Frank J. Fertitta III, Lorenzo J. Fertitta and Thomas J. Barrack, Jr., the Chairman and Chief Executive Officer of Colony Capital, LLC.

If the merger agreement is approved and the merger is consummated, each share of Station common stock, including any rights associated therewith (other than shares of Station common stock owned by Parent, Merger Sub, FCP HoldCo, Fertitta Partners or any wholly-owned subsidiary of Station or shares of Station common stock held in treasury by us), will be cancelled and converted into the right to receive $90.00 in cash, without interest. Frank J. Fertitta III, Lorenzo J. Fertitta, Blake L. Sartini and Delise F. Sartini (collectively, the “Rollover Stockholders”) have agreed to contribute a portion of the shares of Station common stock that they beneficially own to Fertitta Partners and, subject to specified exceptions, to vote all of the shares of common stock beneficially owned by them in favor of the merger. Each share of Station common stock beneficially owned by the Rollover Stockholders that is not contributed to Fertitta Partners will be sold to Parent for $90.00 of cash consideration or cancelled and converted into the right to receive $90.00 in cash, without interest. Following the consummation of the merger, Station will be privately owned through FCP HoldCo, Fertitta Partners and FCP VoteCo. A copy of the merger agreement is included as Annex A to the attached proxy statement and a copy of the amendment to the merger agreement is included as Annex B to the attached proxy statement.

On February 23, 2007, our board of directors, after considering factors including the unanimous determination and recommendation of a special committee comprised entirely of independent directors, unanimously determined (with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in the vote) that the merger and the merger agreement are fair to and in the best interests of Station and the stockholders of Station, other than the Rollover Stockholders, and approved the merger agreement. In arriving at their recommendation of the merger agreement, our board of directors and the special committee carefully considered a number of factors which are described in the accompanying proxy statement. **Our board of directors unanimously recommends (with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in such recommendation) that you vote FOR the approval of the merger agreement.**

When you consider the recommendation of our board of directors to approve the merger agreement, you should be aware that some of our directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of our stockholders generally.

The attached proxy statement provides you with detailed information about the special meeting, the merger agreement and the merger. You are urged to read the entire document carefully. You may also obtain more information about Station from documents we have filed with the Securities and Exchange Commission.

Regardless of the number of shares you own, your vote is very important. The affirmative vote of the holders of (1) at least two-thirds of all of the outstanding shares of Station common stock entitled to vote, which vote we sometimes refer to in this proxy statement as the Two-Thirds Vote, and (2) a majority of the outstanding shares of Station common stock (other than shares of Station common stock held by Parent, Merger Sub, the Rollover Stockholders or any of their respective affiliates) present, in person or by proxy, and voting at the special meeting, which vote we sometimes refer to in this proxy statement as the Majority-Minority Vote and together with the Two-Thirds Vote, the Requisite Stockholder Vote, is required to approve the merger agreement.

If you fail to vote on the merger agreement, the effect will be the same as a vote against the approval of the merger agreement for purposes of the Two-Thirds Vote, but will not affect the Majority-Minority Vote. Once you have read the accompanying materials, please vote on the proposals submitted to stockholders at the special meeting, whether or not you plan to attend the meeting, by signing, dating and mailing the enclosed proxy card or by voting your shares by telephone or Internet by following the instructions on your proxy card. If you receive more than one proxy card because you own shares that are registered differently, please vote all of your shares shown on all of your proxy cards. If your shares are held in “street name” by your broker, your broker will be unable to vote your shares without instructions from you. You should instruct your broker to vote your shares, following the procedures provided by your broker. Failure to instruct your broker to vote your shares will have exactly the same effect as voting against the approval of the merger agreement.

Voting by proxy will not prevent you from voting your shares in person in the manner described in the attached proxy statement if you subsequently choose to attend the special meeting.

On behalf of your board of directors, thank you for your cooperation and support.

Sincerely,

James E. Nave, D.V.M.	Frank J. Fertitta III
Chairman of the Special Committee	Chairman of the Board and Chief Executive Officer

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE MERGER, OR PASSED UPON THE FAIRNESS OR MERITS OF THE MERGER OR THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THE ENCLOSED PROXY STATEMENT. ANY CONTRARY REPRESENTATION IS A CRIMINAL OFFENSE.

This proxy statement is dated July 9, 2007, and it and the proxy card are first being mailed to stockholders on or about July 11, 2007.

IMPORTANT

YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES YOU OWN. PLEASE SIGN, DATE AND PROMPTLY MAIL YOUR PROXY CARD OR VOTE BY TELEPHONE OR VIA THE INTERNET AT YOUR EARLIEST CONVENIENCE.

If you have any questions or need assistance voting your shares, please call D.F. King & Co., Inc., which is assisting us in the solicitation of proxies, toll-free at (888) 886-4425.

STATION CASINOS, INC.

NOTICE OF SPECIAL MEETING

TO BE HELD AUGUST 13, 2007

July 9, 2007

On Monday, August 13, 2007, Station Casinos, Inc. ("Station") will hold a special meeting of stockholders at Red Rock Casino Resort Spa, 11011 West Charleston Boulevard, Las Vegas, Nevada. The meeting will begin at 2:00 p.m. local time.

Only holders of shares of Station common stock, par value $0.01 per share, of record at the close of business on June 14, 2007, may vote at this meeting or any adjournments or postponements that may take place. At the meeting stockholders will be asked to:

- consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of February 23, 2007 and amended as of May 4, 2007, among Station, Fertitta Colony Partners LLC, a Nevada limited liability company ("Parent"), and FCP Acquisition Sub, a Nevada corporation and a wholly-owned subsidiary of Parent ("Merger Sub");
- approve any motion to adjourn the special meeting to a later date, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposal; and
- transact such other business as may properly come before the special meeting or any adjournment or postponement of the special meeting.

Your board of directors (with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in the vote or recommendation) has unanimously approved and recommends that you vote FOR the approval of the merger agreement and FOR the adjournment proposal, which are discussed in more detail in the attached proxy statement.

When you consider the recommendation of our board of directors to approve the merger agreement, you should be aware that some of our directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of our stockholders generally.

Regardless of the number of shares you own, your vote is very important. The affirmative vote of the holders of (1) at least two-thirds of all of the outstanding shares of Station common stock then entitled to vote, which vote we sometimes refer to in this proxy statement as the Two-Thirds Vote, and (2) a majority of the outstanding shares of Station common stock (other than shares of Station common stock held by Parent, Merger Sub, the Rollover Stockholders or any of their respective affiliates) present, in person or by proxy, and voting at the special meeting, which vote we sometimes refer to in this proxy statement as the Majority-Minority Vote and together with the Two-Thirds Vote, the Requisite Stockholder Vote, is required to approve the merger agreement.

If you fail to vote on the merger agreement, the effect will be the same as a vote against the approval of the merger agreement for purposes of the Two-Thirds Vote, but will not affect the Majority-Minority Vote.

We hope you will be able to attend the meeting, but whether or not you plan to attend, please vote your shares by:

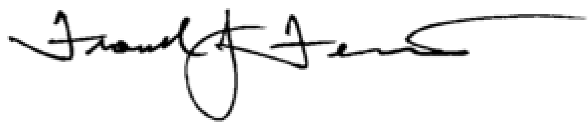
· signing and returning the enclosed proxy card as soon as possible;

· calling the toll-free number listed on the proxy card; or

· accessing the Internet as instructed on the proxy card.

Voting by proxy will not prevent you from voting your shares in person in the manner described in the attached proxy statement if you subsequently choose to attend the special meeting. If you hold your shares through a bank, broker or custodian, you must obtain a legal proxy from such custodian in order to vote in person at the meeting. You should not send in your certificates representing shares of Station common stock until you receive instructions to do so.

By Order of the Board of Directors,



Frank J. Fertitta III, Chairman of the Board and Chief Executive Officer

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SUMMARY TERM SHEET

The following summary, together with "Questions and Answers About the Special Meeting and the Merger," highlights selected information contained in this proxy statement. It may not contain all of the information that might be important in your consideration of the proposed merger. We encourage you to read carefully this proxy statement and the documents we have incorporated by reference into this proxy statement before voting. See "Where You Can Find More Information" on page 122. In this proxy statement, the terms "Station", "the Company", "we", "our", "ours" and "us" refer to Station Casinos, Inc. and its subsidiaries. Where appropriate, we have set forth a section and page reference directing you to a more complete description of the topics described in this summary.

The Parties to the Merger (Pages 107 and 117).

Station Casinos, Inc., a Nevada corporation, is a gaming and entertainment company that currently owns and operates nine major hotel/casino properties (one of which is 50% owned) under the Station and Fiesta brand names and seven smaller casino properties (two of which are 50% owned) in the Las Vegas metropolitan area. We also manage a casino in Sacramento, California for a Native American tribe. Each of our casinos located in the Las Vegas metropolitan area caters primarily to local Las Vegas area residents.

Fertitta Colony Partners LLC, which we sometimes refer to in this proxy statement as Parent, is a Nevada limited liability company that will, following the consummation of the merger, own through its wholly-owned subsidiary FCP Holding, Inc., a Nevada corporation, which we sometimes refer to in this proxy statement as FCP HoldCo, approximately 75% of the issued and outstanding shares of non-voting common stock of Station. Immediately prior to the merger, Parent will be owned by affiliates of Frank J. Fertitta III, Chairman and Chief Executive Officer of Station, Lorenzo J. Fertitta, Vice Chairman and President of Station, and FC Investor, LLC, which we sometimes refer to in this proxy statement as FC Investor and which is a Delaware limited liability company and an affiliate of Colony Capital, LLC, which we sometimes refer to in this proxy statement as Colony or the Equity Investor, and Colony Capital Acquisitions, LLC, which we sometimes refer to in this proxy statement as Colony Acquisitions.

Fertitta Partners LLC, which we sometimes refer to in the proxy statement as Fertitta Partners, is a Nevada limited liability company that will, following the consummation of the merger, own approximately 25% of the issued and outstanding shares of non-voting common stock of Station. Immediately prior to the consummation of the merger, Fertitta Partners will be owned by affiliates of Frank J. Fertitta III, Lorenzo J. Fertitta, Blake L. Sartini and Delise F. Sartini (collectively referred to in this proxy statement as the "Rollover Stockholders"). Certain members of the management of Station may be granted or may otherwise acquire membership interests in Parent and Fertitta Partners.

FCP VoteCo LLC, which we sometimes refer to in this proxy statement as FCP VoteCo, is a Nevada limited liability company that will, following the consummation of the merger and the substantially simultaneous issuance and sale of voting common stock of Station for nominal consideration, own all of the issued and outstanding shares of voting common stock of Station. It is currently anticipated that there will be 1,000,000 shares of outstanding non-voting common stock of Station for each outstanding share of voting common stock of Station. Immediately prior to the consummation of the merger, each of Frank J. Fertitta III, Lorenzo J. Fertitta and Thomas J. Barrack, Jr., the Chairman and Chief Executive Officer of the Equity Investor, will own a one-third interest in FCP VoteCo.

The Rollover Stockholders have agreed to contribute a portion of their shares of Station common stock to Fertitta Partners in exchange for a portion of the equity interests of Fertitta Partners and, subject to specified exceptions, to vote their shares of common stock in favor of the merger.

FCP Acquisition Sub, which we sometimes refer to in this proxy statement as Merger Sub, is a Nevada corporation and currently is a wholly-owned subsidiary of Parent. Immediately prior to the consummation of the merger, Merger Sub will be a wholly owned subsidiary of FCP HoldCo.

The Proposal (Pages 48 and 83).

You are being asked to consider and vote to approve the Agreement and Plan of Merger, dated as of February 23, 2007 and amended as of May 4, 2007, by and among Station, Parent and Merger Sub (as amended, the "merger agreement"), pursuant to which Merger Sub will be merged with and into Station. Station will be the surviving company in the merger, which we refer to as the surviving corporation. As a result of the merger, Station's stockholders, other than the Rollover Stockholders, Parent, FCP HoldCo, Fertitta Partners, FCP VoteCo, the Equity Investor and Colony Acquisitions will no longer have a direct or indirect equity interest in Station and Station common stock will no longer be listed on the New York Stock Exchange, which we refer to as the NYSE. The surviving corporation will, however, continue to file periodic reports with the Securities and Exchange Commission, which we refer to as the SEC, because the voting common stock of the surviving corporation will be registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and such reports may be required by indentures governing the outstanding indebtedness of the surviving corporation or applicable law.

Merger Consideration (Page 84).

If the merger is consummated, holders of shares of outstanding Station common stock (other than shares of Station common stock owned by Parent, Merger Sub, FCP HoldCo, Fertitta Partners or any wholly-owned subsidiary of Station or shares of Station common stock held in treasury by us) will be entitled to receive $90.00 in cash, without interest, which we sometimes refer to as the merger consideration, for each share of Station common stock owned at the effective time of the merger. Each share of Station common stock beneficially owned by the Rollover Stockholders that is not contributed to Fertitta Partners will be sold to Parent for $90.00 of cash consideration or cancelled and converted into the right to receive $90.00 in cash, without interest. Parent, the surviving corporation and the disbursing agent designated by Parent will be entitled to deduct and withhold from the merger consideration any amounts required to be deducted and withheld under any applicable tax law, and any amounts so withheld shall be treated as having been paid to the holder from whose merger consideration the amounts were so deducted and withheld.

Treatment of Outstanding Options and Restricted Stock (Page 84).

If the merger is consummated, all outstanding options to purchase shares of Station common stock granted under a Station plan and not exercised prior to the merger will vest and be cancelled and converted into the right to receive a cash payment equal to the number of shares of Station common stock subject to the options multiplied by the amount by which $90.00 exceeds the option exercise price, without interest. At the effective time of the merger, each share of Station restricted stock will vest and be cancelled and converted into the right to receive $90.00 in cash, without interest.

Interests of Certain Persons in the Merger (Page 52).

In considering the proposal to approve the merger agreement, you should be aware that some Station stockholders, directors, officers and employees have interests in the merger that may be different from, or in addition to, your interests as a Station stockholder generally, including:

- accelerated vesting and cash-out of options, restricted stock and other stock-based awards held by directors, officers and employees of Station, which will result in the payment of consideration in the approximate amounts of $367.7 million to Station's directors and officers and $47.2 million to Station's other employees;

- compensation arrangements between Parent or its affiliates, including Station, and members of senior management of Station, including total compensation packages valued at approximately $6 million per year in the case of Frank J. Fertitta III and $3.5 million per year in the case of Lorenzo J. Fertitta;
- ownership of equity interests in and certain governance rights with respect to Station, Parent, FCP HoldCo, Fertitta Partners and FCP VoteCo, including Frank J. Fertitta III's and Lorenzo J. Fertitta's anticipated direct and indirect ownership of approximately 15.0% of the equity interests in Parent, approximately 85.5% of the equity interests in Fertitta Partners and two-thirds of the equity interests in FCP VoteCo, as well as their interests in approximately 20.9% of Station's net book value and earnings following the consummation of the merger; and
- continued indemnification and increased directors' and officers' liability insurance coverage in the amount of $300 million to be provided by Parent and the surviving corporation.

The special committee and Station's board of directors were aware of these interests and considered them, among other matters, prior to providing their respective recommendations with respect to the merger agreement.

Requisite Stockholder Vote (Page 79).

The affirmative vote of the holders of (1) at least two-thirds of all of the outstanding shares of Station common stock entitled to vote, which vote we sometimes refer to in this proxy statement as the Two-Thirds Vote, and (2) a majority of the outstanding shares of Station common stock (other than shares of Station common stock held by Parent, Merger Sub, the Rollover Stockholders or any of their respective affiliates) present, in person or by proxy, and voting at the special meeting, which vote we sometimes refer to in this proxy statement as the Majority-Minority Vote and, together with the Two-Thirds Vote, the Requisite Stockholder Vote, is required to approve the merger agreement. Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Station common stock present, in person or by proxy, and entitled to vote at the special meeting on that matter. Pursuant to a voting agreement among the Rollover Stockholders, Parent and Station, the Rollover Stockholders have agreed to vote all of their shares, which comprise 24% of Station's outstanding common stock not including shares issuable upon the exercise of stock options held by such Rollover Stockholders, FOR the approval of the merger agreement, subject to specified exceptions. If you fail to vote on the merger agreement, the effect will be the same as a vote against the approval of the merger agreement for purposes of the Two-Thirds Vote but will have no effect on the Majority-Minority Vote.

Share Ownership of Directors and Executive Officers (Pages 55 and 70).

As of June 14, 2007, the record date, the directors and executive officers of Station held and were entitled to vote, in the aggregate, shares of our common stock representing approximately 22.2% of the outstanding shares. We believe our directors and executive officers intend to vote all of their shares of our common stock FOR the approval of the merger agreement and FOR the adjournment proposal. In addition, the Rollover Stockholders have entered into a voting agreement with Parent and Station in which they agreed to vote all of their shares, which comprise 24% of Station's outstanding common stock not including shares issuable upon the exercise of stock options held by such Rollover Stockholders, FOR the approval of the merger agreement, subject to specified exceptions. Frank J. Fertitta III and Lorenzo J. Fertitta together currently own approximately 19.8% of the outstanding shares of Station, and we estimate that immediately following the consummation of the merger, they will indirectly own approximately 20.9% of the outstanding shares of Station. The outcome of the Two-Thirds Vote is not assured by virtue of the voting agreement and the shares subject to the voting agreement have no effect on the outcome of the Majority-Minority Vote.

Recommendations (Pages 11, 26 and 79).

Our board of directors formed a special committee of independent and disinterested directors on November 15, 2006 for purposes of reviewing, evaluating and, as appropriate, negotiating the proposal made by Frank J. Fertitta III and Lorenzo J. Fertitta or any unsolicited alternative proposal, and, as appropriate, rejecting or recommending to our full board of directors the proposal made by Frank J. Fertitta III and Lorenzo J. Fertitta or any unsolicited alternative proposal. The special committee has unanimously determined that the merger agreement and the merger are fair to and in the best interests of Station and the unaffiliated stockholders of Station (by which we mean the stockholders other than the Rollover Stockholders), and has recommended to the full Station board of directors that the board of directors approve the merger agreement and that the stockholders of Station approve the merger agreement. The members of the special committee comprise a majority of our board of directors, with the only other members being Frank J. Fertitta III and Lorenzo J. Fertitta. After considering factors including the unanimous recommendation of the special committee, Station's board of directors (with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in the vote or recommendation) has unanimously:

- determined that the merger agreement and the merger are fair to and in the best interests of Station and the unaffiliated stockholders of Station;
- approved the merger agreement; and
- recommended that Station's stockholders approve the merger agreement.

Accordingly, the special committee and the board of directors (with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in the recommendation) unanimously recommend that you vote FOR the approval of the merger agreement.

Opinion of Bear, Stearns & Co. Inc. (Page 35).

The special committee received an opinion from its financial advisor, Bear, Stearns & Co. Inc. ("Bear Stearns"), delivered orally at the special committee meeting on February 23, 2007, and subsequently confirmed in writing, that, as of February 23, 2007, the date of the opinion, based upon and subject to the factors and assumptions and limitations, qualifications and other conditions contained in the opinion, the merger consideration of $90.00 per share to be received by the holders of shares of the Company's common stock (other than the Rollover Stockholders) pursuant to the merger agreement was fair, from a financial point of view, to such holders, as described in the opinion of Bear Stearns, which is attached as Annex C to this proxy statement. We encourage you to read carefully this opinion in its entirety. **The opinion of Bear Stearns was provided to the special committee in connection with its evaluation of the merger does not address any other aspect of the merger and does not constitute a recommendation to any stockholder as to how you should vote on any matter at the special meeting.**

Report of CB Richard Ellis (Page 42).

The special committee received a report from CB Richard Ellis ("CBRE"), an independent real estate firm, with respect to Station's undeveloped land holdings. The report is attached as an exhibit to the Schedule 13e-3 filed with the SEC in connection with the merger and incorporated herein by reference. We encourage you to read carefully this report in its entirety. **The report of CBRE was provided to the special committee in connection with its evaluation of the merger, does not address any other aspect of the merger and does not constitute a recommendation to any stockholder as to how you should vote on any matter at the special meeting.**

What We Need to Do to Consummate the Merger (Page 96).

We will consummate the merger only if the conditions set forth in the merger agreement are satisfied or waived. These conditions include, among others:

- approval of the merger agreement by the Requisite Stockholder Vote;
- the absence of any legal restraint or prohibition preventing the consummation of the merger and the other transactions contemplated by the merger agreement;
- the expiration or early termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we call the HSR Act;
- the receipt of other regulatory approvals as described below under "Special Factors—Regulatory Approvals" beginning on page 71;
- the representations and warranties of Station with respect to capitalization of Station and its subsidiaries, being true and correct in all material respects, and all other representations and warranties of Station being true and correct in all respects, except where the failure to be true and correct has not had, and would not be reasonably likely to have, a material adverse effect on Station and its subsidiaries taken as a whole;
- the representations and warranties of Parent and Merger Sub that are qualified as to materiality being true and correct, and those representations and warranties of Parent and Merger Sub that are not qualified as to materiality being true and correct in all material respects; and
- Station's and Parent's performance in all material respects of all of their respective obligations and compliance in all material respects with all of their respective agreements in the merger agreement.

At any time before the merger, to the extent legally allowed, the board of directors of Station, if approved by the special committee or a majority of the disinterested directors if the special committee no longer exists, may waive compliance with any of the conditions to Parent and Merger Sub's obligations contained in the merger agreement without the approval of its stockholders and Parent and Merger Sub may waive compliance with any of Station's conditions contained in the merger agreement. As of the date of this proxy statement, none of Station, Parent or Merger Sub expects that any condition will be waived.

Regulatory Approvals That Must be Obtained (Page 71).

In addition to the early termination of the applicable waiting period under the HSR Act from the Antitrust Division of the Department of Justice (the "DOJ") and the Federal Trade Commission (the "FTC"), which occurred on March 20, 2007, we will need to receive approvals from various gaming authorities, including , the Nevada State Gaming Control Board, the Nevada Gaming Commission, the Clark County Liquor and Gaming Licensing Board, the cities of Las Vegas, North Las Vegas and Henderson, Nevada, the California Gambling Commission, the United Auburn Indian Community—Tribal Gaming Agency and the National Indian Gaming Commission.

When the Merger Will Be Consummated (Page 13).

We anticipate consummating the merger in the second half of 2007, subject to approval of the merger agreement by Station's stockholders and the satisfaction of the other closing conditions set forth in the merger agreement.

Termination of the Merger Agreement (Page 100).

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after stockholder approval has been obtained:

- by mutual written consent of Station (acting on the direction of the special committee) and Parent and Merger Sub; or

- by either Station (with the prior approval of the special committee) or Parent if:
  - the effective time shall not have occurred on or before February 23, 2008 (the "End Date"), unless the failure of the party seeking to exercise such termination right to perform its obligation under the merger agreement has been the principal cause of the failure of the merger to be consummated by such time. Such "End Date" shall be automatically extended until May 23, 2008 if all of the conditions to the consummation of the merger were or were capable of being satisfied other than relating to a gaming approval and Parent provides written notice of such extension prior to February 23, 2008;
  - a temporary restraining order, preliminary or permanent injunction or other judgment, order or law prohibits, restrains or renders illegal the consummation of the merger and such legal restraint has become final and non-appealable, provided that such right to terminate the merger agreement shall not be available to any party whose breach of any provision of the merger agreement has been the principal cause of or resulted in the application or imposition of such restraint; or
  - our stockholders, at the special meeting or at any adjournment or postponement thereof at which the merger agreement was voted on, fail to approve the merger agreement by the Requisite Stockholder Vote; or
- by Station (with the prior approval of the special committee) if:
  - a breach of or failure to perform any representation, warranty, covenant or agreement on the part of Parent or Merger Sub set forth in the merger agreement shall have occurred and such breach or failure to perform would result in a failure of a condition to Station's obligation to consummate the merger and cannot be cured within 60 calendar days following notice to Parent, provided that we are not then in material breach of the merger agreement;
  - prior to obtaining the Requisite Stockholder Vote, we receive a Company Acquisition Proposal and our board of directors (acting through the special committee if it still exists, or otherwise by resolution of a majority of its disinterested directors) has concluded in good faith that such proposal constitutes a Superior Proposal; however we may not terminate the merger agreement pursuant to the foregoing unless:
    - we have complied in all material respects with the conditions described in "—Restrictions on Solicitation of Other Offers;"
    - we pay the termination fee in compliance with the requirements of described in "—Termination Fees and Expenses;" and
    - our board of directors concurrently approves and we concurrently enter into a definitive agreement with respect to such Superior Proposal; or
- by Parent or Merger Sub if:
  - a breach of or failure to perform any representation, warranty, covenant or agreement on our part set forth in the merger agreement shall have occurred and such breach or failure to perform would result in a failure of a condition of Parent's or Merger Sub's obligation to consummate the merger and cannot be cured within 60 calendar days following notice of such breach to us; provided that Parent or Merger Sub is not in material breach of the merger agreement;
  - our board of directors or any committee thereof withdraws or modifies in a manner adverse to Parent or Merger Sub its recommendation that our stockholders approve the merger agreement, or publicly proposes to take such action;

- our board of directors or any committee thereof shall have approved or recommended to our stockholders a Company Acquisition Proposal other than the merger, or shall have resolved to take such action; or
- we willfully breach our covenants under the merger agreement relating to solicitations, Company Acquisition Proposals and board recommendation changes in any manner materially adverse to Parent and Merger Sub.

A "Company Acquisition Proposal" means any inquiry, proposal or offer from any person or group of persons other than Parent, Merger Sub or their respective affiliates relating to any direct or indirect acquisition or purchase (whether in a single transaction or a series of transactions) of a business or businesses that constitutes 30% or more of the cash flow, net revenues, net income or assets of Station and its subsidiaries, taken as a whole, or 30% or more of any class or series of equity securities of Station, any tender offer or exchange offer that if consummated would result in any person or group of persons beneficially owning 30% or more of any class or series of equity securities of Station, or any merger, reorganization, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving Station (or any subsidiary or subsidiaries of Station whose business or businesses constitute(s) 30% or more of the cash flow, net revenues, net income or assets of Station and its subsidiaries, taken as a whole).

A "Superior Proposal" means a Company Acquisition Proposal (except the references therein to "30%" shall be replaced by "50%"), which was not obtained in violation of the merger agreement provisions relating to solicitations, Company Acquisition Proposals, and board recommendation changes and which Station's board of directors (acting through the special committee if it still exists, or otherwise by resolution of a majority of its disinterested directors) in good faith determines, would, if consummated, result in a transaction that is more favorable from a financial point of view to the stockholders of Station (in their capacities as stockholders) (other than the Rollover Stockholders) than the transactions contemplated by the merger agreement (x) after consultation with its financial advisor, (y) after taking into account the likelihood of consummation of such transaction on the terms set forth therein (as compared to the terms of the merger agreement), including, without limitation, the relative likelihood of obtaining the Requisite Stockholder Vote, and (z) after taking into account all appropriate legal (after consultation with its outside counsel), financial (including the financing terms of any such proposal), regulatory (including the relative likelihood of obtaining the requisite approvals under applicable gaming laws) or other aspects of such proposal, including, without limitation, the identity of the third party making such proposal and the terms of any written proposal by Parent to amend or modify the terms of the merger and the other transactions contemplated by the merger agreement.

Termination Fees and Expenses (Page 101).

Payable by Station

We have agreed to reimburse Parent's and Merger Sub's reasonable out-of-pocket fees and expenses incurred by them or their affiliates in connection with the merger agreement, up to $40 million in the aggregate, (x) if the merger agreement is terminated by us or Parent because at our stockholders' meeting or any adjournment thereof at which the merger agreement has been voted upon, our stockholders fail to approve the merger agreement by the Majority-Minority Vote and the termination fee is not otherwise payable under the merger agreement or (y) if Parent terminates the merger agreement because of a breach of any representation, warranty, covenant or agreement by us, which would cause the conditions to the obligations of Parent and Merger Sub to consummate the merger not to be satisfied and such breach is not cured within 60 calendar days following notice of such breach to us. If we become obligated to pay a termination fee under the merger agreement after payment of such expenses, the amount previously paid to Parent as an expense reimbursement will be credited toward the termination fee amount payable by us.

We must pay a termination fee of $160 million to Parent as promptly as possible (but in any event within four business days) under the following conditions:

· we terminate the merger agreement because, prior to obtaining the Requisite Stockholder Vote, we receive a Company Acquisition Proposal and our board of directors (acting through the special committee if it still exists, or otherwise by resolution of a majority of its disinterested directors) has concluded in good faith that such proposal constitutes a Superior Proposal (except that if the Company Acquisition Proposal is received prior to 11:59 p.m., Pacific Standard Time on the 30th business day following the date of the merger agreement; or April 6, 2007 (the "No-Shop Period Start Date"), the termination fee shall be $106 million);

· Parent terminates the merger agreement because our board of directors approved or recommended to our stockholders to adopt a Company Acquisition Proposal other than the merger contemplated by this merger agreement or we willfully breach our covenants under the merger agreement relating to solicitations, Company Acquisition Proposals and board recommendation changes in any manner materially adverse to Parent and Merger Sub;

· Parent terminates the merger agreement because our board of directors withdrew, modified or publicly proposed to do so in a manner adverse to Parent and Merger Sub its recommendation that our stockholders approve the merger agreement, and prior to such withdrawal, a Company Acquisition Proposal had been publicly announced or otherwise communicated or made known to the special committee, or any person had publicly announced or communicated or made known a bona fide intention, whether or not conditional, to make a Company Acquisition Proposal; or

· we or Parent terminate the merger agreement because our stockholders fail to approve the merger agreement by the Requisite Stockholder Vote, and (a) prior to the special meeting a Company Acquisition Proposal had been publicly announced or otherwise communicated or made known to the special committee, or any person had publicly announced or communicated or made known a bona fide intention, whether or not conditional, to make a Company Acquisition Proposal, (b) such Company Acquisition Proposal is not withdrawn or terminated prior to the special meeting, and (c) within twelve (12) months after such termination, we or any of our subsidiaries enter into a definitive agreement with respect to, or consummate, any Company Acquisition Proposal (whether or not the same as that originally announced) (provided that for purposes of this provision only, references in the definition of "Company Acquisition Proposal" to "30%" shall be replaced with "50%").

Payable by Parent

Parent must pay us a reverse termination fee of $160 million as promptly as possible (but in any event within four business days) if we terminate the merger agreement due to a breach of Parent's or Merger Sub's representations, warranties, covenants or agreements, including failure to deposit with the disbursing agent sufficient funds to make all payments pursuant to the merger agreement.

In the alternative, Parent must pay us a regulatory termination fee of $106 million as promptly as possible (but in any event within four business days) if we (with the prior approval of the special committee) or Parent terminate the merger agreement because the merger is not consummated by the End Date, and

· Parent and Merger Sub have not obtained all of the gaming approvals required under the merger agreement (which failure was not meaningfully contributed to by us);

· all other conditions to closing pursuant to the merger agreement have been satisfied (or are capable of being satisfied at the closing of the merger); and

· we are not in material breach of the merger agreement.

Financing of the Merger (Page 64).

Parent estimates that the total amount of funds necessary to consummate the merger and related transactions is anticipated to be approximately $5.7 billion, consisting of:

- approximately $4.5 billion to pay Station stockholders and holders of options or restricted shares amounts due to them under the merger agreement assuming a purchase price of $90.00 per share (net of the exercise price for options and net of the value of the equity rollover shares of Station common stock contributed to Fertitta Partners by the Rollover Stockholders);
- approximately $1.1 billion to repay certain existing indebtedness; and
- approximately $100 million to pay fees and expenses in connection with the merger.

These payments are expected to be funded by a combination of (A) equity contributions by affiliates of the Equity Investor and other investors in Parent and (B) debt financing. Parent has obtained equity and debt financing commitments described below in connection with the transactions contemplated by the merger agreement.

Equity Financing

Parent has received an equity commitment letter from FC Investor, pursuant to which, subject to the conditions contained therein, FC Investor has agreed to contribute up to an aggregate of approximately $2.6 billion in cash. Parent also received rollover commitments from the Rollover Stockholders of 9,672,021 shares of Station common stock having an aggregate value of approximately $870.5 million based on the per share merger consideration, which rollover commitments Parent subsequently assigned to Fertitta Partners.

Debt Financing

Parent has received debt commitment letters from prospective arrangers and lenders to provide, subject to the conditions set forth therein:

- to the surviving corporation, up to $500 million of senior secured credit facilities (of which $350 million is expected to be drawn at the closing of the merger) for the purpose of repaying or refinancing certain existing revolving indebtedness of Station and its subsidiaries as well as for providing ongoing working capital for other general corporate purposes of the surviving corporation and its subsidiaries; and
- to a wholly-owned, unrestricted special purpose subsidiary of Station, up to $2.725 billion of mortgage loans and/or related mezzanine financing for the merger and paying fees and expenses in connection therewith.

Parent has agreed to use its reasonable best efforts to arrange the debt financing on the terms and conditions described in the debt commitment letters. The closing of the merger is not conditioned on the receipt of financing.

Restrictions on Solicitations of Other Offers (Page 97).

The merger agreement provides that during the period beginning on the date of the merger agreement and continuing until the No-Shop Period Start Date we were permitted to:

- initiate, solicit and encourage, publicly or otherwise, any Company Acquisition Proposal including by way of providing access to non-public information pursuant to one or more confidentiality agreements that are consistent with Station’s past practice for transactions involving unaffiliated third-parties; and

- enter into and maintain discussions or negotiations with respect to Company Acquisition Proposals or otherwise cooperate with or assist or participate in, or facilitate, any such inquiries, proposals, discussions or negotiations.

From and after the No-Shop Period Start Date, we have agreed that we, our subsidiaries and representatives will not, subject to certain exceptions discussed below:

- initiate, solicit or knowingly encourage (including by way of providing information) the submission of any inquiries, proposals or offers that constitute or may reasonably be expected to lead to any Company Acquisition Proposal or engage in any discussions or negotiations with respect thereto or otherwise cooperate with or assist or participate in, or knowingly facilitate any such inquiries, proposals, discussions or negotiations; or

- approve or recommend, or publicly propose to approve or recommend, any Company Acquisition Proposal or enter into any merger agreement, letter of intent, agreement in principle, share purchase agreement, asset purchase agreement or share exchange agreement, option agreement or other similar agreement providing for or relating to a Company Acquisition Proposal or enter into any agreement or agreement in principle requiring us to abandon, terminate or fail to consummate the transactions contemplated by the merger agreement or breach our obligations thereunder or propose or agree to do any of the foregoing.

Prior to terminating the merger agreement or entering into an agreement with respect to any such Company Acquisition Proposal, we are required to comply with certain terms of the merger agreement described under "The Merger Agreement—Recommendation Withdrawal/Termination in Connection with a Superior Proposal."

Notwithstanding the foregoing, under certain circumstances, our board of directors (acting through the special committee if it still exists) may respond to a bona fide unsolicited Company Acquisition Proposal or terminate the merger agreement and enter into an acquisition agreement with respect to a Superior Proposal, so long as we comply with certain terms of the merger agreement described under "The Merger Agreement—Recommendation Withdrawal/Termination in Connection with a Superior Proposal."

Material United States Federal Income Tax Consequences (Page 62).

The receipt of cash in exchange for shares of Station common stock pursuant to the merger will be a taxable sale transaction for United States federal income tax purposes. In general, you will recognize gain or loss in the merger in an amount equal to the difference, if any, between the cash you receive and your tax basis in Station common stock surrendered. Payment of the cash consideration with respect to the disposition of shares of Station common stock pursuant to the merger may be subject to information reporting and United States federal backup withholding tax at the applicable rate (currently 28%), unless a holder of Station common stock properly certifies its taxpayer identification number or otherwise establishes an exemption from backup withholding and complies with all other applicable requirements of the backup withholding rules. **Tax matters are very complicated. The tax consequences of the merger to you will depend upon your particular circumstances. You should consult your tax advisor for a full understanding of the U.S. federal, state, local, non-U.S. and other tax consequences of the merger to you.**

Accounting Treatment of the Merger (Page 76).

The merger is expected to be accounted for as a business combination using the purchase method of accounting for financial accounting purposes, whereby the estimated purchase price would be allocated to the assets and liabilities of Station based on their relative fair values following Statement of Financial Accounting Standards No. 141, Business Combinations.

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers briefly address some questions you may have regarding the special meeting and the proposed merger. These questions and answers may not address all questions that may be important to you as a stockholder of Station. Please refer to the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement.

Q: ***Why am I receiving this proxy statement and proxy card?***

A: You are being asked to consider and vote upon a proposal to approve a merger agreement that we entered into on February 23, 2007, as amended on May 4, 2007. The merger agreement is attached as Annex A to this proxy statement and the amendment to the merger agreement is attached as Annex B to this proxy statement. We urge you to read it carefully. See "The Merger Agreement" beginning on page 83.

Q: ***Where and when is the Special Meeting?***

A: We will hold a special meeting of stockholders of Station on Monday, August 13, 2007 at 2:00 p.m. local time, at the Red Rock Casino Resort Spa, 11011 West Charleston Boulevard, Las Vegas, Nevada (the "Special Meeting").

Q: ***What matters will be voted on at the Special Meeting?***

A: You will be asked to consider and vote on the following proposals:

- to approve the merger agreement;
- to approve any motion to adjourn the Special Meeting, if necessary or appropriate, to a later date to solicit additional proxies if there are insufficient votes at the time of the Special Meeting to approve the proposal on the merger agreement; and
- to transact such other business as may properly come before the Special Meeting or any adjournment or postponement of the Special Meeting.

Q: ***What will a Station stockholder receive when the merger occurs?***

A: For every share of Station common stock owned at the effective time of the merger, a stockholder will have the right to receive $90.00 in cash, without interest. This does not apply to shares of Station common stock owned by Parent, Merger Sub, FCP HoldCo, Fertitta Partners or any wholly-owned subsidiary of Station or shares of Station common stock held in treasury by us. As a result of the merger, Station stockholders, other than the Rollover Stockholders, Parent, FCP HoldCo, Fertitta Partners, FCP VoteCo, FC Investor, the Equity Investor and Colony Acquisitions, will no longer have a direct or indirect equity interest in Station.

Q: ***How does Station's board of directors recommend that I vote on the proposals?***

A: The board of directors (with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in the vote) recommends that you vote:

- FOR the proposal to approve the merger agreement; and
- FOR the adjournment proposal.

You should read "Special Factors—Reasons for the Merger: Recommendations of the Special Committee; Fairness of the Merger" for a discussion of factors that our board of directors considered in deciding to recommend the approval of the merger agreement. See also "Special Factors—Interests of Certain Persons in the Merger."

Q: ***Who is entitled to vote at the Special Meeting?***

A: The record date for the Special Meeting is June 14, 2007 (the "Record Date"). Only holders of Station common stock at the close of business on the Record Date are entitled to notice of, and to vote at, the Special Meeting or any adjournment or postponement thereof. On the Record Date, there were 57,276,414 shares of common stock outstanding. Each share of common stock is entitled to one (1) vote on all matters presented at the Special Meeting. Holders of unexercised options will not be entitled to vote at the Special Meeting.

Q: ***What constitutes a quorum for the Special Meeting?***

A: The presence, in person or by proxy, of stockholders holding at least a majority of the voting power of our stock outstanding on the Record Date will constitute a quorum for the Special Meeting. The shares of common stock held by the Rollover Stockholders, if present, in person or by proxy, will count towards determining whether a quorum exists.

Q: ***What vote is required to approve the merger agreement and to approve the adjournment proposal?***

A: Approval of the merger agreement requires the Requisite Stockholder Vote. If you fail to vote on the merger agreement, the effect will be the same as a vote against the approval of the merger agreement for purposes of the Two-Thirds Vote but will have no effect on the Majority-Minority Vote. Approval of an adjournment of the Special Meeting requires only the affirmative vote of the holders of a majority of the shares of Station common stock present, in person or by proxy, and entitled to vote at the Special Meeting on that matter. In connection with the merger agreement, the Rollover Stockholders have also entered into a voting agreement with Parent and Station in which they have agreed to vote all of the shares of Station common stock beneficially owned by them in favor of the approval of the merger agreement and against any competing transaction, subject to specified exceptions.

Q: ***How do Station's directors and executive officers intend to vote?***

A: As of the Record Date, the directors and executive officers of Station held and are entitled to vote, in the aggregate, shares of our common stock representing approximately 22.2% of the outstanding shares. We believe our directors and executive officers intend to vote all of their shares of our common stock FOR the approval of the merger agreement and FOR the adjournment proposal. Moreover, the Rollover Stockholders have entered into a voting agreement with Parent and Station in which they have agreed to vote all of the shares of Station common stock beneficially owned by them in favor of the approval of the merger agreement and against any competing transaction, subject to specified exceptions.

Q: ***What effects will the proposed merger have on Station?***

A: This is a "going private" transaction. As a result of the proposed merger, we will cease to be a publicly-traded company and will be directly owned by FCP HoldCo, Fertitta Partners and FCP VoteCo. You will no longer have any interest in our future earnings or growth In addition, upon consummation of the proposed merger, our common stock will no longer be listed on any exchange or quotation system, including the NYSE. We will, however, continue to file periodic reports with the SEC because our voting common stock will be registered pursuant to Section 12 of the Exchange Act and such reports may be required by the indentures governing our outstanding indebtedness or applicable law. See the section captioned "Special Factors—Effects of the Merger" on page 48.

Q: ***What happens if the merger is not consummated?***

A: If the merger agreement is not approved by our stockholders or if the merger is not consummated for any other reason, stockholders will not receive any payment for their shares in connection with the merger. Instead, Station will remain an independent public company and our common stock will continue to be listed and traded on the NYSE. Under specified circumstances, Station may be required to pay Parent a termination fee or reimburse Parent for its out-of-pocket expenses, or Parent and Merger Sub may be required to pay us a reverse termination fee or a regulatory termination fee, in each case as described under the caption "The Merger Agreement—Termination Fees and Expenses" on page 101.

Q: ***When do you expect the merger to be consummated? What is the "marketing period"?***

A: We expect the merger to close in the second half of 2007. In order to consummate the merger, we must obtain the Requisite Stockholder Vote and other closing conditions under the merger agreement must be satisfied or waived, as permitted by law. In addition, the merger is not required to close until the completion of a 15-business day "marketing period" that Parent can use to complete its financing of the merger. The marketing period will begin no earlier than three business days after we have obtained stockholder approval and have satisfied other specified conditions under the merger agreement and is intended to begin on the date that is reasonably believed in good faith by Parent's Nevada counsel to be thirty days prior to the date that required gaming approvals will be obtained.

Q: ***What should I do now?***

A: We urge you to read this proxy statement carefully, including its annexes, and to consider how the transaction affects you as a stockholder. You also may want to review the documents referenced under "Where You Can Find More Information" on page 122. Then simply mark, sign, date and promptly mail the enclosed proxy card in the postage-paid envelope provided. Should you prefer, you may deliver your proxy via telephone or via the Internet in accordance with the instructions on the enclosed proxy card or the voting instruction form received from any broker, bank or other nominee that may hold shares of Station common stock on your behalf. Please act as soon as possible so that your shares of Station common stock will be voted at the Special Meeting.

Q: ***How do I vote?***

A: Please indicate on your proxy card how you want to vote, and sign and mail your proxy card in the enclosed return envelope as soon as possible so that your shares will be represented and voted at the Special Meeting. In addition, you may deliver your proxy via telephone or via the Internet in accordance with the instructions on the enclosed proxy card or the voting instruction form received from any broker, bank or other nominee that may hold shares of Station common stock on your behalf. If you sign your proxy and do not indicate how you want to vote, your shares will be voted FOR the approval of the merger agreement, FOR the adjournment of the Special Meeting, if necessary, to solicit additional proxies, and in accordance with the recommendations of our board of directors on any other matters properly brought before the Special Meeting for a vote. Please remember that if you fail to vote on the merger agreement, the effect will be the same as a vote against the approval of the merger agreement for purposes of the Two-Thirds Vote, but will have no effect on the Majority-Minority Vote.

If your shares are held by a broker, bank or other nominee, see below.

Q: ***Can I vote by telephone or electronically?***

A: If you hold your shares as a stockholder of record, you may vote by telephone or the Internet by following the instructions set forth on the enclosed proxy card.

If your shares are held by a broker, bank, or other nominee, often referred to as held in "street name," please refer to the instructions forwarded by the bank, broker or nominee for telephone or Internet voting instructions. You may also contact your broker, bank or other nominee to determine whether you will be able to vote by telephone or electronically.

Q: ***If my shares are held in "street name" by my broker, banker or other nominee will my broker or banker vote my shares for me?***

A: Your broker or banker will not vote your shares of Station common stock without specific instructions from you. You should instruct your broker or banker to vote your shares of Station common stock by following the instructions provided to you by such firm. You should also contact the person responsible for your account to make certain that your shares of Station common stock are voted. Without your instructions, your shares of Station common stock will not be voted, which will have the effect of a vote against approval of the merger agreement for purposes of the Two-Thirds Vote, but will have no effect on the Majority-Minority Vote.

Q: ***What do I do if I participate in the Station Casinos, Inc. and Affiliates 401(k) Retirement Plan?***

A: If you participate in the Station Casinos, Inc. and Affiliates 401(k) Retirement Plan, you may give voting instructions as to the number of shares of common stock equivalent to the interest in Station common stock credited to your account as of the Record Date. You may provide voting instructions to Scudder Trust Company, the trustee, by completing and returning the proxy card accompanying this proxy statement. The trustee will vote your shares in accordance with your duly executed instructions received by August 9, 2007. If you do not send instructions, the trustee will vote the number of shares equal to the share equivalents credited to your account in the same proportion that it votes shares in your plan for which it did receive timely instructions. You may revoke previously given voting instructions before August 9, 2007, by submitting to the trustee either a written notice of revocation or a properly completed and signed proxy card bearing a later date. Your voting instructions will be kept confidential by the trustee.

Q: ***What does it mean if I receive more than one proxy card?***

A: It means that you have multiple accounts at the transfer agent and/or with brokers, banks or other nominees. Please sign and return all proxy cards to ensure that all your shares are voted.

Q: ***May I change my vote?***

A: Yes. You may change your vote at any time before your proxy is voted at the Special Meeting, subject to the limitations described below. You may do this in a number of ways. First, you may send us a written notice stating that you would like to revoke your proxy. Second, you may complete and submit a new proxy card bearing a later date. If you choose either of these two methods, you must submit your notice of revocation or your new proxy card to the secretary of Station, at the address under "Other Important Information Regarding Station" on page 107, and your notice of revocation or your new proxy card must be received prior to the Special Meeting. You may also submit a later-dated proxy using the telephone or Internet voting procedures on the proxy card so long as you do so before the deadline of 11:59 a.m., CDT, on August 12, 2007. Third, you may attend the Special Meeting and vote in person. Simply attending the Special Meeting, without voting in person, will not revoke your proxy. If your shares are held in "street name" and you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote or to vote at the Special Meeting.

Q: ***How are votes counted?***

A: For the proposal to approve the merger agreement, you may vote FOR, AGAINST or ABSTAIN. If you abstain, it will have the same effect as if you voted against the approval of the merger agreement for purposes of the Two-Thirds Vote but will have no effect on the Majority-Minority Vote. In addition, if your shares are held in the name of a broker, bank or other nominee, your broker, bank or other nominee will not be entitled to vote your shares in the absence of specific instructions.

For the proposal to adjourn the Special Meeting, if necessary, to solicit additional proxies, you may vote FOR, AGAINST or ABSTAIN. Abstentions will count for the purpose of determining whether a quorum is present, but will have the same effect as a vote against the proposal to adjourn the meeting, which requires the vote of the holders of a majority of the shares of Station common stock present or represented by proxy at the meeting and entitled to vote on the matter.

If you sign your proxy card without indicating your vote, your shares will be voted FOR the approval of the merger agreement and FOR the adjournment of the Special Meeting, if necessary, to solicit additional proxies, and in accordance with the recommendations of our board of directors on any other matters properly brought before the Special Meeting for a vote.

Q: ***What happens if I sell my shares before the Special Meeting?***

A: The Record Date of the Special Meeting is earlier than the Special Meeting and the date that the merger, if approved, is expected to be consummated. If you transfer your shares of Station common stock after the Record Date but before the Special Meeting, you will retain your right to vote at the Special Meeting, but will transfer the right to receive the merger consideration. In order to receive the merger consideration, you must hold shares upon consummation of the merger.

Q: ***Will any other business be conducted at the Special Meeting?***

A: Our board of directors knows of no business, other than as set forth in the attached Notice of Special Meeting, that will be presented at the Special Meeting. If any other proposal properly comes before the stockholders for a vote at the Special Meeting, the persons named in the proxy card that accompanies this proxy statement will, to the extent permitted by law and to the extent we were not notified of the proposal in a reasonable amount of time before our solicitation, vote your shares in accordance with their judgment on such matter.

Q: ***Should I send in my stock certificates now?***

A: No. If you hold certificates representing shares of Station common stock, you will be sent a letter of transmittal with detailed written instructions for exchanging your Station common stock certificates for the merger consideration after the merger is consummated. **Please do not send your certificates in now**.

Q: ***What are the material United States federal income tax consequences of the transaction to stockholders?***

A: In general, your receipt of cash in exchange for shares of Station common stock pursuant to the merger will be a taxable sale transaction for United States federal income tax purposes. Since the tax consequences of the merger to you will depend on your particular circumstances, you should consult your tax advisor for a full understanding of the U.S. federal, state, local, non-U.S. and other tax consequences of the merger to you.

Q: ***Do stockholders have dissenters' rights?***

A: No. Under Nevada law, which governs the rights of Station's stockholders, stockholders of Station are not entitled to rights of appraisal or dissent in connection with the proposals included in this proxy statement.

Q: ***Who is soliciting my vote?***

A: This proxy solicitation is being made and paid for by Station. In addition, we have retained D.F. King & Co., Inc. ("D. F. King") to assist in the solicitation. We will pay D. F. King approximately $35,000 plus out-of-pocket expenses for its assistance. Our directors, officers and employees may also solicit proxies by personal interview, mail, e-mail, telephone, facsimile or by other means of communication. These persons will not be paid additional remuneration for their efforts. We will also request brokers and other fiduciaries to forward proxy solicitation material to the beneficial owners of shares of Station common stock that the brokers and fiduciaries hold of record. We will reimburse them for their reasonable out-of-pocket expenses.

Q: ***Who can help answer my questions?***

A: If you have any questions about the merger or if you need additional copies of this proxy statement or the enclosed proxy card, you should contact D.F. King, which is acting as the proxy solicitation agent and information agent in connection with the merger, at the following address.

D.F. King & Co., Inc.
48 Wall Street
New York, New York 10005
Call Toll-Free: 1-888-886-4425

SPECIAL FACTORS

Background of the Merger

In mid-August 2006, Frank J. Fertitta III, our Chairman of the Board and Chief Executive Officer, and Lorenzo J. Fertitta, our Vice Chairman of the Board and President, began discussions with certain members of Station's senior management group regarding the possibility of a going-private transaction led by Frank J. Fertitta III and Lorenzo J. Fertitta. The factors that led to such discussions at that time included recent going-private transactions involving other public gaming companies, the desire to discuss strategies for maximizing stockholder value, the decline in Station's stock price from a historical high and perceived efficiencies of being privately-held as opposed to remaining public. Due to the sensitive and preliminary nature of such a discussion, the senior management group was limited to a few individuals. Principally, these individuals included William W. Warner, our Executive Vice President and Chief Operating Officer, Richard J. Haskins, our Executive Vice President, General Counsel and Secretary, and Thomas M. Friel, our then Vice President of Finance and, as of March 28, 2007, our Executive Vice President, Chief Accounting Officer and Treasurer. Also included in these early discussions were representatives of Milbank, Tweed, Hadley & McCloy LLP ("Milbank"), Station's regular outside legal counsel, and Deutsche Bank Securities Inc. ("Deutsche Bank"), one of Station's lenders and regular financial advisors.

During subsequent weeks, Frank J. Fertitta III and Lorenzo J. Fertitta, senior management and the professional advisors continued to explore legal and financial issues. As part of this exploration, Frank J. Fertitta III and Lorenzo J. Feritta gave summary consideration to transaction structures involving stock repurchases or a leveraged recapitalization. While they believed that such structures could have resulted in comparable value to the stockholders, they also believed that such alternatives would likely have restricted Station's abililty to grow its business due to the additional debt required to effect such transactions and could have negatively impacted the price and volatility of Station's stock.

In mid-September, 2006, Frank J. Fertitta III and Lorenzo J. Fertitta met on a confidential basis with representatives of a prominent real estate development firm ("Firm A"). Frank J. Fertitta III and Lorenzo J. Fertitta approached Firm A as a potential investor in a possible going-private transaction because Station had an ongoing business relationship with Firm A. At this meeting, the concept of a going-private transaction was discussed generally. In connection with such discussion, on September 19, 2006, Station entered into a confidentiality agreement with Firm A.

On October 7, 2006, a meeting was held among Frank J. Fertitta III, Lorenzo J. Fertitta, senior management, a representative of Milbank and a legal representative of Firm A. At this meeting, the Firm A representative expressed his preliminary thoughts on how Firm A might be interested in participating in a going-private transaction with Frank J. Fertitta III and Lorenzo J. Fertitta. The representative of Firm A proposed to contact a number of high net worth individuals, both domestic and foreign. Frank J. Fertitta III and Lorenzo J. Fertitta rejected this approach for a number of reasons, including uncertainty as to execution, concerns about maintaining the confidentiality of the proposed transaction and regulatory concerns. After this meeting, Frank J. Fertitta III and Lorenzo J. Fertitta determined to approach select private equity firms through Deutsche Bank. No further meetings relating to a transaction were held with Firm A.

On October 9, 2006, the board of directors held a special meeting, with Mr. Haskins and a representative of Milbank also in attendance. At that meeting, Frank J. Fertitta III and Lorenzo J. Fertitta informed the board that they desired to explore the possibility of a going-private transaction with respect to Station. Frank J. Fertitta III noted that Frank J. Fertitta III and Lorenzo J. Fertitta's plans were preliminary because, among other things, they had not obtained the required equity and debt financing and had not determined whether a transaction would be viable from an economic point of view. The representative of Milbank informed the board that Frank J. Fertitta III and Lorenzo J. Fertitta had asked Milbank to represent them in connection with any transaction, subject to board approval.

Frank J. Fertitta III asked the board to authorize (i) Frank J. Fertitta III and Lorenzo J. Fertitta to explore the feasibility of a transaction with a targeted number of private equity firms or other sources of equity funding, subject to the execution of customary confidentiality agreements approved by Mr. Haskins, (ii) Frank J. Fertitta III and Lorenzo J. Fertitta to retain professional advisors, including Milbank as legal counsel and Deutsche Bank as financial advisor to Frank J. Fertitta III and Lorenzo J. Fertitta, to assist them in exploring a potential transaction, and (iii) Station to pay the fees and expenses of any such professional advisors retained by Frank J. Fertitta III and Lorenzo J. Fertitta in connection with a transaction. As discussed below, these fees and expenses were later limited to $40 million. Frank J. Fertitta III, Lorenzo J. Fertitta and Milbank were excused from the meeting, and the independent directors met with Mr. Haskins and discussed Frank J. Fertitta III and Lorenzo J. Fertitta's request. After Frank J. Fertitta III, Lorenzo J. Fertitta and Milbank rejoined the meeting, the board of directors unanimously, with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in the vote, approved Frank J. Fertitta III's request. Dr. Nave, one of our independent directors, asked Frank J. Fertitta III and Lorenzo J. Fertitta to give the board of directors reasonable notice if their exploration of a transaction developed to the point where a proposal was reasonably likely.

On October 11, 2006, Station entered into separate confidentiality agreements with Deutsche Bank and a private equity firm ("Firm B"), with which Deutsche Bank had initiated contact. On that same date, a meeting was held among Frank J. Fertitta, Lorenzo J. Fertitta, Mr. Warner, a representative of Deutsche Bank and representatives of Firm B. On October 12, 2006, Station entered into a confidentiality agreement with Colony. On that same date, a meeting was held among Frank J. Fertitta III, Lorenzo J. Fertitta, Mr. Warner, a representative of Deutsche Bank, and Thomas J. Barrack, Jr. of Colony, which had recently participated in a going-private transaction involving another gaming company and was one of the few private equity firms that had acquired gaming assets in Nevada.

Throughout the remainder of the month of October 2006, Frank J. Fertitta III, Lorenzo J. Fertitta, senior management and representatives of Deutsche Bank and Colony and their respective legal counsel conducted due diligence and worked on a preliminary term sheet for a going-private transaction and strategic financing alternatives.

In late October 2006, Station entered into a confidentiality agreement with another private equity firm ("Firm C"), with which Deutsche Bank had initiated contact. A few days later, Deutsche Bank arranged a meeting in Las Vegas with Frank J. Fertitta III, Lorenzo J. Fertitta, Mr. Warner, a representative of Milbank and representatives of Firm C. No further meetings relating to the transaction were held with Firm C. Also throughout the remainder of the month of October 2006, Frank J. Fertitta III, Lorenzo J. Fertitta, senior management and representatives of Firm B conducted due diligence and worked on a preliminary term sheet for a going-private transaction.

On November 1, 2006, Station, Colony and Ernst & Young LLP ("E&Y"), Station's independent accounting firm, executed a conflict waiver letter. The waiver related to Colony's request that Station authorize E&Y to perform accounting and tax due diligence on behalf of Colony in connection with the going-private transaction. Dr. Nave, as chairman of the audit committee, granted E&Y permission to perform the requested services. The scope of services provided by E&Y to Colony primarily included an analysis of Station's historical earnings and accounting policies and procedures which was not material to the going-private transaction. E&Y did not provide any valuation services of Station, nor did E&Y provide a report or opinion relating to the merger consideration or the fairness of the merger consideration to be offered to Station's unaffiliated stockholders.

In early November 2006, another meeting was held among Frank J. Fertitta III, Lorenzo J. Fertitta, a representative of Deutsche Bank and representatives of Firm B. No further meetings relating to the transaction were held with Firm B.

Discussions with both Firm B and Firm C terminated because neither firm agreed to act as a co-investor with Colony in a potential going-private transaction on the terms that had been agreed to by Frank J. Fertitta III, Lorenzo J. Fertitta and Colony.

On November 3, 2006, the board of directors held a special meeting, with Mr. Haskins and a representative of Milbank in attendance. At that meeting, Frank J. Fertitta III and Lorenzo J. Fertitta updated the board of directors regarding the status of Frank J. Fertitta III and Lorenzo J. Fertitta's exploration of a possible going-private transaction with respect to Station. Frank J. Fertitta III stated that Frank J. Fertitta III and Lorenzo J. Fertitta had discussed a possible transaction with four private equity investors, all of whom had entered into confidentiality agreements with Station. He stated that Deutsche Bank had prepared indicative term sheets for debt financing alternatives. He also stated that Frank J. Fertitta III and Lorenzo J. Fertitta's legal, financial and accounting advisors had analyzed various possible deal structures. He further noted that, while they were continuing to explore the viability of a potential transaction, Frank J. Fertitta III and Lorenzo J. Fertitta indicated that it was reasonably likely that they would make a proposal regarding a possible transaction in the near future. Frank J. Fertitta III, Lorenzo J. Fertitta and the representative of Milbank were then excused from the meeting, and the independent directors met with Mr. Haskins to discuss appropriate next steps, including retaining outside legal counsel and a financial advisor.

On November 7, 2006, the independent directors of the board held a special meeting to interview a law firm identified by the independent directors as potential outside legal counsel. At that meeting, the independent directors interviewed representatives of Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden"). After deliberation, the independent directors determined to retain Skadden as outside legal counsel to the special committee, subject to the formation of the special committee and authorization of the special committee to retain legal counsel. This determination by the independent directors was based on a number of factors, including the reputation and experience of Skadden in mergers and acquisitions transactions, particularly in the gaming industry, and its experience in representing special committees in considering proposals relating to going-private transactions. After being selected, Skadden reviewed with the independent directors the fiduciary duties generally applicable to the actions of a special committee and discussed with those directors their independence for purposes of serving on the special committee. Skadden also advised the independent directors that it might be appropriate for the special committee to engage in its own study of strategic alternatives for Station.

On November 15, 2006, the board of directors held a special meeting, with Mr. Haskins and a representative of Milbank in attendance. At that meeting, the board of directors determined that establishing a special committee of independent directors was in the best interests of Station and its stockholders. The special committee consisted of all of the independent directors of Station's board: Lee S. Isgur, Lowell H. Lebermann, Jr., Robert E. Lewis and Dr. Nave. After discussion, the board of directors unanimously approved resolutions establishing the special committee and delegating to the special committee the exclusive power and authority to (i) negotiate a confidentiality agreement with Frank J. Fertitta III and Lorenzo J. Fertitta and any other participants in a potential transaction and supervise their due diligence investigation, (ii) enter into negotiations with Frank J. Fertitta III, Lorenzo J. Fertitta and any other participants with respect to a potential transaction, (iii) review, evaluate and negotiate with Frank J. Fertitta III, Lorenzo J. Fertitta and any other participants with respect to a possible transaction, (iv) report its recommendations with respect to a possible transaction to the board, (v) negotiate definitive agreements with respect to a potential transaction and (vi) take such actions with respect to any other proposals, offers or expressions of interest for a business combination transaction with Station on an unsolicited basis; provided, that any such actions with respect to a transaction with a third party after the execution of definitive agreements with Frank J. Fertitta III and Lorenzo J. Fertitta would be in compliance with the terms and conditions of such agreements. The special committee was also empowered to establish the fees to be paid to its members and to retain legal, financial and other advisors to assist the special committee in the fulfillment of its duties. The resolutions also provided that Station shall, to the fullest extent permitted by Nevada law, indemnify the members of the special committee. Thereafter the special committee retained Skadden as outside legal counsel.

On November 16, 2006, the special committee held a meeting in the Los Angeles offices of Skadden, at which representatives of Skadden participated. All members of the special committee were present at this meeting and all other meetings of the special committee. The special committee discussed the retention of Nevada counsel to advise it on issues of Nevada law. The special committee interviewed Kummer Kaempfer Bonner Renshaw & Ferrario ("Kummer Kaempfer") as potential Nevada counsel and, after deliberation, the special committee selected Kummer Kaempfer in light of their experience in representing Nevada companies, including those in the gaming industry, and their experience in gaming regulatory matters. The special committee then discussed the retention of a financial advisor, and interviewed representatives of one investment banking firm. The representatives discussed their experience in and perspectives on the gaming industry, their initial view of the process of evaluating a proposal from Frank J. Fertitta III and Lorenzo J. Fertitta and information about their firm. They also answered questions from the special committee regarding their firm's respective relationships with Station or representatives of Frank J. Fertitta III and Lorenzo J. Fertitta or others that might pose potential conflicts. Representatives of Skadden discussed with the special committee the retention of a real estate valuation firm to advise the special committee with respect to Station's undeveloped land.

During that meeting, the special committee selected Dr. Nave to serve as chairman of the special committee. The special committee also discussed the fee to be paid to members of the special committee, and unanimously determined that the members of the special committee be paid $60,000, and the chairman be paid $90,000, with such fees to be payable upon receipt of an offer, in addition to Station's regular fee for each meeting of a board committee.

On November 30, 2006, the special committee met at the Los Angeles offices of Skadden. At that meeting, the special committee interviewed representatives of two additional investment banks as a potential financial advisor. These representatives discussed their respective experience in and perspectives on the gaming industry, their initial view of the process of evaluating a proposal from Frank J. Fertitta III and Lorenzo J. Fertitta and information about their respective firms. They also answered questions from the special committee regarding their firms' respective relationships with Station or representatives of Frank J. Fertitta III and Lorenzo J. Fertitta or others that might pose potential conflicts. After discussion and consideration of the presentation of the three investment banks, the special committee selected Bear Stearns as its financial advisor, subject to negotiation of the terms of an engagement letter. This determination by the special committee was based on Bear Stearns' experience with transactions of the type that the special committee might consider, Bear Stearns' experience in the gaming industry, the commitment of Bear Stearns' senior investment bankers to be personally involved in the representation of the special committee, and the absence of any potential conflict of interest that would impair Bear Stearns' ability to render an opinion or to act as the financial advisor to the special committee.

At that meeting, representatives of Skadden also informed the special committee that Milbank had informed Skadden that Frank J. Fertitta III and Lorenzo J. Fertitta intended to submit a proposal over the weekend. Representatives of Skadden and Kummer Kaempfer then discussed with the special committee resolutions that had been proposed by Milbank to approve an operating agreement of Parent and related agreements among the members of Parent and their financing sources, to the limited extent that such agreements might cause such entities or individuals to be deemed an "interested stockholder" under Nevada's business combination statute. The special committee determined that Skadden and Kummer Kaempfer should discuss the resolutions with Milbank and circulate the final version of the resolutions to the special committee. The special committee also discussed asking Parent to enter into a confidentiality agreement in connection with the approval of the resolutions.

On December 1, 2006, Parent entered into a confidentiality agreement with Station, and the special committee approved the aforementioned resolutions by unanimous written consent.

On December 2, 2006, the board of directors received a letter from Parent in which Parent proposed to acquire all of Station's outstanding shares of common stock for $82.00 per share in cash. According to the proposal letter, Parent had received financing commitments sufficient to consummate the proposed transaction. The proposal letter was accompanied by equity funding commitments from the Rollover Stockholders and Colony and debt financing commitments from Deutsche Bank Trust Company Americas and German American Capital Corporation. The letter stated that it did not constitute a binding commitment by Parent and that such commitment would be subject to execution of definitive agreements.

On December 3, 2006, the special committee held a meeting with its legal advisors. At that meeting, representatives of Skadden reviewed with the special committee the terms of the proposal letter received from Parent. The special committee approved a press release to be issued by Station announcing the receipt of the Parent proposal letter. Representatives of Skadden reviewed with the special committee the terms of the Bear Stearns engagement letter that Skadden had negotiated with Bear Stearns and the special committee approved the Bear Stearns engagement letter. The special committee also discussed potential real estate valuation firms to advise the special committee with respect to Station's undeveloped land, and after further discussion, requested Kummer Kaempfer to contact CBRE.

On December 4, 2006, Station issued a press release announcing the receipt of the proposal letter from Parent. The press release announced the establishment of the special committee to review the proposal and that the special committee had been authorized to review any alternative proposals that may be received. The press release also announced the retention of Bear Stearns as financial advisor and Skadden and Kummer Kaempfer as legal advisors to the special committee.

On December 4, 2006, Milbank delivered a draft merger agreement to Skadden.

Following their respective engagement, the special committee's legal and financial advisors began to conduct a due diligence review of Station. As part of their due diligence review, on December 7, 2006, representatives of Bear Stearns and Skadden met with Station's senior management, including Mr. Haskins, Mr. Warner and Glenn C. Christenson, our then Executive Vice President, Chief Financial Officer, Chief Administrative Officer and Treasurer, to review the business and operations of Station and management's projections. At these meetings, members of management answered questions from the special committee's advisors. Frank J. Fertitta III and Lorenzo J. Fertitta also participated in part of these meetings.

On December 8, 2006, the special committee held a meeting at the offices of Kummer Kaempfer in Las Vegas with its legal advisors. At the meeting, the special committee discussed the retention of a real estate valuation firm to advise the special committee with respect to Station's undeveloped land. The special committee interviewed CBRE and determined to retain CBRE, subject to the negotiation of an engagement letter satisfactory to the special committee and its advisors. Such determination was based on CBRE's experience in the gaming industry in general and in Las Vegas and Reno in particular, and CBRE's reputation in the real estate industry.

On December 14, 2006, the board of directors held a regularly scheduled meeting at Station's Red Rock Casino Resort Spa in Summerlin, Nevada (the "Red Rock Resort"). Immediately after the conclusion of the board meeting, the special committee met with its legal advisors. Representatives of Skadden and Kummer Kaempfer discussed the retention of CBRE. The special committee determined that counsel should continue to negotiate the CBRE engagement letter and authorized Dr. Nave to execute the letter.

Representatives of Bear Stearns were then invited to join the special committee meeting in order to update the special committee on its activities since it had been retained, including the December 7 meeting with Station's senior management. Representatives of Bear Stearns informed the special committee that they had received a few phone calls from strategic entities and private equity firms, but that none of the callers had given an indication of interest. Bear Stearns reviewed trading in Station's stock, transaction value and ownership of Station's stock, a preliminary analysis of Parent's sources and uses of funds and the terms of Station's outstanding debt. The special committee determined to meet the following week to receive a preliminary report from Bear Stearns on their financial analyses and a preliminary report from Skadden on the draft merger agreement provided by Parent

On December 21, 2006, the special committee held a meeting at the offices of Kummer Kaempfer in Las Vegas, together with its legal and financial advisors. Representatives of Bear Stearns reviewed the management projections, certain historical financial and operating information with respect to Station, Station's industry position and a comparison of Station's financial and operating information with that of other gaming companies, the trading history of Station's stock and valuation and trading trends for other gaming companies, certain equity analysts' statements with respect to Station and their preliminary valuation analyses. In addition, at the special committee's request, Bear Stearns provided information regarding potential returns on investment for Parent based on certain assumptions discussed with the special committee. Following the presentation of Bear Stearns, representatives of Skadden discussed provisions in the draft merger agreement provided by Parent. After discussion and consideration of the draft merger agreement, Skadden indicated that they expected to be in a position to provide a markup of the draft merger agreement to the special committee for its review within the next couple of days. The special committee determined that it should meet to discuss the markup of the draft merger agreement before distributing it to Parent. The special committee instructed Skadden to contact Milbank to negotiate the proposed merger agreement before having Bear Stearns respond to Deustche Bank regarding Parent's per share offer price as the special committee was not yet prepared to negotiate price.

On January 2, 2007, the special committee met with its legal advisors at the Las Vegas offices of Kummer Kaempfer. Representatives of Skadden reviewed the markup of the draft merger agreement and addressed the special committee's questions and comments regarding the agreement. The special committee determined to ask Parent for additional provisions in the agreement, including:

- a requirement that the Rollover Stockholders vote in favor of a superior proposal, as such term was defined in the draft merger agreement,
- a reverse termination fee, payable by Parent and Merger Sub under the merger agreement in certain circumstances,
- a limited guarantee from Colony, under which affiliates of Colony would guarantee the payment of the reverse termination fee,
- the allocation of risk of Station's representations and warranties being untrue as between Frank J. Fertitta III and Lorenzo J. Fertitta and Station,
- the right of Station's stockholders to continue to receive a quarterly dividend until the closing of any transaction, and
- the requirement that the merger agreement be approved by a majority of the stockholders voting on the proposal other than the Rollover Stockholders.

The special committee discussed the Rollover Stockholders' ownership of approximately 27% of Station's outstanding shares, including shares of common stock issuable upon exercise of stock options held by the Rollover Stockholders, and the requirement in Station's charter that a merger be approved by two-thirds of Station's outstanding shares. While the Rollover Stockholders do not own a sufficient number of shares to block by themselves a two-thirds vote in favor of a merger agreement with a third party, the special committee expressed concerns that the charter provision and the Rollover Stockholders' ownership stake, taken together, could discourage any competing bids to acquire Station.

On January 4, 2007, Skadden provided a markup of the draft merger agreement to Milbank, and on January 9, 2007, Milbank distributed a revised merger agreement to Skadden and Kummer Kaempfer. On January 12, 2007, representatives of Milbank and Willkie Farr & Gallagher LLP, counsel to Colony ("Willkie"), met with representatives of Skadden at the Los Angeles offices of Skadden and discussed the draft merger agreement and other related agreements.

On January 19, 2007, the special committee met with its legal and financial advisors at the offices of Kummer Kaempfer in Las Vegas. At this meeting, the special committee's legal and financial advisors discussed with the special committee communications from stockholders regarding the stockholders' views of the value of Station's common stock. Representatives of Skadden updated the special committee regarding the negotiations with Milbank and Willkie regarding the draft merger agreement and discussed the outstanding issues raised by the draft merger agreement. The issues included the unwillingness of the Rollover Stockholders to agree to vote in favor of a superior proposal from a third party and of Parent to have Station continue to pay quarterly dividends until the closing. Bear Stearns updated and expanded their preliminary financial analyses from the December 21, 2006 presentation to include a leveraged recapitalization analysis of Station. The special committee did not view a leveraged recapitalization of the Company as a compelling alternative to Parent's proposal due to the long-term viability of effectuating a leveraged recapitalization transaction, the potential disruption to the Company's stockholder base and the risk that such a transaction would not be appropriately rewarded in the public markets. After considering the terms of the proposed merger agreement and the $82.00 per share offer price, the special committee discussed with its legal and financial advisors how best to proceed with respect to Parent's proposal. The special committee considered alternative courses of action, including rejecting the proposal, and the special committee unanimously determined that Bear Stearns communicate to Deutsche Bank that the special committee was not prepared to accept $82.00 per share as the special committee, based in part on the advice and analysis of Bear Stearns, determined such price to be too low.

On January 23, 2007, Skadden provided a revised merger agreement to Milbank, and between January 24, 2007 and January 26, 2007, representatives of Skadden and Milbank continued to negotiate the draft merger agreement.

On January 26, 2007, the special committee held a meeting at the Las Vegas offices of Kummer Kaempfer, at which its legal and financial advisors participated. The special committee discussed a letter received from a purported representative of a group of Station's stockholders. In the letter, the stockholder representative claimed that the offer of $82.00 per share significantly undervalued the Company based on a valuation accompanying the letter and requested that Dr. Nave be removed from the special committee due to his lack of independence with respect to Frank J. Fertitta III and Lorenzo J. Fertitta. The letter cited a transaction in which Dr. Nave purportedly negotiated a merger between a company for which Dr. Nave served as a director and another company in which the Fertittas were large shareholders. At the meeting, Dr. Nave described his role in the transaction and answered questions from the other members of the special committee, Skadden and Kummer Kaempfer. Dr. Nave explained to the special committee that he has served on the board of directors of Western Alliance Bancorporation, a publicly traded company of which he is currently the fifth largest shareholder, since 1994, and in connection with Western Alliance Bancorporation's acquisition of Nevada First Bank and Intermountain First Bancorporation in March 2006, Dr. Nave met on one occasion with the chairman of the board of directors of Nevada First Bank to discuss issues relating to the purchase price and Western Alliance Bancorporation's stock. Dr. Nave informed the special committee that neither Frank J. Fertitta III nor

Lorenzo J. Fertitta played any role in the negotiation of the acquisition. At the time of such acquisition, Frank J. Fertitta III's and Lorenzo J. Fertitta's interest in Intermountain First Bancorporation was less than 1.0%. Dr. Nave informed the special committee that he was prepared to resign from the committee if any of the other members determined such action would be appropriate or necessary.

Dr. Nave was then excused from the meeting, and the other members of the special committee discussed Dr. Nave's continued service on the committee. After consideration of the information regarding Dr. Nave's participation in the transaction, the remaining three members of the special committee unanimously determined that Dr. Nave's independence was not compromised and that he should continue to serve on the special committee and to serve as chairman of the special committee, and that Dr. Nave's continued participation was valuable to the disinterested stockholders.

Dr. Nave then rejoined the meeting. Representatives of Skadden updated the special committee as to negotiations with Milbank regarding the draft merger agreement.

Representatives of Bear Stearns then reviewed with the special committee an analysis of the valuation submitted by the stockholder representative. At the request of the special committee, Bear Stearns reconciled such valuation with its preliminary valuation at the time, which reconciliation revealed certain inaccuracies contained in the stockholder representative's letter from the information available to Bear Stearns. In light of such reconciliation, the special committee did not consider such valuation for purposes of its evaluation of Parent's proposal. Bear Stearns then presented an updated preliminary valuation analysis that was substantially similar to the January 19 presentation. Following the presentation of Bear Stearns, the special committee discussed with its legal and financial advisors the appropriate next step with respect to the Parent proposal. The special committee considered that it was probable that there would not be a competing bid due to the Rollover Stockholders' ownership in Station and the provision in Station's charter requiring a two-thirds vote of the outstanding shares to approve a transaction. The special committee determined that it would have to negotiate an acceptable price with Parent or reject Parent's proposal altogether. After further discussion, the special committee requested that, as a negotiating position, Bear Stearns contact Deutsche Bank in order to advise Parent that it would need to increase its offer price substantially. The special committee instructed Bear Stearns to indicate to Deutsche Bank that the per share price should be in the range of $92.00 to $95.00 and to discuss with Deutsche Bank the Bear Stearns analyses in support of the special committee's negotiating position.

On February 6 and February 9, 2007, representatives of Bear Stearns and Deutsche Bank met at the New York offices of Bear Stearns to discuss the Bear Stearns analyses that supported a higher per share offer price from Parent. At the conclusion of the meeting on February 9, 2007, representatives of Deutsche Bank indicated that they thought Parent would be prepared to offer $88.00 per share if all outstanding issues on the draft merger agreement were resolved as proposed by Deutsche Bank, and requested that Bear Stearns discuss such proposal with the special committee.

On February 14, 2007, the special committee and its advisors met at the offices of Kummer Kaempfer in Las Vegas. At the meeting, representatives of Bear Stearns updated the special meeting regarding the meetings with Deutsche Bank and presented an updated preliminary valuation analysis reflecting a conceptual offer price of $88.00 per share. Representatives of Skadden then reviewed with the special committee the outstanding issues in the draft merger agreement. After consideration of the issues identified in the draft merger agreement, the special committee instructed Skadden to respond to Milbank regarding the outstanding issues. The special committee determined that after Skadden had discussed the issues on the draft merger agreement with Milbank, Dr. Nave should contact Frank J. Fertitta III regarding a meeting to discuss the per share price. The special committee unanimously authorized and directed Dr. Nave to negotiate the best price reasonably available, and to reject any proposal less than $90.00 per share, plus the continued payment of quarterly dividends.

After the meeting, representatives of Skadden and Milbank continued to work on the draft merger agreement, and representatives of Skadden reported the status of those discussions to Dr. Nave. On February 21, 2007, Dr. Nave met with Frank J. Fertitta III and Lorenzo J. Fertitta at the Red Rock Resort.

After lengthy discussions, Frank J. Fertitta III and Lorenzo J. Fertitta agreed that Parent would increase its offer to $90.00 per share, plus the continued payment of dividends, subject to satisfactory resolution of the outstanding issues on the merger agreement.

On February 22, 2007, the special committee met with its advisors at the Las Vegas offices of Kummer Kaempfer. Mr. Isgur participated by telephone. At this meeting, Skadden reviewed with the special committee its fiduciary duties. Dr. Nave reported to the special committee on his meeting with Frank J. Fertitta III and Lorenzo J. Fertitta. Dr. Nave updated the special committee that in his view, after his negotiations with Frank J. Fertitta III and Lorenzo J. Fertitta, Frank J. Fertitta III and Lorenzo J. Fertitta would not pay more than $90.00 per share, plus dividends. Representatives of Skadden reviewed with the special committee the open issues in the merger agreement, which included the amount of the expense reimbursement payable by Station to Parent in the limited circumstances provided in the merger agreement. Representatives of Bear Stearns then joined the meeting and reviewed with the special committee its financial analyses of the $90.00 per share price. Bear Stearns noted to the special committee that the materials and financial analyses it presented at the meeting were consistent with the financial analyses previously presented to the special committee, updated for developments since the prior materials. After making its presentation, Bear Stearns informed the special committee that it was prepared to deliver its opinion to the special committee that $90.00 per share was fair, from a financial point of view, to the public stockholders of Station, excluding the Rollover Stockholders.

The special committee discussed that Station issued a press release on December 4, 2006 announcing receipt of the Parent proposal to acquire Station for $82.00 per share, and no third party solicitations had been received. Bear Stearns reviewed with the special committee a list of entities to be contacted during the 30 business day “go shop” solicitation period contemplated by the merger agreement, and the special committee suggested additional names for the list. The special committee authorized Bear Stearns to contact those entities in accordance with the terms of the merger agreement following execution of the merger agreement. Bear Stearns was then excused from the meeting.

Representatives of Skadden then reviewed with the special committee in detail the terms of the sale and leaseback transaction agreements to be entered into in connection with the debt financing of the merger and the terms of the merger agreement. The meeting was adjourned prior to the completion of review of the merger agreement, and the special committee agreed to reconvene the following morning. The special committee directed Skadden to continue to work on the merger agreement with Milbank.

The special committee reconvened on February 23, 2007 at the Las Vegas offices of Kummer Kaempfer with all members present, together with its legal advisors. At the meeting, representatives of Kummer Kaempfer reviewed with the special committee its fiduciary duties. Representatives of Skadden completed the review of the merger agreement with the special committee, including material changes in the draft of the agreement presented to the committee, and reviewed the terms of the other transaction documents, including the voting agreement and the limited guarantee to be provided by affiliates of Colony. Bear Stearns delivered its oral opinion, subsequently confirmed in writing, to the special committee that, as of February 23, 2007, the date of the opinion, and based upon and subject to the factors, assumptions, limitations, qualifications and other conditions set forth in the opinion, the merger consideration of $90.00 per share to be received pursuant to the merger agreement by the public holders of shares of the Company’s common stock (other than the Rollover Stockholders) was fair, from a financial point of view, to such holders. The special committee also received the opinion of the investment bank retained to deliver the opinion required by the Company’s indentures in connection with the sale and leaseback transaction proposed by Parent in the merger agreement and the debt financing commitments. The special committee then resolved unanimously to recommend that the board approve the merger and adopt the merger agreement and that the board recommend that the stockholders approve the merger agreement. The special committee also unanimously determined that the terms of the sale and leaseback transaction, taken together, are fair and reasonable to Station and its subsidiaries participating in such transaction, and no less favorable to Station and such subsidiaries, as terms that would be obtainable at the time for a comparable transaction with an unrelated third person.

Following the special committee meeting, the board held a telephonic meeting, in which all of the directors participated. At this meeting, Dr. Nave presented the report and recommendation of the special committee. The board approved, with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in the vote, the merger and the merger agreement, the voting agreement and the limited guarantee, and recommended approval of the merger agreement to Station's stockholders, and unanimously approved other related actions, including resolutions expanding the authority of the special committee to solicit alternative proposals in accordance with the solicitation provisions of the merger agreement and limiting Frank J. Fertitta III and Lorenzo J. Fertitta's fee and expense reimbursement to $40 million. After the meeting, representatives of Skadden and Milbank completed certain minor details on the merger agreement and other related documents reflective of comments from the special committee. Definitive financing and equity commitments were delivered, and the merger agreement and the other related documents were executed. The Company issued a press release announcing the transaction prior to the opening of trading on February 26, 2007.

During the 30 business day "go-shop" period following the execution of the merger agreement, Bear Stearns contacted 44 parties, including domestic and foreign strategic investors and financial investors, to solicit their interest in a possible alternative transaction. Only two of these parties requested a confidentiality agreement, which would permit them access to confidential information about the Company, and although a form of agreement was provided to these parties, neither executed a confidentiality agreement. At the conclusion of the "go-shop" process, Bear Stearns informed the special committee that it had not received any indications of interest or other proposals with respect to a possible alternative transaction. Pursuant to the requirements of the merger agreement, on April 9, 2007, the chairman of the special committee informed Parent that the Company was not participating in discussions or negotiations with any person. On April 11, 2007, the special committee held a meeting at which Bear Stearns reported on their solicitation efforts during the "go-shop" period.

On May 3, 2007, the special committee held a meeting to consider the proposed amendment to the merger agreement. At the meeting, representatives of Skadden reviewed the proposed amendment with the special committee and, after further discussion, the special committee unanimously approved the amendment to the merger agreement.

Recommendation of the Special Committee and Board of Directors; Reasons for Recommending Approval of the Merger Agreement

The Special Committee. In anticipation of receiving a proposal from Frank J. Fertitta III and Lorenzo J. Fertitta, on November 15, 2006, the board of directors established a special committee consisting of all of the independent directors, Dr. Nave, who served as chairman, and Messrs. Isgur, Lebermann and Lewis, to consider any proposal received from Frank J. Fertitta III and Lorenzo J. Fertitta and any unsolicited proposals that were received. See "—Background of the Merger" for more information about the formation and authority of the special committee. The special committee retained Bear Stearns as its financial advisor and Skadden and Kummer Kaempfer as its legal advisors. The special committee oversaw financial and legal due diligence performed by its advisors, conducted an extensive review and evaluation of Parent's proposal and conducted arms'-length negotiations with Parent and its representatives with respect to the merger agreement and various other agreements relating to the merger. On February 23, 2007, the special committee, after considering the presentations and advice of its financial and legal advisors, unanimously, among other things, determined that the merger and the merger agreement are fair to and in the best interests of Station and the stockholders of Station, other than the Rollover Stockholders. The special committee also unanimously recommended to the board of directors that the board of directors determine that the merger and the merger agreement are fair to and in the best interests of Station and the stockholders of Station, other than the Rollover Stockholders, and recommend to Station's stockholders that they vote to approve the merger agreement.

In the course of reaching the determinations and decisions and making the recommendations described above, the special committee considered the following substantive positive factors and potential benefits of the merger and the merger agreement, each of which the special committee believed supported its decision:

- That the special committee viewed the merger consideration of $90.00 per share (as well as Station's ability, under the merger agreement, to continue to pay its regular quarterly dividend of $0.2875 per share and the likelihood of stockholders receiving at least two additional dividend payments before the closing of the merger) as more favorable to Station's stockholders (other than the Rollover Stockholders) than the potential value that might result from the other alternatives reasonably available to Station of pursuing other strategic initiatives such as stock repurchases or a leveraged recapitalization or continuing with Station's current business plan. While a stock repurchase or a leveraged recapitalization could have resulted in comparable value to the stockholders, such alternatives would likely have restricted the Company's ability to grow its business due to the additional debt required to effect such transactions. See "—Evaluation of a Leveraged Recapitalization" for more information regarding the special committee's consideration of a leveraged recapitalization. By contrast, the merger maximizes stockholder value by providing stockholder liquidity, without the risk to stockholders of a business plan constrained by a highly leveraged capital structure.

- That the proposed merger consideration was all cash, so that the transaction allows Station's stockholders (other than the Rollover Stockholders with respect to the shares they contribute to Fertitta Partners) to realize immediately a fair value, in cash, for their investment and provides such stockholders certainty of value for their shares.

- That the special committee viewed the merger consideration as fair in light of the committee's familiarity with Station's business, assets, operations, financial condition, strategy and prospects, as well as Station's historical and projected financial performance.

- The current and historical market prices of Station's common stock, including the market price of Station's common stock relative to those of other participants in Station's industries and general market indices, which historical information was presented to the special committee as background material by its financial advisor Bear Stearns. The fact that Station's stock price had generally traded in-line with other industry participants during the period from December 2005 through February 2007 and Station's stock price had performed below the S&P 500 Index since the third quarter of 2006 until the initial offer by Parent; Station's stock repurchases during 2006 of approximately 12.7 million shares at an average price per share of approximately $69.21, for a total of approximately $877.1 million and the fact that the merger consideration of $90.00 per share represented a premium of approximately 30% to the closing price of Station's common stock on December 1, 2006, the last trading day before Parent's proposal was made public and a premium of approximately 10% to the $82.00 per share originally proposed by Parent.

- The opinion the special committee received from its financial advisor, Bear Stearns, delivered orally at the special committee meeting on February 23, 2007, and subsequently confirmed in writing, that, as of February 23, 2007, the date of the opinion, and based upon and subject to the factors, assumptions, limitations, qualifications and other conditions set forth in the opinion, the merger consideration of $90.00 per share to be received pursuant to the merger agreement by the public holders of shares of Station common stock (other than the Rollover Stockholders) was fair, from a financial view point, to such holders.

- The presentation by Bear Stearns to the special committee on February 22, 2007 in connection with the foregoing opinion, which is described under "—Opinion of Financial Advisor".

- The special committee's belief that $90.00 per share, plus Station's ability to continue to pay its regular quarterly dividend of $0.2875 per share, was the highest consideration that could be negotiated with Parent.

- The efforts made by the special committee and its advisors to negotiate and execute a merger agreement favorable to Station under the circumstances and the fact that the negotiations regarding the merger agreement were held on an arms'-length basis.
- The fact that no alternative acquisition proposal for Station had been submitted since the announcement of Parent's initial proposal on December 4, 2006.
- The terms and conditions of the merger agreement, including:
  - the requirement that the merger agreement be approved by the affirmative vote of a majority of those stockholders voting on the proposal other than the Rollover Stockholders;
  - the requirement that the merger agreement be approved by the affirmative vote of two-thirds of the outstanding shares of common stock, which would require that, in addition to the shares held by the Rollover Stockholders, an additional approximately 42% of the total outstanding shares (representing approximately 56% of the shares not owned by the Rollover Stockholders) must vote in favor of approving the merger agreement;
  - Station's ability, under the merger agreement, to continue to pay its regular quarterly dividend of $0.2875 per share;
  - the absence of a financing condition to Parent's obligation to consummate the transaction;
  - the provision of the merger agreement providing the special committee with a 30-business day post-signing "go shop period" during which the special committee would solicit third party interest in a transaction with Station and, after such 30-business day period, would permit the special committee to respond to unsolicited proposals prior to the stockholder vote, subject to specified conditions as more fully described below under "The Merger—Restrictions on Solicitation of Other Offers;"
  - the provision of the merger agreement that, subject to compliance with the terms of and conditions of the merger agreement, if a third party has proposed an alternative transaction that is a "superior proposal" as defined in the merger agreement, the board is permitted, prior to the adoption of the merger agreement by Station's stockholders, to change its recommendation, approve or recommend a "superior proposal" or, upon the payment of a termination fee ($106 million if a third party has proposed an alternative transaction during the "go shop period," which alternative transaction then constituted a "superior proposal," or $160 million if a "superior proposal" is proposed by another third party after the "go shop period", representing approximately 2% and 3% of the total equity value of the transaction, respectively), terminate the merger agreement in order to enter into a definitive agreement with respect to the "superior proposal" as more fully described below under "The Merger Agreement—Recommendation Withdrawal/Termination in Connection with a Superior Proposal;"
  - the commitment by Parent to provide (for one year from the effective date of the merger) Station's employees with compensation, severance and benefits that are substantially comparable in the aggregate (other than equity-based compensation) provided to such employees immediately prior to the merger; and
  - that Station would not have to establish the existence and amount of its damages in the event of a failure of the merger to be completed under specified circumstances in which Parent would be required to pay the $160 million reverse termination fee or the $106 million regulatory termination fee if Parent were unable to obtain gaming approvals for the merger.

- That Parent delivered debt financing commitments from reputable lenders that, together with the equity commitments received from the Rollover Stockholders and affiliates of Colony, are sufficient to pay the aggregate merger consideration.
- The special committee's belief that it was fully informed about the extent to which the interests of Frank J. Fertitta III and Lorenzo J. Fertitta in the merger differed from those of Station's other stockholders.
- That Station's executive officers, other than Frank J. Fertitta III and Lorenzo J. Fertitta, had no agreements with Parent at the time of execution of the merger agreement.
- The presentations by Kummer Kaempfer, the special committee's Nevada gaming regulatory counsel, as to the likelihood and timing of approval of the merger agreement under applicable gaming laws, including the fact that certain gaming licenses are already held by Frank J. Fertitta III, Lorenzo J. Fertitta and principals of Colony.
- That certain affiliates of Colony had entered into a limited guarantee with Station, providing support for the payment of the $160 million reverse termination fee (and the $106 million regulatory termination fee) and other obligations payable by Parent to Station under specified circumstances.

In the course of reaching the determinations and decisions, and making the recommendations, described above, the special committee considered the following risks and potentially negative factors relating to the merger agreement, the merger and the other transactions contemplated thereby:

- That Station's stockholders, other than the Rollover Stockholders, will have no ongoing equity participation in Station following the merger, and that such stockholders will cease to participate in Station's future earnings or growth, if any, including any appreciation in value on a long-term basis related to Station's significant land holdings in the Las Vegas valley and the development of new casinos on those properties, or to benefit from increases, if any, in the value of Station's common stock, and will not participate in any potential future sale of Station to a third party.
- That Parent and its investors could realize significant returns on their equity investment in Parent from the merger. Bear Stearns prepared for the special committee an illustration of the hypothetical returns that the Parent could achieve on its equity investment. Assumptions in this illustration included achievement of management's projections including the development of Station's land held for development with existing development plans and discounting these projections utilizing a range of discount rates and terminal multiples, achievement of a range of management's estimate of the value of Station's land held for development with no existing development plans (which were assumed to be divested at the closing of the merger), achievement of management's projections for Station's Native American casino management contracts over their terms and discounting the cash flow from these projections, and an assumed capitalization and financing sources and uses primarily based on the draft financing commitments previously provided by Parent and its financing sources. This illustration produced internal rates of return for the equity investments in Parent of 16.1% to 28.1%. This illustration was not part of Bear Stearns' opinion to the special committee and the actual returns achieved by Parent and its investors may be higher or lower than as presented in this illustration.
- That the $90.00 price per share (plus regular quarterly dividends of $0.2875 per share) is the maximum amount per share receivable by Station's stockholders unless the merger agreement is terminated in accordance with its terms.

- That the special committee was not authorized to solicit alternative proposals prior to the signing of the merger agreement, although the special committee was authorized to respond to unsolicited proposals.
- That other competing transactions could trigger the change in control provisions under the Company's indentures and the employment agreements with executive officers, and the impact of such additional costs under such circumstances.
- The participation of Frank J. Fertitta III and Lorenzo J. Fertitta in the merger and the fact that Frank J. Fertitta III and Lorenzo J. Fertitta have interests in the transaction that are different from, or in addition to, those of Station's unaffiliated stockholders.
- The merger agreement contains restrictions on the conduct of Station's business prior to the completion of the merger, generally requiring Station to conduct its business only in the ordinary course, subject to specific limitations, which may delay or prevent Station from undertaking business opportunities that may arise pending completion of the merger and the length of time between signing and closing when these restrictions are in place, due to the time needed to obtain gaming regulatory approvals.
- That the closing of the transaction is not expected to occur shortly following the stockholder vote due to the need to obtain gaming regulatory approvals and may be further delayed in connection with the receipt of gaming regulatory approvals for an additional three months past the outside closing date of twelve months, which extended time period may be mitigated in part by the ability of Station to continue to declare and pay regular quarterly dividends.
- The risks and costs to Station if the merger does not close, including the diversion of management and employee attention, potential employee attrition and the potential effect on business and customer relationships.
- That the receipt of cash in exchange for shares of Station common stock pursuant to the merger will be a taxable sale transaction for U.S. federal income tax purposes.
- That Station stockholders do not have dissenters' rights under Nevada law.
- That the Rollover Stockholders' ownership of approximately 27% of the outstanding common stock, including shares of common stock issuable upon exercise of stock options held by the Rollover Stockholders, the requirement in Station's charter that a merger be approved by two-thirds of Station's outstanding common stock would require that a competing offer receive the approval of approximately 88% of the outstanding common stock not owned by the Rollover Stockholders if the Rollover Stockholders did not vote in favor of the competing offer, the fact that the Rollover Stockholders would not agree to the special committee's request that they give up their discretion to vote their shares and, instead, agree in advance to vote in favor of any competing proposal which the special committee might deem to be a Superior Proposal and the potential chilling impact this could have on third parties considering making competing offers.
- The merger agreement's limitations on Station's ability to solicit other offers after the "go shop" period, although the special committee is authorized to respond to unsolicited proposals meeting specified criteria.
- The possibility that, under the merger agreement, Station may be required to pay a termination fee of $160 million ($106 million in specified circumstances) or reimburse up to $40 million of Parent's expenses, which expense reimbursement will be credited against the termination fee to the extent it becomes due.

- If the merger is not completed, Station will be required to pay its fees and expenses associated with the transaction.
- That Parent's maximum exposure for wrongfully failing to close or breaching the merger agreement, even if the breach is willful or deliberate, is limited to $160 million or $106 million, depending on the circumstances.
- That Parent's obligation to consummate the merger is subject to certain conditions outside of Station's control.

In the course of reaching the determinations and decisions, and making the recommendations, described above, the special committee also considered the following factors relating to the procedural safeguards that the special committee believes were and are present to ensure the fairness of the merger and to permit the special committee to represent the interests of Station's unaffiliated stockholders, each of which the special committee believed supported its decision and provided assurance of the fairness of the merger to Station and Station's unaffiliated stockholders:

- That the special committee consists solely of independent and disinterested directors who are not employees of Station and have no financial interest in the merger that is different from that of the unaffiliated stockholders (other than the acceleration of restricted stock and options to acquire shares of Company common stock).
- That the members of the special committee were adequately compensated for their services and that their compensation for serving on the special committee was in no way contingent on their approving the merger agreement and taking the other actions described in this proxy statement.
- That the special committee retained and was advised by Skadden and Kummer Kaempfer, its legal counsel.
- That the special committee retained and was advised by Bear Stearns, its financial advisor.
- That, after Station issued a press release on December 4, 2006 announcing receipt of the Parent proposal to acquire Station for $82 per share, no third party solicitations were received.
- That the special committee received an opinion from its financial advisor, Bear Stearns, delivered orally at the special committee meeting on February 23, 2007, and subsequently confirmed in writing, that, as of February 23, 2007, the date of the opinion, and based upon and subject to the factors, assumptions, limitations, qualifications and other conditions set forth in the opinion, the merger consideration of $90.00 per share to be received pursuant to the merger agreement by the public holders of shares of Station common stock (other than the Rollover Stockholders) was fair, from a financial point of view, to Station and such holders.
- That the special committee was involved in extensive deliberations over a period of almost three months regarding the proposal, and was provided with access to Station's management in connection with the due diligence conducted by its advisors.
- That the special committee, with the assistance of its legal and financial advisors, negotiated on an arms'-length basis with Parent and its representatives.
- The requirement that the merger agreement be approved by the affirmative vote of a majority of those stockholders voting on the proposal other than the Rollover Stockholders;
- The requirement that the merger agreement be approved by the affirmative vote of two-thirds of the outstanding shares of common stock, which would require that, in addition to the shares held by the Rollover Stockholders, an additional approximately 42% of the total outstanding shares

(representing approximately 56% of the shares not owned by the Rollover Stockholders) must vote in favor of approving the merger agreement.

· That the special committee had ultimate authority to decide whether or not to proceed with a transaction or any alternative thereto, subject to the board of director's approval of the merger agreement, where the members of the special committee comprised a majority of the board of directors, as required by Nevada law.

· That the special committee was aware that it had no obligation to recommend any transaction, including the proposal put forth by Frank J. Fertitta III and Lorenzo J. Fertitta.

· That Station would be permitted to solicit proposals during a 30-business day post-signing "go shop period" and, thereafter, under certain circumstances to respond to inquiries regarding acquisition proposals and, upon payment of a termination fee, to terminate the merger agreement in order to enter into an agreement for a "superior proposal" as defined in the merger agreement.

· That the special committee made its evaluation of the merger agreement and the merger based upon the factors discussed in this proxy statement, independent of members of the board who were Rollover Stockholders and with knowledge of the interests of such director participants in the merger.

The special committee did not consider net book value in determining the fairness of the merger to Station's stockholders, other than the Rollover Stockholders, because of its belief that net book value, which is an accounting concept that is not commonly used as a valuation metric in the gaming industry, does not reflect historical or projected cash flows from continuing operations and thus does not reflect the value of Station or the market trading prices for Station's common stock. In addition, the special committee did not consider liquidation value in determining the fairness of the merger to Station and Station's stockholders, other than the Rollover Stockholders, because of its belief that liquidation value does not present a meaningful valuation for Station and its business as Station's value is derived from cash flows generated from its continuing operations rather than the value of assets that might be realized in a liquidation. The special committee considered the analyses and the opinion of Bear Stearns, among other factors considered, in the course of reaching its decision that the merger is fair to Station and Station's stockholders other than the Rollover Stockholders, and to recommend to Station's board of directors that the board of directors approve the merger agreement. The special committee adopted the analyses and conclusions of Bear Stearns.

The foregoing discussion of the information and factors considered by the special committee includes the material factors considered by the special committee. In view of the variety of factors considered in connection with its evaluation of the merger, the special committee did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and recommendation. In addition, individual directors may have given different weights to different factors. The special committee approved and recommends the merger agreement and the merger based upon the totality of the information presented to and considered by it.

The Board of Directors. The board of directors consists of six directors, two of whom, Frank J. Fertitta III and Lorenzo J. Fertitta, will be Rollover Stockholders and have interests in the merger different from the interests of Station's unaffiliated stockholders generally. The board of directors established the special committee, consisting of all of the independent directors, and empowered it to study, review, evaluate, negotiate and, if appropriate, make a recommendation to the board of directors regarding the proposal from Frank J. Fertitta III and Lorenzo J. Fertitta and any unsolicited proposals that were received. Thus, a majority of the board of directors consisted of the members of the special committee. Frank J. Fertitta III, the Chairman and Chief Executive Officer of Station, and Lorenzo J. Fertitta, the Vice Chairman and President of Station, who have each agreed to contribute a portion of their equity securities in Station to Fertitta Partners in exchange for an equity investment in Fertitta Partners, recused themselves from the deliberations and the vote due to their involvement in the transaction. On February 23, 2007, the board of directors met to consider the report and recommendation of the special committee. On the basis of the special committee's recommendation and the other factors described below, Station's board of directors unanimously, with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in the vote:

- determined that the merger and the merger agreement are fair to, and are advisable to and in the best interests of, Station and the stockholders of Station other than the Rollover Stockholders,
- approved the voting agreement and the limited guarantee; and
- recommended that Station's stockholders vote to approve the merger agreement.
- Station's board of directors unanimously:
- took all actions so that the merger agreement, the voting agreement and the operating agreement of Parent would not be subject to the Nevada business combination statutes or any other applicable merger, anti-takeover or similar statute or regulation,
- took all actions so that the Rollover Stockholders, Colony, Parent and their affiliates would not be an "acquiring person" under Station's stockholder rights plan,
- amended prior resolutions to limit the expense reimbursement payable to Frank J. Fertitta III and Lorenzo J. Fertitta to $40 million, and
- approved various related resolutions.

In determining that the merger agreement is fair to, and is advisable to and in the best interests of, Station and the unaffiliated stockholders of Station, and approving the merger agreement, and recommending that Station's stockholders vote for the approval of the merger agreement, the board of directors considered a number of factors, including the following material factors:

- The unanimous determination and recommendation of the special committee;
- The fact that the merger consideration and the other terms of the merger agreement resulted from negotiations between the special committee and Parent, and the board of directors' belief that $90.00 per share, plus Station's ability to continue to pay its regular quarterly dividend of $0.2875 per share, was the highest consideration that could be negotiated with Parent; and
- The factors considered by the special committee, including the positive factors and potential benefits of the merger agreement, the risks and potentially negative factors relating to the merger agreement, the fairness opinion received by the special committee and the factors relating to procedural safeguards described below.

The foregoing discussion of the information and factors considered by Station's board of directors includes the material factors considered by the board of directors. In view of the variety of factors considered in connection with its evaluation of the merger, Station's board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and recommendation. In addition, individual directors may have given different weights to different factors. The board of directors approved and recommends the merger agreement based upon the totality of the information presented to and considered by it.

The board of directors did not consider net book value in determining the fairness of the merger to Station's stockholders, other than the Rollover Stockholders, because of its belief, after considering the factors considered by the special committee, that net book value, which is an accounting concept that is not commonly used as a valuation metric in the gaming industry, does not reflect historical or projected cash flows from continuing operations and thus does not reflect the value of Station or the market trading prices for Station's common stock. In addition, the board of directors did not consider liquidation value in determining the fairness of the merger to Station and Station's stockholders, other than the Rollover Stockholders, because of its belief, after considering the factors considered by the special committee, that liquidation value does not present a meaningful valuation for Station and its business as Station's value is derived from cash flows generated from its continuing operations rather than the value of assets that might be realized in a liquidation.

The board of directors believes that the merger is procedurally fair because the terms of the merger agreement require the affirmative vote of a majority of those stockholders voting on the proposal other than the Rollover Stockholders and despite the fact that the board of directors did not retain an unaffiliated representative other than the special committee to act solely on behalf of the Company's stockholders, other than the Rollover Stockholders, for purposes of negotiating the terms of the merger agreement. The board of directors believes it was not necessary to retain any additional unaffiliated representative to act on behalf of Station's stockholders, other than the Rollover Stockholders, in light of the independence, absence of conflicts of interest and role and actions of the special committee.

Our board of directors recommends that you vote FOR the approval of the merger agreement.

Opinion of Financial Advisor

Opinion of Bear, Stearns & Co.

Pursuant to an engagement letter dated December 3, 2006, Station engaged Bear Stearns to act as financial advisor to the special committee in connection with the review of possible offers to acquire the Company by any acquirer. In addition, to the extent requested by the special committee, Bear Stearns agreed to render a fairness opinion with respect to a possible sale of the Company. In selecting Bear Stearns, the special committee considered, among other things, the fact that Bear Stearns is an internationally recognized investment banking firm with substantial experience advising companies in the gaming industry as well as substantial experience providing strategic advisory services. Bear Stearns, as part of its investment banking business, is continuously engaged in the evaluation of businesses and their debt and equity securities in connection with mergers and acquisitions, underwritings, private placements and other securities offerings, senior credit financings, valuations and general corporate advisory services.

At the February 23, 2007 meeting of the special committee, Bear Stearns delivered its oral opinion, which was subsequently confirmed in writing, that, as of February 23, 2007, and based upon and subject to the assumptions, qualifications and limitations set forth in the written opinion, the merger consideration to be received is fair, from a financial point of view, to the public stockholders of Station, excluding the Rollover Stockholders.

The full text of Bear Stearns' written opinion is attached as Annex C to this proxy statement and you should read the opinion carefully and in its entirety. The opinion sets forth the assumptions made, some of the matters considered and qualifications to and limitations of the review undertaken by Bear Stearns. The Bear Stearns opinion is subject to the assumptions, limitations, qualifications and other conditions contained therein and is necessarily based on economic, market and other conditions and the information made available to Bear Stearns as of the date of the Bear Stearns opinion. Bear Stearns assumed no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of the opinion.

In reading the discussion of the fairness opinion set forth below, you should be aware that Bear Stearns' opinion:

- was provided to the special committee for its benefit and use;
- does not constitute a recommendation to the special committee or any stockholder of Station as to how to vote in connection with the merger or otherwise; and
- did not address Station's underlying business decision to pursue the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for Station or the effects of any other transaction in which Station might engage.

Station did not provide specific instructions to, or place any limitations on, Bear Stearns with respect to the procedures to be followed or factors to be considered by it in performing its analyses or providing its opinion.

In connection with rendering its opinion, Bear Stearns:

- reviewed a draft of the merger agreement and voting agreement dated February 23, 2007;
- reviewed Station's Annual Reports to Shareholders and Annual Reports on Form 10-K for the years ended December 31, 2005 and 2004, its Quarterly Reports on Form 10-Q for the periods ended March 31, 2006, June 30, 2006 and September 30, 2006, its preliminary results for the year ended December 31, 2006 and its Current Reports on Form 8-K filed since December 31, 2005;

- reviewed certain operating and financial information relating to Station's business and prospects, including projections for the six years ended December 31, 2012, all as prepared and provided to Bear Stearns by Station's management;
- met with certain members of Station's senior management to discuss Station's businesses, operations, historical and projected financial results and future prospects;
- reviewed the historical prices, trading multiples and trading volume of the common shares of Station;
- reviewed publicly available financial data, stock market performance data and trading multiples of companies which Bear Stearns deemed generally comparable to Station;
- reviewed the terms of recent mergers and acquisitions involving companies which Bear Stearns deemed generally comparable to Station;
- performed discounted cash flow analyses based on the projections for Station furnished to Bear Stearns;
- reviewed independent, third party appraisals of Station's undeveloped land holdings; and
- conducted such other studies, analyses, inquiries and investigations as Bear Stearns deemed appropriate.

Bear Stearns relied upon and assumed, without independent verification, the accuracy and completeness of the financial and other information provided to or discussed with Bear Stearns by Station or obtained by Bear Stearns from public sources, including, without limitation, the projections referred to above. With respect to the projections, Bear Stearns relied on representations that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the senior management of Station as to the expected future performance of Station. Bear Stearns did not assume any responsibility for the independent verification of any such information, including, without limitation, the projections, and Bear Stearns further relied upon the assurances of the senior management of Station that they were unaware of any facts that would make the information and projections incomplete or misleading.

In arriving at its opinion, Bear Stearns did not perform or obtain any independent appraisal of the assets or liabilities (contingent or otherwise) of Station, nor was Bear Stearns furnished with any such appraisals, other than an appraisal of Station's undeveloped land holdings carried out by third party consultants at the instruction of the special committee. Bear Stearns did not solicit indications of interest from third parties regarding a potential transaction with Station prior to the execution of the merger agreement; however, in accordance with the merger agreement, Station was permitted to, and did, with the assistance of Bear Stearns, solicit other parties during the period beginning on the date of the merger agreement and continuing for 30 business days thereafter, as described above in "Background of the Merger." Bear Stearns did not review or consider the terms of the amendment to the merger agreement dated May 4, 2007, which was entered into after the date of Bear Stearns' opinion. Bear Stearns assumed that the merger will be consummated in a timely manner and in accordance with the terms of the merger agreement without any limitations, restrictions, conditions, amendments or modifications, regulatory or otherwise, that collectively would have a material adverse effect on Station.

Bear Stearns did not express any opinion as to the price or range of prices at which the shares of common stock of Station may trade subsequent to the announcement of the merger.

Material Financial Analyses of Bear Stearns

The following is a brief summary of the material financial analyses performed by Bear Stearns and presented to the special committee in connection with rendering its fairness opinion.

Some of the financial analyses summarized below include summary data and information presented in tabular format. In order to understand fully the financial analyses, the summary data and tables must be read together with the full text of the analyses. Considering the summary data and tables alone could create a misleading or incomplete view of Bear Stearns' financial analyses.

For purposes of Bear Stearns' analysis of Station, and with the understanding of the special committee, Bear Stearns separately analyzed Station's operations based upon the following four components of its business:

- *Existing Nevada Operations*: Station is the owner and operator of 13 Las Vegas casinos and has a significant interest in an additional three casino joint ventures.
- *Land Held for Development—Current Development Plans*: This component represents the four planned future casino developments on land parcels Station currently owns which Station's management expects to develop prior to 2012, the end of its forecast period.
- *Land Held for Development—No Current Development Plans*: This component represents Station's land holdings that Station's management does not expect to be developed prior to 2012.
- *Native American Contracts*: Station offers development and management services to Native American tribes. Station has one such operating facility under contract and three additional contracts signed for properties under development.

In order to value each of Station's segments, Bear Stearns performed various analyses on the various components of Station's business and then combined the business components in order to evaluate the fairness of the consideration in the merger.

Comparable Trading Analysis

Bear Stearns' comparable trading analysis factored in multiples of comparable companies when valuing the Existing Nevada Operations. Values for the other components of Station's business were calculated based on methodologies indicated below.

Existing Nevada Operations

Existing Nevada Operations encompass Station's 13 existing Las Vegas-based casino properties, as well as Station's interests in three joint venture casino properties.

Bear Stearns reviewed certain financial information for Station and compared that information to the corresponding financial information, ratios and public market multiples of selected publicly traded companies in the gaming industry. Bear Stearns further classified the companies that were included for purposes of its analysis as a function of their respective equity market capitalizations, as "Large-Cap Operators" and "Mid-Cap Operators:"

"Large-Cap Operators":

- Boyd Gaming Corp.
- Penn National Gaming, Inc.

"Mid-Cap Operators":

- Ameristar Casinos, Inc.
- Great Canadian Gaming Corp.
- Isle of Capri Casinos, Inc.

· Pinnacle Entertainment, Inc.

· Trump Entertainment Resorts, Inc.

These companies were selected, among other reasons, because they share similar business characteristics to Station, they operate in the gaming industry and they have similar operating profiles to Station. While none of the companies listed is identical to Station, Bear Stearns made judgments and assumptions concerning differences in financial and operating characteristics of the selected companies and other factors that could affect the public trading values of the selected companies. Financial information, ratios and public market values for Wynn Resorts Ltd. and Las Vegas Sands Corp. were reviewed by Bear Stearns but were excluded from the analysis because the financial data of these companies was affected by the value of their interests in Macau operations. Financial information, ratios and public market values for Harrah's Entertainment Inc. and MGM Mirage were also reviewed by Bear Stearns but excluded from the analysis because the financial data of these companies was affected by the impact of non-operating activities or publicly announced strategic transactions.

For the companies noted above, Bear Stearns calculated the multiples of their respective February 21, 2007 closing stock prices to calendar year 2007 and 2008 earnings estimates and multiples of enterprise value (calculated as equity value plus debt and minority interest, less cash and cash equivalents) to calendar year 2007 and 2008 estimated earnings before interest, tax, depreciation and amortization, or EBITDA, and compared these measures to the corresponding multiples for Station. For purposes of its analyses, Bear Stearns also deducted projected restricted stock amortization from management's estimates of Station's 2007 and 2008 projected EBITDA. Estimated financial data for the selected public companies were based on publicly available information, including SEC filings and First Call consensus estimates.

From this analysis, Bear Stearns observed that for the comparable public companies, the relevant ratio (based on an analysis of the companies Bear Stearns deemed most comparable) of total enterprise value to 2007 forward EBITDA (EV/2007 EBITDA) ranged from 9.0x to 11.0x, and that the relevant ratio (based on an analysis of the companies Bear Stearns deemed most comparable) of EV/2008 EBITDA ranged from 8.0x to 10.0x.

Land Held for Development—Current Development Plans

Land Held for Development—Current Development Plans represents Station's portfolio of four future real estate properties that management expects to develop during the period reflected in the management forecasts.

Discounted Cash Flow Analysis. Bear Stearns valued Station's Land Held for Development—Current Development Plans using a discounted cash flow analysis similar to the discounted cash flow analysis that it performed for the Existing Nevada Operations, described below. Bear Stearns selected a discount rate range of 8.5% to 9.5%. Bear Stearns noted that expected cash flows from future developments could be considered speculative and involve greater risk than the cash flows from Existing Nevada Operations and therefore could be discounted at a higher discount rate than that applied to the cash flows from Existing Nevada Operations. The terminal value of these cash flows was calculated using a last-twelve-months (LTM) EBITDA multiple range of 9.5x to 10.5x. In estimating the terminal value multiples, Bear Stearns considered that the four properties to be developed are expected to have strong growth prospects in 2012, as they are expected to begin operations between 2009 and 2012.

CB Richard Ellis Value Estimates. In addition, the special committee engaged CBRE to provide estimates of the value of the land for which Station has current development plans. See "Report of CB Richard Ellis" below. The values that CBRE estimated are strictly for the real estate and do not take into account the value created by developing the properties. CBRE estimated a value range of $259 million to $311 million for these four properties.

For purposes of its opinion, Bear Stearns utilized the value estimates determined in its discounted cash flow analysis described above, which were higher than CBRE's range.

Land Held for Development—No Current Development Plans

Land Held for Development—No Current Development Plans represents Station's portfolio of land on which Station's management does not expect to be developed prior to 2012, the end of its forecast period.

Management Estimates. Station's management estimated the value of the Land Held for Development—No Current Development Plans to be between $1.2 billion and $1.7 billion. Management's estimate was primarily based on recent transactions in the Las Vegas market, as well as their overall knowledge of the market. Bear Stearns noted that Station's management has extensive expertise in the Las Vegas real estate market, which encompasses the substantial majority of properties included in Land Held for Development—No Current Development Plans.

CB Richard Ellis Value Estimates. The special committee engaged CBRE to provide estimates of the value of the Land Held for Development—No Current Development Plans. See "Report of CB Richard Ellis" below. CBRE estimated the value of Station's portfolio of Land Held for Development—No Current Development Plans to be between $858 million to $1.2 billion. Management's and CBRE's estimates were substantially similar for all properties except one, the Wild Wild West site. Bear Stearns observed that the difference between the two estimates for this property accounted for most of the difference between the respective value ranges of Station's Land Held for Development—No Current Development Plans.

For purposes of its opinion, Bear Stearns utilized management's value estimates, which were higher than CBRE's range.

Native American Contracts

Native American Contracts represents development and management services provided to Native American tribes.

Discounted Cash Flow Analysis. Bear Stearns valued Station's Native American Contracts using a discounted cash flow analysis. Bear Stearns applied a discount rate range of 8.5% to 9.5%. Bear Stearns noted that three of the four facilities to be managed under the Native American contracts have yet to be developed. In addition, Bear Stearns noted that the cash flows derived from the Native American Contracts involve greater risk and could be discounted at a higher discount rate as compared to cash flows generated by Existing Nevada Operations. Bear Stearns assumed no terminal value for the contracts due to the finite terms of the contracts.

Based on the various analyses described above, Bear Stearns calculated the following ranges of implied equity value per share of Station's common stock:

Comparable Trading Valuation Analysis

	Implied Price Per Share		
	Low	**Mid**	**High**
Based on 2007 Existing Nevada Operations EBITDA	$ 60.37	$ 76.14	$ 92.00
Based on 2008 Existing Nevada Operations EBITDA	$ 62.35	$ 79.52	$ 96.80

Comparable Transaction Analysis

Bear Stearns' comparable transaction analysis factored in multiples of comparable transactions when valuing the Existing Nevada Operations. Values for the other components of Station's business were calculated based on methodologies indicated in the comparable trading analysis section above.

Bear Stearns reviewed certain precedent gaming transactions over the last ten years. Bear Stearns focused its analysis on the following three transactions, as they represent the most recent activity in the gaming sector. Using publicly available information, including Wall Street research, Bear Stearns calculated forward EBITDA multiples for the selected comparable precedent transactions, as follows:

Date Announced	Target	Acquirer	Enterprise Value/Forward EBITDA
December 2006	Harrah's Entertainment, Inc.	Texas Pacific Group/ Apollo Management, L.P.	10.4x
May 2006	Aztar Corporation	Columbia Sussex Corp.	11.0x
May 2006	Kerzner International Ltd.	Investor Consortium	12.7x

From this analysis, Bear Stearns observed that the relevant ratio of EV/2007 EBITDA ranged from 10.0x to 12.0x.

Based on the various analyses described above, Bear Stearns calculated the following ranges of implied equity value per share of Station's common stock:

Comparable Transaction Valuation Analysis

	Implied Price Per Share		
	Low	Mid	High
Based on 2007 Existing Nevada Operations EBITDA	$ 69.65	$ 85.42	$ 101.28

Discounted Cash Flow Analysis

Bear Stearns' discounted cash flow analysis factored in discounted unlevered free cash flows when valuing the Existing Nevada Operations and is described below. Values for the other components of Station's business were calculated based on methodologies indicated in the comparable trading analysis section above.

Bear Stearns performed a discounted cash flow analysis for the purpose of determining a range of implied present values for Station's Existing Nevada Operations. Bear Stearns calculated the estimated free cash flows for Station's Existing Nevada Operations for the years 2007 to 2012 based on management's projections. Bear Stearns used discount rates ranging from 8.5% to 9.5% and a range of terminal LTM EBITDA multiples (applied to 2012 EBITDA) of 8.5x to 9.5x. The discount rates were based on Bear Stearns' judgment of the weighted average cost of Station's capital. In estimating the terminal EBITDA multiples, Bear Stearns considered Station's and comparable companies' current and historical trading multiples, noting that current market multiples are on the high end when compared to historical levels.

Based on the various analyses described above, Bear Stearns calculated the following ranges of implied equity value per share of Station's common stock:

Discounted Cash Flow Valuation Analysis

	Low	Mid	High
Implied Price Per Share	$ 74.87	$ 87.65	$ 100.83

Sum-of-the-Parts Analysis

Bear Stearns reviewed the individual properties within Station's Existing Nevada Operations to determine an illustrative range of 2007 EV/EBITDA multiples on an asset by asset basis. The multiple ranges selected reflect Bear Stearns' judgment regarding the markets, growth prospects, profitability and other characteristics of each of the individual properties. The multiples applied to Station's individual properties ranged from 7.0-9.0x to 10.0-12.0x. Bear Stearns applied these multiples to management's forecasted 2007 EBITDA for each of the individual properties and forecasted corporate expenses for the period. Values for the other components of Station's business were calculated based on methodologies indicated in the comparable trading and comparable transactions analysis sections above.

Based on the various analyses described above, Bear Stearns calculated the following ranges of implied equity value per share of Station's common stock:

Sum-of-the-Parts Valuation Analysis

	Low	Mid	High
Implied Price Per Share	$ 63.79	$ 79.56	$ 95.42

Bear Stearns based its analysis on assumptions that it deemed reasonable, including assumptions concerning general business and economic conditions and industry-specific factors. Bear Stearns did not form an opinion as to whether any individual analysis or factor, whether positive or negative, considered in isolation, supported or failed to support the Bear Stearns opinion. In arriving at its opinion, Bear Stearns considered the results of all its analyses and did not attribute any particular weight to any one analysis or factor. Bear Stearns arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and believes that the totality of the factors considered and analyses performed by Bear Stearns in connection with its opinion operated collectively to support its determination as to the fairness of the consideration to be received by the stockholders of Station. The analyses performed by Bear Stearns, particularly those based on estimates and projections, are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. None of the public companies used in the comparable company analysis described above are identical to Station, and none of the precedent transactions used in the precedent transactions analysis described above are identical to the merger. Accordingly, an analysis of publicly traded comparable companies and comparable precedent transactions is not mathematical; rather it involves complex considerations and judgments concerning the differences in financial and operating characteristics of the companies and precedent transactions and other factors that could affect the value of Station and the public trading values of the companies and precedent transactions to which they were compared. The analyses do not purport to be appraisals or to reflect the prices at which any securities may trade at the present time or at any time in the future.

The Bear Stearns opinion was just one of the many factors taken into consideration by the special committee. Consequently, Bear Stearns' analysis should not be viewed as determinative of the decision of the special committee with respect to the fairness of the consideration to be received, from a financial point of view, by the public stockholders of Station, excluding the Rollover Stockholders.

Pursuant to the terms of Bear Stearns' engagement letter, Station has agreed to pay Bear Stearns a transaction fee of $12.0 million for Bear Stearns' services, a substantial portion of which is contingent on successful consummation of the merger. As of the date hereof, Station has paid Bear Stearns a retainer fee of $250,000 and a fee of $1,500,000 at the time of Bear Stearns' delivery of its fairness opinion to the special committee. In addition, Station has agreed to reimburse Bear Stearns for certain expenses and to indemnify Bear Stearns against certain liabilities arising out of or in connection with Bear Stearns' engagement. Bear Stearns has been previously engaged by Station to provide certain investment banking and other services and by certain Rollover Stockholders to provide brokerage services, in each case in matters unrelated to the merger, for which it received, or expects to receive, customary fees. However, Bear Stearns has not received any fees for corporate finance, investment banking or other advisory services from Station within the past two years, other than in connection with the transaction as noted above. Various individuals and entities affiliated with Bear Stearns may have passive minority investments in private equity funds managed by Colony. In addition, Bear Stearns in the past has been engaged by Colony or its affiliates to provide certain investment banking and other services in matters unrelated to the merger, for which Bear Stearns has received, or expects to receive, customary fees.

In the ordinary course of business, Bear Stearns and its affiliates may actively trade the equity and debt securities and/or debt of Station and its respective affiliates for Bear Stearns' own account and for the account of Bear Stearns' customers and, accordingly, may at any time hold a long or short position in such securities or bank debt.

Report of CB Richard Ellis

Selection and Qualification of Real Estate Services Firm

In connection with its evaluation of possible offers to acquire Station, the special committee engaged CBRE, an independent real estate services firm, to estimate the value of the undeveloped land holdings owned by Station. In selecting CBRE, the special committee considered, among other things, the fact that CBRE is a nationally recognized real estate services firm with substantial experience in advising companies in the gaming industry in general and in Las Vegas and Reno in particular. During the prior two years, no material relationship has existed between CBRE and Station. CBRE was paid $150,000 for its report. During the past two years, Station has paid an additional $5,000 to CBRE in connection with CBRE's services which consisted of high level appraisal work performed by CBRE with respect to certain of Station's undeveloped land holdings.

CBRE is the largest commercial real estate services provider in the world. The Global Gaming Group business unit of CBRE provides a wide array of advisory and transactional services that are specific to the gaming industry, including valuation of land for hotel and casino development.

Summary of Approaches and Methodologies Employed

In its January 2007 valuation report, CBRE evaluated and provided a range of values for the undeveloped land holdings of Station. The values provided were not appraised values of the undeveloped land holdings as the valuation report was not performed by a licensed appraiser in conformity with the Uniform Standards of Professional Appraisal Practice. In evaluating the land holdings, CBRE considered current market trends, sales comparables and proprietary market knowledge to place a range of values on each individual site. The range of values provided by CBRE were based on what Station would likely expect to receive should it decide to market and sell the properties in the current real estate market. CBRE estimated an overall time frame of 12 months to market and complete a transaction.

No conditions or limitations on the scope of CBRE's investigation or the methods and procedures to be followed in preparing the valuation were imposed by the special committee.

Summary of Valuation of Undeveloped Land Holdings

The summary set forth below describes the material conclusions reached by CBRE based on the sales comparison approach and subject to the assumptions and limitations described below.

Cactus. Cactus is a 60.7 acre site located on the west side of Las Vegas Boulevard and is bordered on the east by Interstate 15. CBRE compared Cactus with four properties that were sold between September 2005 and November 2006 in the immediate area. The most relevant comparable transaction was a November 2006 sale of 31.57 acres for approximately $3,200,000 per acre. Based on the sales comparables and current market conditions, CBRE estimated the value of the Cactus site to be $151,750,000 to $182,100,000.

Castaways. Castaways is a 25.86 acre site located on Fremont Street on the southern edge of Downtown Las Vegas. There were a limited number of sales comparables for the Castaways site because of its location in a mature neighborhood without the availability of large development sites. CBRE compared Castaways with four properties that were sold between September 2005 and October 2006, which were zoned commercial parcels in areas similar to the Castaways site. Based on the size of the Castaways site and its zoning allowing for gaming, CBRE estimated the value of the Castaways site to be $19,395,000 to $32,325,000.

Durango. Durango is a 70.98 acre site located in the southwest portion of the Las Vegas Valley. There were no comparable sales for this site because state legislation limits the location of neighborhood casinos within the Las Vegas Valley. Further, there were no sales in the past three years of true neighborhood casino sites. Properties located on South Las Vegas Boulevard have the closest characteristics to the Durango site. Based on sales comparables on South Las Vegas Boulevard, CBRE estimated the value of the Durango site to be $167,500,000 to $201,000,000.

Flamingo. Flamingo is a 42.0 acre site located in the community of Summerlin. As in the case of the Durango site, there were no sales comparables for the Flamingo site, and based on sales comparables on South Las Vegas Boulevard, CBRE estimated the value of the Flamingo site to be $122,500,000 to $196,000,000.

Losee. Losee is a 54.0 acre site located within the City of North Las Vegas' future master planned community. CBRE compared the Losee site with three properties that were sold between September 2005 and August 2006. Due to the size of the site and the limited services currently available in the surrounding area, CBRE estimated the value of the Losee site to be $29,403,000 to $30,579,120, assuming a residential use for the site.

Sunset/Lindell. Sunset/Lindell is a 12.04 acre site located within the Clark County unincorporated Township of Enterprise and is zoned for retail development. The majority of the site is deed restricted to prevent residential uses. CBRE compared the Sunset/Lindell site with five properties that were sold between May 2006 and September 2006. Due to the projected use and the lack of a prominent location to Interstate 215, CBRE estimated the value of the Sunset/Lindell site to be $12,000,000.

Wild Wild West. Wild Wild West is a 69.27 acre site located on the west side of Interstate 15 and is bordered by Tropicana Avenue on the South. CBRE compared the Wild Wild West site to three properties that were sold between May 2006 and November 2006 in the immediate area. Based on the sales comparables and current market conditions, CBRE estimated the value of the Wild Wild West site to be $346,500,000 to $485,100,000.

Reno Bayer. Reno Bayer is a 92.607 acre site located in South Reno and is zoned tourist commercial allowing for unrestricted gaming. There were few sales comparable to the Reno Bayer site. Station is currently under contract to purchase 84.673 acres of the property for approximately $12.93 per square foot. The most comparable purchase was an August 2006 purchase of 21.0 acres for approximately $12.48 per square foot, which was also zoned tourist commercial. Based on the current market conditions and significant development in the immediate area, CBRE estimated the value of the Reno Bayer site to be $51,500,000 to $53,500,000.

Reno Convention Center. Reno Convention Center is a 7.934 acre site located in central Reno adjacent to the Reno-Sparks Convention Center. The Reno Convention Center site is unique in that it is a large undeveloped site in central Reno and its entitlements allow for a highly dense development. Based on high density residential projects throughout Reno, CBRE estimated the value of the Reno Convention Center site to be $8,640,125 to $9,331,335.

Graton. Graton is a 23.0 acre site located in the County of Sonoma and near the City of Rohnert Park. There were few comparable sales of property in the marketplace. The most comparable sale was a March 2006 sale of two related parcels totaling 10.14 acres for an average of $13.58 per square foot. Based on the sales comparables, CBRE estimated the value of the Graton site to be $13,605,530 to $15,529,140.

Boulder. Boulder is an 8.0 acre site located adjacent to Station's Boulder Station Hotel & Casino. CBRE compared the Boulder site to seven properties that were sold between January 2005 and August 2006. Due to the limited frontage and access to a high traffic street, CBRE estimated the value of the Boulder site to be $5,227,200 to $5,575,680, assuming multifamily residential use for the site.

Fiesta Henderson. Fiesta Henderson is an approximately 15.0 acre site adjacent to Station's Fiesta Henderson Casino Hotel. CBRE compared the Fiesta Henderson site to four properties that were sold between April 2006 and October 2006. Based on sales comparables, CBRE estimated the value of the Fiesta Henderson site to be $8,494,200 to $10,545,000, assuming rental or entry-level residential use for the site.

Red Rock. Red Rock is an 8.2 acre site adjacent to Station's Red Rock Casino Resort Spa. CBRE compared the Red Rock site to six properties that were sold between May 2005 and October 2006. The site is located in the immediate area of a regional retail mall and professional business center. Due to the location of the site and the potential for mixed-use development at the site, CBRE estimated the value of the Red Rock site to be $21,431,520 to $26,789,400.

Sunset. Sunset is a 5.0 acre site adjacent to Station's Sunset Station Hotel & Casino and near the regional retail center associated with the Galleria Mall. CBRE compared the Sunset site to six properties that were sold between December 2005 and October 2006. Due to the existing improvements at the site, such as paving, utilities and landscaping, CBRE estimated the value of the Sunset site to be $8,712,000 to $9,147,000.

Thunder Valley. Thunder Valley is an approximately 188.0 acre site located south of the Thunder Valley Casino in Sacramento, California, which is a casino managed by Station on behalf of the United Auburn Indian Community. CBRE compared the Thunder Valley site to 14 properties that were sold between January 2001 and May 2005. Due to the planned developments in the immediate area, CBRE estimated the value of the Thunder Valley site to be $31,602,780 and $40,946,400.

The foregoing summary of the CBRE report does not purport to be complete and is qualified in its entirety by reference to the copy of such report attached as an exhibit to the Schedule 13e-3 filed with the SEC in connection with the merger and incorporated herein by reference.

Evaluation of a Leveraged Recapitalization

As noted above in "Background of the Merger," at its January 19, 2007 meeting the special committee considered a leveraged recapitalization transaction in which additional debt would be incurred to fund a special dividend to Station's common stockholders as a possible alternative to Parent's proposal. To facilitate the special committee's consideration, Bear Stearns included a preliminary leveraged recapitalization analysis for discussion at that January 19, 2007 meeting, which estimated the theoretical value that Station's stockholders might receive in such a scenario. In the leveraged recapitalization analysis, Bear Stearns analyzed Station's incurrence of the same amount of leverage as assumed in Parent's proposal under alternative scenarios in which Station's existing public indebtedness remained outstanding (Scenario 1) or was refinanced (Scenario 2). The analysis compared the additional equity value that those recapitalization scenarios could provide to Station's projected equity valuation under certain methodologies, as well as the impact of increased leverage on Station's cost of equity. Using multiples of management's estimated 2007 EBITDA for Station's existing Nevada operations and based on an illustrative per share dividend of $33.80 in Scenario 1, and $30.73 in Scenario 2, the leveraged recapitalization analysis indicated a range of implied equity values per share of Station's common stock that when added to the dividend in Scenario 1 resulted in total equity value per share of $66.83 to $84.83, and in Scenario 2 resulted in total equity value per share of $63.88 to $81.95. Bear Stearns also estimated a range of the theoretical additional value that might result from a recapitalization transaction at a range of costs of equity for the recapitalized company, based upon a discounted present value of Station's theoretical future stock price. Utilizing this methodology, Bear Stearns observed that at a constant EBITDA multiple and cost of equity, a leveraged recapitalization could theoretically provide from $6.80 to

$11.15 in additional value per share of Station's common stock. However, Bear Stearns also noted that the increased leverage following a recapitalization could significantly increase Station's cost of equity resulting in lower valuations for Station's common stock.

The preliminary leveraged recapitalization analyses described above were performed by Bear Stearns on a preliminary basis solely for the benefit and use of the special committee in its assessment of potential alternatives to the Parent's proposed transaction. No portion of the preliminary leveraged recapitalization analysis was incorporated into or formed any part of the analyses that Bear Stearns performed for purposes of its fairness opinion. The analyses performed by Bear Stearns for purposes of its opinion and described in this proxy statement, and the related assumptions, limitations, qualifications and other conditions referred to therein, are described or referred to in the section above entitled "Opinion of Financial Advisor—Opinion of Bear Stearns." Bear Stearns has not expressed any conclusion or opinion as to the price or range of prices at which the shares of Station's common stock may trade at any time subsequent to the announcement of the merger, whether or not the merger is consummated.

A copy of the preliminary leveraged recapitalization analysis is attached as an exhibit to the Schedule 13e-3 filed with the SEC in connection with the merger.

Position of Frank J. Fertitta III, Lorenzo J. Fertitta, Parent, Merger Sub, Fertitta Partners, FCP HoldCo, FCP VoteCo, FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. as to Fairness

Because of their interests in the merger, neither Frank J. Fertitta III nor Lorenzo J. Fertitta voted or otherwise participated in the deliberations of the special committee or the board of directors when the special committee voted to recommend, and the board of directors approved, the merger agreement. Frank J. Fertitta III and Lorenzo J. Fertitta have interests in the merger that are different from, and in addition to, those of the other stockholders of Station. These interests are described under "—Interests of Certain Persons in the Merger." Further, the view of Frank J. Fertitta III, Lorenzo J. Fertitta, Parent, Merger Sub, Fertitta Partners, FCP HoldCo, FCP VoteCo, FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. as to the fairness of the proposed merger should not be construed as a recommendation to any stockholder as to how such stockholder should vote on the proposal to approve the merger agreement.

The interests of the unaffiliated stockholders of Station were represented by the special committee comprised of the independent directors, which had the exclusive authority to review, evaluate and negotiate the terms and conditions of the merger agreement on behalf of Station, with the assistance of the special committee's independent financial and legal advisors. Accordingly, Frank J. Fertitta III, Lorenzo J. Fertitta, Parent, Merger Sub, Fertitta Partners, FCP HoldCo, FCP VoteCo, FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. did not undertake a formal evaluation of the merger or engage a financial adviser for that purpose. Frank J. Fertitta III, Lorenzo J. Fertitta, Parent, Merger Sub, Fertitta Partners, FCP HoldCo, FCP VoteCo, FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. believe that the merger agreement and the merger are substantively and procedurally fair to the unaffiliated stockholders on the basis of the factors described under "Recommendation of the Special Committee and Board of Directors; Reasons for Recommending Approval of the Merger Agreement" and agree with the analyses and conclusions of the special committee and board of directors, based upon the reasonableness of those analyses and conclusions, which they adopt, and their respective knowledge of Station, as well as the factors considered by, and the findings of, the special committee and the board of directors with respect to the fairness of the merger to such unaffiliated stockholders. In addition, Frank J. Fertitta III, Lorenzo J. Fertitta, Parent, Merger Sub, Fertitta Partners, FCP HoldCo, FCP VoteCo, FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. considered the fact that the special committee received, solely for its benefit and use, an opinion from Bear Stearns to the effect that, as of the date of its opinion, and based upon and subject to the factors, assumptions, limitations, qualifications and other conditions set forth in the opinion, the merger consideration of $90.00 per share to be received pursuant to the merger agreement by the public holders of shares of Station common stock (other than the Rollover Stockholders) is fair, from a financial point of view, to such holders. See "Recommendation of the Special Committee and Board of Directors; Reasons for Recommending Approval of the Merger Agreement."

Although Frank J. Fertitta III and Lorenzo J. Fertitta are current directors and officers of Station, because of their differing interests in the merger, they did not participate in the board's or special committee's evaluation or approval of the merger agreement. For these reasons, Frank J. Fertitta III and Lorenzo J. Fertitta do not believe that their interests in the merger influenced the decision of the special committee or the board of directors with respect to recommending the merger agreement or the merger.

The foregoing discussion of the information and factors considered and given weight by Frank J. Fertitta III, Lorenzo J. Fertitta, Parent, Merger Sub, Fertitta Partners, FCP HoldCo, FCP VoteCo, FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. in connection with the fairness of the merger agreement and the merger is not intended to be exhaustive but is believed to include all material factors considered by Frank J. Fertitta III, Lorenzo J. Fertitta, Parent, Merger Sub, Fertitta Partners, FCP HoldCo, FCP VoteCo, FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. Frank J. Fertitta III, Lorenzo J. Fertitta, Parent, Merger Sub, Fertitta Partners, FCP HoldCo, FCP VoteCo, FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. did not find it practicable to, and did not, quantify or otherwise attach relative weights to the foregoing factors in reaching their position as to the fairness of the merger agreement and the merger. Frank J. Fertitta III, Lorenzo J. Fertitta, Parent, Merger Sub, Fertitta Partners, FCP HoldCo, FCP VoteCo, FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. believe that the foregoing factors provide a reasonable basis for their belief that the merger is fair to Station and its unaffiliated stockholders.

Purposes and Reasons of Frank J. Fertitta III and Lorenzo J. Fertitta for the Merger

For Frank J. Fertitta III and Lorenzo J. Fertitta the primary purpose of the merger is to immediately realize in cash the value of a portion of their respective holdings in Station and, through their contribution of a portion of their shares of Station common stock to Fertitta Partners in exchange for an equity interest in Fertitta Partners, to benefit from any future earnings and growth of Station after its stock ceases to be publicly traded. Frank J. Fertitta III and Lorenzo J. Fertitta also believe that, as Station has evaluated and will continue to evaluate following the merger alternatives to enhance stockholder value, the merger will provide Station with greater operating flexibility, allowing management to concentrate on long-term growth, reduce its focus on the quarter-to-quarter performance often emphasized by the public markets and pursue alternatives that Station would not have as a public company.

Purposes and Reasons for the Merger of Parent, Merger Sub, Fertitta Partners, FCP VoteCo, FCP HoldCo, FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr.

If the proposed merger is completed, Station will become a direct subsidiary of Fertitta Partners, FCP VoteCo and FCP HoldCo and an indirect subsidiary of Parent, FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. For Parent, Fertitta Partners, FCP VoteCo, FCP HoldCo and Merger Sub, the purpose of the merger is to effectuate the transactions contemplated by the merger agreement. For FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr., the purpose of the merger is to allow them to own indirect equity interests in Station and to bear the rewards and risks of such ownership after shares of Station common stock cease to be publicly traded.

FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. believe that it is best for Station to operate as a privately held entity. As a privately held entity, Station will have greater operating flexibility, allowing management to concentrate on long-term growth, reduce its focus on the quarter-to-quarter performance often emphasized by the public markets and pursue alternatives that Station would not have as a public company. Moreover, FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. believe that Station's future business prospects can be improved through their active participation in the strategic direction and operations of Station. Although FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. believe that there will be significant opportunities associated with their investment in Station, they realize that there are also substantial risks (including the risks and uncertainties relating to Station's prospects, including the prospects described in management's projections summarized under "Special Factors—Projected Financial Information").

FC Investor, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. believe that structuring the transaction as a "going private" merger transaction is preferable to other transaction structures because (i) it will enable Parent (through its 100% ownership of FCP HoldCo), Fertitta Partners, FCP VoteCo to acquire all of the outstanding shares of Station at the same time, (ii) it represents an opportunity for Station's unaffiliated stockholders to receive a premium for their shares and (iii) it also allows the Rollover Stockholders to maintain a significant portion of their investment in Station.

Purposes, Reasons and Plans for Station after the Merger

The purpose of the merger for Station is to enable its stockholders (including the Rollover Stockholders to the extent that they receive cash in the merger) to immediately realize the value of their investment in Station through their receipt of the per share merger consideration of $90.00 in cash, representing a premium of approximately 30% to the closing market price of Station common stock on December 1, 2006, the last trading day before the public announcement of the proposed merger, and approximately 35% to the average closing prices of Station's common stock for the 30-day period ending on December 1, 2006. For the reasons discussed under "—Recommendation of the Special Committee and of Board of Directors; Reasons for Recommending Approval of the Merger Agreement," the board of directors of Station unanimously determined (with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in the vote) that the merger agreement and the merger are fair to and in the best interests of Station and the unaffiliated stockholders of Station.

It is expected that, upon consummation of the merger, the operations of Station will be conducted substantially as they currently are being conducted except that Station's common stock will cease to be publicly traded and will no longer be listed on any exchange or quotation system, including the NYSE, so price quotations will no longer be available. Station will not be subject to many of the obligations and constraints, and the related direct and indirect costs, associated with having publicly traded equity securities. Station will, however, continue to file periodic reports with the SEC because the voting common stock of the surviving corporation will be registered pursuant to Section 12 of the Exchange Act and such reports may be required by indentures governing the outstanding indebtedness of the surviving corporation or applicable law.

Following the merger, Station's management will continue to evaluate and review Station's business and operations and may develop new plans and proposals or elect to pursue acquisitions, management or other opportunities that they consider appropriate to maximize the value of Station.

If the merger agreement is not approved by Station's stockholders or if the merger is not consummated for any other reason, stockholders will not receive any payment for their shares in connection with the merger. Instead, Station will remain an independent public company and the Station common stock will continue to be listed and traded on the NYSE. In addition, if the merger is not consummated, we expect that, except as noted below, management will operate Station's business in a manner similar to the manner in which it is being operated today and that Station's stockholders will continue to be subject to the same risks and opportunities as they currently are. Accordingly, if the merger is not consummated, there can be no assurance as to the effect of these risks and opportunities on the future value of your Station shares. From time to time, Station's board of directors will evaluate and review, among other things, the business operations, properties, dividend policy and capitalization of Station and make such changes as are deemed appropriate and continue to seek to identify strategic alternatives to enhance stockholders' value, potentially including any of the transactions described above. If the merger agreement is not approved by Station's stockholders or if the merger is not consummated for any other reason, there can be no assurance that any other transaction acceptable to Station will be offered, or that the business, prospects, results of operations or stock price of Station will not be adversely impacted or that the management team will remain intact.

In addition, in the limited circumstances described below under "The Merger Agreement—Termination Fees and Expenses", Station will be required to pay a termination fee of $160 million or $106 million in certain circumstances and/or to reimburse Parent's and Merger Sub's out-of-pocket expenses for the transaction, up to $40 million in the aggregate, which would be credited against the termination fee if it becomes payable.

Effects of the Merger

If the merger is consummated, Merger Sub will be merged with and into Station, with Station continuing as the surviving corporation. Following the consummation of the merger, approximately 25% of the issued and outstanding shares of non-voting common stock of Station will be owned by Fertitta Partners and the remaining 75% of the issued and outstanding shares of non-voting common stock of Station will be owned by FCP HoldCo. Substantially simultaneously with the consummation of the merger, shares of voting common stock of Station will be issued for nominal consideration to FCP VoteCo.

Upon the consummation of the merger, each share of Station common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by Parent, Merger Sub, FCP HoldCo, Fertitta Partners or any wholly-owned subsidiary of Station or held in treasury by us) will be converted into the right to receive $90.00 in cash, without interest. Upon consummation of the merger, all outstanding options to purchase shares of Station common stock granted under any of our employee or director equity plans, whether vested or unvested, will at the effective time of the merger become fully vested and be cancelled and converted into the right to receive a cash payment equal to the number of shares of Station common stock underlying the options multiplied by the amount by which $90.00 exceeds the option exercise price, without interest. At the effective time of the merger, each share of Station restricted stock will vest in full and be cancelled and converted into $90.00 in cash.

Following the merger, Station will be a privately held company directly owned by FCP HoldCo, Fertitta Partners and FCP VoteCo. Immediately prior to the merger, the Rollover Stockholders will contribute an aggregate of 9,672,021 shares of Station common stock to Fertitta Partners, which will own approximately 25% of the issued and outstanding shares of non-voting common stock of Station following the consummation of the merger, and FC Investor will contribute approximately $2.6 billion in cash to Parent, which will indirectly own approximately 75% of the issued and outstanding shares of non-voting common stock of Station following the consummation of the merger. The equity rollover of each of the Rollover Stockholders and the equity contribution of FC Investor are more fully described under "—Interests of Certain Persons in the Merger." A table detailing the expected capitalization of Station, Fertitta Partners and Parent following the merger is set forth under "—Arrangements with Respect to Station, Fertitta Partners and Parent Following the Merger."

If the merger is consummated, Station's stockholders who are not Rollover Stockholders will have no interest in Station's net book value or net earnings after the merger. The table below sets forth the direct and indirect interests in Station's book value and net earnings of Frank J. Fertitta III, Lorenzo J. Fertitta, BLS Family Investments LLC, a Nevada limited liability company managed by Blake L. Sartini and Delise F. Sartini ("BLS Family Investments"), the Blake L. Sartini and Delise F. Sartini Family Trust; of which Blake L. Sartini and Delise F. Sartini are trustees (the "Sartini Family Trust" and together with BLS Family Investments, the "Sartini-Related Stockholders"), and Parent prior to and immediately following the merger, based on Station's net book value as of December 31, 2006 and net income of Station for the year ended December 31, 2006.

	Ownership Prior to the Merger			Ownership After the Merger		
Name	Net Book Value		Earnings	Net Book Value		Earnings
	%	$ in Thousands	$ in Thousands	%	$ in thousands	$ in thousands
Frank J. Fertitta III(1)	9.9%	$ (18,499)	$ 10,911	10.4%	(19,353)	$ 11,375
Lorenzo J. Fertitta(1)	9.9%	(18,499)	10,911	10.5%	(19,636)	11,542
Sartini-Related Stockholders(1)	6.8%	(12,706)	7,494	4.3%	(8,043)	4,727
Parent	—	—	—	74.8%	(139,770)	82,439

(1) Following the consummation of the merger, Frank J. Fertitta III, Lorenzo J. Fertitta and the Sartini-Related Stockholders will have an indirect interest in Station's net book value and earnings as a result of their membership interests in Fertitta Partners and, in the case of Frank J. Fertitta III and Lorenzo J. Fertitta, their membership interests in Parent.

A primary benefit of the merger to Station's stockholders who are not Rollover Stockholders will be the right of such stockholders to receive a cash payment of $90.00, without interest, for each share of Station common stock held by such stockholders as described above, an approximately 30% premium over the closing market price of Station common stock on December 1, 2006, the last trading day preceding the public announcement of the proposed transaction, and approximately 35% premium over the average closing prices of Station's common stock for the 30-day period ending on December 1, 2006. Additionally, such stockholders will avoid the risk of any possible decrease in the future earnings, growth or value of Station following the merger.

The primary detriments of the merger to such stockholders include the lack of interest of such stockholders in the potential future earnings, growth or value of Station. Additionally, the receipt of cash in exchange for shares of Station common stock pursuant to the merger will be a taxable sale transaction for U.S. federal income tax purposes.

In connection with the merger, Frank J. Fertitta III and Lorenzo J. Fertitta will receive benefits and be subject to obligations in connection with the merger that are different from, or in addition to, the benefits of Station's stockholders generally. These incremental benefits and detriments include (i) the right to a continued ownership interest in Station following the consummation of the merger, (ii) in the case of Frank J. Fertitta III and Lorenzo J. Fertitta, employment agreements with Station and (iii) certain additional economic and governance rights with respect to Station, Fertitta Partners and Parent following the merger. These incremental benefits and detriments are described in more detail under "Interests of Certain Persons in the Merger."

The primary benefits of the merger to Frank J. Fertitta III and Lorenzo J. Fertitta include the receipt of cash consideration for a portion of the shares of Station common stock that they own and proportionate shares, based on the shares of Station common stock that they contribute to Fertitta Partners, of all the potential future earnings and growth of Station which, if Station successfully executes its business strategies, could be substantial. Additionally, following the merger, Station will be a private company directly owned by FCP HoldCo, Fertitta Partners and FCP VoteCo and any additional investors in Parent and Fertitta Partners permitted by such persons, and as such will be relieved of the burdens imposed on companies with publicly traded equity, including the requirements and restrictions on trading that Station's directors, officers and beneficial owners of more than 10% of the shares of Station common stock face as a result of the provisions of Section 16 of the Exchange Act. Additionally, following the merger, Frank J. Fertitta III and Lorenzo J. Fertitta will each retain their officer positions with the surviving corporation.

The primary detriments of the merger to Frank J. Fertitta III and Lorenzo J. Fertitta include the fact that all of the risk of any possible decrease in the earnings, growth or value of Station following the merger will be borne by FCP HoldCo and Fertitta Partners and any additional investors in Parent and Fertitta Partners permitted by such persons. Additionally, the indirect investment of the investors in Station through Parent and Fertitta Partners will not be liquid, with no public trading market for such securities, and the equity securities of Parent and Fertitta Partners will be subject to restrictions on transfer pursuant to the terms of the operating agreements of such entities.

Station's common stock is currently registered under the Exchange Act and is quoted on the NYSE under the symbol "STN". As a result of the merger, Station, as the surviving corporation, will become a privately held corporation, and there will be no public market for its common stock. After the merger, Station common stock will cease to be quoted on the NYSE, and price quotations with respect to sales of shares of Station common stock in the public market will no longer be available. The surviving corporation will, however, continue to file periodic reports with the SEC because the voting common stock of the surviving corporation will be registered pursuant Exchange Act, and such reports may be required by indentures governing the outstanding indebtedness of the surviving corporation or applicable law.

At the effective time of the merger, the directors of Merger Sub will become the directors of the surviving corporation and the current officers of Station will become the officers of the surviving corporation. The articles of incorporation of Station, as amended to read in its entirety as the articles of incorporation of Merger Sub as in effect immediately prior to the effective time of the merger, will become the articles of incorporation of the surviving corporation and the bylaws of Station, as amended to read in its entirety as the bylaws of Merger Sub as in effect immediately prior to the effective time of the merger, will become the bylaws of the surviving corporation.

Projected Financial Information

Station's senior management does not as a matter of course make public projections as to future performance or earnings beyond the current and the following fiscal year and is especially reluctant to make projections for extended earnings periods due to the unpredictability of the underlying assumptions and estimates. However, non-public prospective financial information for the six years ending December 31, 2012 were prepared by Station's senior management and made available to Parent, FCP HoldCo, Fertitta Partners, FCP VoteCo and the Equity Investor as well as to the board of directors, the special committee and the special committee's financial advisor in connection with their respective considerations of the merger.

We have included the material projections in this proxy statement to give our stockholders access to certain nonpublic information considered by Parent, FCP HoldCo, Fertitta Partners, FCP VoteCo and the Equity Investor, the special committee, the special committee's financial advisor and the board of directors for purposes of considering and evaluating the merger. The inclusion of this information should not be regarded as an indication that Parent, FCP HoldCo, Fertitta Partners, FCP VoteCo and the Equity Investor, Frank J. Fertitta III, Lorenzo J. Fertitta, special committee or board of directors, special committee's financial advisor, or any other recipient of this information considered, or now considers, it to be a reliable prediction of future results.

Station has advised the recipients of the projections that its internal financial forecasts upon which the projections were based are subjective in many respects. The projections reflect numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, all of which are difficult to predict and beyond Station's control. The projections also reflect estimates and assumptions related to the business of Station that are inherently subject to significant economic, political, and competitive uncertainties, all of which are difficult to predict and many of which are beyond Station's control. The projections make assumptions about the development and opening of several planned new casino projects, which are subject to uncertainties regarding the timing and cost of development and construction as well as market and consumer acceptance of the newly developed projects. As a result, there can be no assurance that the projected results will be realized or that actual results will not be significantly higher or lower than projected. The financial projections were prepared for internal use and to assist Parent, FCP HoldCo, Fertitta Partners, FCP VoteCo and the Equity Investor and the financial advisor to the special committee with their respective due diligence investigations of Station and not with a view toward public disclosure or toward complying with GAAP, the published guidelines of the SEC regarding projections or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The projected financial information included herein has been prepared by, and is the responsibility of Station's management, and none of Parent, FCP HoldCo, Fertitta Partners, FCP VoteCo and the Equity Investor, the special committee or the special committee's financial advisor was involved in the preparation of the projected financial information or has any responsibility for the projected financial information. Ernst & Young LLP, Station's independent registered public accounting firm, has not examined or compiled any of the accompanying projected financial information, and accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect thereto. The Ernst & Young LLP report incorporated by reference in this proxy statement relates to Station's historical financial information. It does not extend to the projected financial information and should not be read to do so.

Projections of this type are based on estimates and assumptions that are inherently subject to factors such as industry performance, general business, economic, regulatory, market and financial conditions, as well as changes to the business, financial condition or results of operations of Station, including the factors described under "Cautionary Statement Regarding Forward-Looking Information," which factors may cause the financial projections or the underlying assumptions to be inaccurate. Since the projections cover multiple years, such information by its nature becomes less reliable with each successive year. The financial projections do not take into account any circumstances or events occurring after the date they were prepared.

Readers of this proxy statement are cautioned not to place undue reliance on the material projections set forth below. No one has made or makes any representation to any stockholder regarding the information included in these projections.

The projected financial information has been prepared on a basis consistent with the accounting principles used in the historical financial statements. For the foregoing reasons, as well as the basis and assumptions on which the financial projections were compiled, the inclusion of the material projections in this proxy statement should not be regarded as an indication that such projections will be an accurate prediction of future events, and they should not be relied on as such. Except as required by applicable securities laws, Station does not intend to update, or otherwise revise the material projections to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions are shown to be incorrect.

Station prepared its initial financial projections, as set forth below, during the fourth quarter of 2006.

Summary Financial Projections (amounts in thousands)

	2007	2008	2009	2010	2011	2012
EBITDA(1)	$664,577	$749,544	$861,654	$1,010,726	$1,079,604	$1,221,174
Capital expenditures	395,732	294,220	626,804	213,996	599,996	160,000
Operating Income	484,349	568,614	661,962	777,038	845,916	953,490

(1) EBITDA consists of net income plus income tax provision, interest, depreciation, amortization, development expense and other non-recurring costs.

A number of key assumptions were made in preparing the base case projections, including:

- The substantial completion of the master-planned expansions at Red Rock Casino Resort Spa, Green Valley Ranch Resort Spa Casino and Santa Fe Station Hotel & Casino by the end of the fourth quarter of 2007.
- The opening of the tribal casino of the Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians, a federally recognized Native American tribe commonly referred to as the Gun Lake Tribe, in Michigan during the first half of 2009.
- The opening of Aliante Station hotel and casino in North Las Vegas, Nevada (a 50/50 joint venture) at the beginning of 2009 with a projected construction cost to Station of $650 million.
- The opening of Durango Station hotel and casino in Las Vegas, Nevada at the beginning of 2010 with a projected construction cost of $700 million.
- The opening of the tribal casino of the Federated Indians of Graton Rancheria in Northern California in the second half of 2010.
- The opening of a hotel casino project in Reno, Nevada at the beginning of 2012 with a projected construction cost of $700 million.

Interests of Certain Persons in the Merger

In considering the recommendation of the special committee and the board of directors with respect to the merger agreement, you should be aware that certain officers and directors of Station have interests in the transaction that are different from, and/or in addition to, the interests of Station's stockholders generally. Station's board of directors and the special committee were aware of such interests and considered them, among other matters, in reaching their decisions to approve the merger agreement and recommend that Station's stockholders vote FOR approving the merger agreement. Although no discussions to date have taken place with any directors, one or more directors may be asked in the future to serve as a director of the surviving corporation or one of its subsidiaries after the merger.

Interests of Frank J. Fertitta III and Lorenzo J. Fertitta

Equity Rollover. In connection with the merger agreement, Frank J. Fertitta III, Chairman and Chief Executive Officer of Station, and Lorenzo J. Fertitta, Vice Chairman and President of Station, entered into equity rollover commitment letters with Parent, which were subsequently assigned to Fertitta Partners. Pursuant to the equity rollover commitment letters, (i) Frank J. Fertitta III has agreed to contribute 3,979,884 shares of Station common stock to Fertitta Partners immediately prior to the consummation of the merger in exchange for Class A Units of Fertitta Partners valued at $358,189,560 based on the per share merger consideration, and (ii) Lorenzo J. Fertitta has agreed to contribute 4,038,153 shares of Station common stock to Fertitta Partners immediately prior to the consummation of the merger in exchange for Class A Units of Fertitta Partners valued at $363,433,770 based on the per share merger consideration. The Class A Units of Fertitta Partners will be issued to affiliates of Frank J. Fertitta III and Lorenzo J. Fertitta, the other Rollover Stockholders and any additional investors permitted by them pro rata based on the capital contributed to Fertitta Partners. These contributions of Station common stock to Fertitta Partners in exchange for Class A Units of Fertitta Partners are intended to be tax-free transactions for U.S. federal income tax purposes. The foregoing summaries of the equity rollover commitment letters of Frank J. Fertitta III and Lorenzo J. Fertitta do not purport to be complete and are qualified in their entirety by reference to the copies of such agreements attached as exhibits to the Schedule 13E-3 filed with the SEC in connection with the merger and incorporated herein by reference. A table setting forth the contributions of Frank J. Fertitta III and Lorenzo J. Fertitta and the Class A Units of Fertitta Partners to be issued in respect of such contributions, as well as the expected ownership of equity securities of each of

Fertitta Partners and Parent immediately following the merger, is set forth under "—Arrangements With Respect to Station, Fertitta Partners and Parent Following the Merger." In addition, upon the consummation of the merger agreement, Frank J. Fertitta III and Lorenzo J. Fertitta will receive cash payments in connection with both the shares of common stock owned by them that will be converted into the right to receive cash payments and the accelerated vesting and cash-out of options and restricted stock held by them. Please see "—Interests of Directors and Officers of Station" below for more information.

Voting Agreement. In connection with the merger agreement, Frank J. Fertitta III and Lorenzo J. Fertitta have also entered into a voting agreement with Station, Parent and the other Rollover Stockholders whereby each of them has agreed to vote all of his shares of Station common stock in favor of the approval of the merger agreement and against any competing transaction, subject to specified exceptions. Pursuant to the voting agreement, each of Frank J. Fertitta III and Lorenzo J. Fertitta has also agreed to certain restrictions on the transfer of his shares and certain other restrictions on his rights as a holder of Station common stock. All of the shares of Station common stock beneficially owned by Frank J. Fertitta III and Lorenzo J. Fertitta are subject to the voting agreement. The voting agreement will terminate if the merger agreement is terminated. The foregoing summary of the voting agreement does not purport to be complete and is qualified in its entirety by reference to the copy of such agreement attached as an exhibit to the Schedule 13E-3 filed with the SEC in connection with the merger and incorporated herein by reference. The voting agreement is more fully described below in "—The Voting Agreement".

First Amended and Restated Operating Agreement of Parent; Interests in Parent Following the Merger. Concurrently with the execution of the merger agreement, Frank J. Fertitta III, Lorenzo J. Fertitta and FC Investor entered into a first amended and restated operating agreement of Parent, as the members of Parent, which sets forth the terms and conditions governing the relationship among Frank J. Fertitta III, Lorenzo J. Fertitta and FC Investor with respect to the merger agreement prior to the closing of the transactions contemplated by the merger agreement.

Among other things, the first amended and restated operating agreement of Parent sets forth the required vote of Frank J. Fertitta III, Lorenzo J. Fertitta and FC Investor required to take any action on behalf of Parent with respect to the merger agreement or the transactions contemplated thereby. In general, Parent may only take actions with respect to the merger agreement with the consent of (i) the contributing members with a majority of the equity commitments of all Rollover Stockholders that are party to the first amended and restated operating agreement of Parent (the "Majority Contributing Stockholder Members") and (ii) FC Investor. Such level of consent is required to enter into any amendments to the merger agreement, to waive any conditions of the merger agreement, to terminate the merger agreement, to approve any actions or decisions of Parent with respect to debt financing and to approve certain actions of Station for which consent by Parent is required pursuant to the merger agreement. Actions of Parent not related to the merger transaction or the voting agreement generally require the consent of the Majority Contributing Stockholder Members and the consent of FC Investor is not required.

The first amended and restated operating agreement of Parent also governs the entitlement of the members of Parent to any termination fee payable by Station to Parent pursuant to the terms and conditions of the merger agreement, and the responsibility for any reverse termination fee or regulatory termination fee payable by Parent to Station (or with respect to which Station has exercised rights pursuant to the limited guarantee executed by affiliates of FC Investor in favor of Station). The first amended and restated operating agreement provides that any termination fee under the merger agreement will be applied first to repay costs incurred by Parent and then will be distributed to the members of Parent in proportion to the equity commitments of each. In the event that the merger is not consummated because of a breach of the merger agreement or the voting agreement described above caused by a member of Parent, then any fees and expenses incurred by Parent, Merger Sub and the members of Parent, including any reverse termination fee payable by Parent to Station, shall be the responsibility of the member of

Parent causing such breach. In the event that the merger is not consummated as a result of a breach of the merger agreement by Parent due to the failure of Parent or Station to receive the debt financing as a result of facts known to Frank J. Fertitta III or Lorenzo J. Fertitta before the date of the merger agreement, the existence of which prevents Parent, Station or any subsidiary of Station from making certain representations and warranties to potential lenders, then Frank J. Fertitta III and Lorenzo J. Fertitta shall be responsible for the costs and expenses incurred by Parent, Merger Sub and members of Parent, including any reverse termination fee payable by Parent to Station. In the event that the merger is not consummated and no member of Parent shall have caused a breach of the merger agreement or the voting agreement, then any reverse termination fee payable by Parent to Station shall be the responsibility of the members of Parent in proportion to the equity commitments of each, except that FC Investor shall be responsible for the aggregate expenses of Parent in excess of $15,000,000.

The first amended and restated operating agreement of Parent contemplates that, at closing, affiliates of the Rollover Stockholders and the Equity Investor will execute a second amended and restated operating agreement of Parent, which will govern the rights and obligations of the parties with respect to Parent and Station following the closing. It is also expected that Frank J. Fertitta III and Lorenzo J. Fertitta will enter into amended and restated employment agreements with Station that will be effective following the closing. The second amended and restated operating agreement of Parent and the new employment agreements, and the rights and obligations of the parties thereto, are more fully described below under "—Arrangements With Respect To Station, Fertitta Partners And Parent Following The Merger."

The foregoing summary of the first amended and restated operating agreement of Parent does not purport to be complete and is qualified in its entirety by reference to the copy of such agreement attached as an exhibit to the Schedule 13E-3 filed with the SEC in connection with the merger and incorporated herein by reference.

Interests of the Sartini-Related Stockholders

Neither Blake L. Sartini nor Delise F. Sartini is currently a director or officer of Station. Delise F. Sartini is a former director of Station, is the sister of Frank J. Fertitta III and Lorenzo J. Fertitta and is married to Blake L. Sartini. In addition to being the brother-in-law of Frank J. Fertitta III and Lorenzo J. Fertitta, Blake L. Sartini is a former director and a former executive officer of Station and is married to Delise F. Sartini.

Equity Rollover. In connection with the merger agreement, the Sartini-Related Stockholders have entered into an equity rollover commitment letter with Parent, which was subsequently assigned to Fertitta Partners, pursuant to which the Sartini-Related Stockholders have agreed to contribute an aggregate of 1,653,984 shares of Station common stock to Fertitta Partners immediately prior to the consummation of the merger in exchange for Class A Units of Fertitta Partners valued at $148,858,560 based on the per share merger consideration. Class A Units of Fertitta Partners will be issued to affiliates of the Sartini-Related Stockholders, the other Rollover Stockholders and any additional investors permitted by them pro rata based on the capital contributed to Fertitta Partners. These contributions of Station common stock to Fertitta Partners in exchange for Class A Units of Fertitta Partners are intended to be tax-free transactions for U.S. federal income tax purposes. The foregoing summary of the equity rollover commitment letter of the Sartini-Related Stockholders does not purport to be complete and is qualified in its entirety by reference to the copy of such agreement attached as an exhibit to the Schedule 13E-3 filed with the SEC in connection with the merger and incorporated herein by reference.

A table setting forth the contributions of the Sartini-Related Stockholders and the Class A Units of Fertitta Partners to be issued in respect of such contributions, as well as the expected ownership of each of the other Rollover Stockholders in Fertitta Partners immediately following the merger, is set forth under "—Arrangements With Respect to Station, Fertitta Partners and Parent Following the Merger." In addition, upon the consummation of the merger agreement, the Sartini-Related Stockholders will receive cash consideration of approximately $201,062,970 in connection with 2,234,033 shares of common stock owned by them that will be converted into the right to receive cash payments.

Voting Agreement. In connection with the merger agreement, the Sartini-Related Stockholders have also entered into a voting agreement with Parent and the other Rollover Stockholders whereby each of the Sartini-Related Stockholders has agreed to vote all of its shares of Station common stock in favor of the approval of the merger agreement and against any competing transaction, subject to specified exceptions. Pursuant to the voting agreement, each of the Sartini-Related Stockholders has also agreed to certain restrictions on the transfer of its shares and certain other restrictions on its rights as a holder of Station common stock. All of the shares of Station common stock beneficially owned by the Sartini-Related Stockholders are subject to the voting agreement. The voting agreement is more fully described below in "—The Voting Agreement".

Interests of Directors and Officers of Station

Retention of Directors and Officers; Continuation of Indemnities. Pursuant to the merger agreement, (i) the board of directors of Station after the consummation of the merger will consist of Frank J. Fertitta III, Lorenzo J. Fertitta and Thomas J. Barrack, Jr., and (ii) the officers of Station after the consummation of the merger shall be the same persons who held office immediately prior to the consummation of the merger (including Frank J. Fertitta III and Lorenzo J. Fertitta), in each case until their respective successors are duly elected or appointed and qualified. After the consummation of the merger, Station will, pursuant to the merger agreement, comply with all of its existing obligations to indemnify and hold harmless present and former officers and directors against certain liabilities. Parent has agreed to provide or cause the surviving corporation to provide a "tail" directors' and officers' insurance policy with a claims period of at least six years after the effective time with coverage in an amount equal to at least 150% of the directors' and officers' coverage maintained by Station as of the date of the merger agreement. Station has further agreed to use commercially reasonable efforts to increase the amount of such insurance coverage to 300% of the amount of Station's current policies, as more fully described below in "The Merger Agreement—Indemnification and Insurance."

Treatment of Outstanding Options, Restricted Stock and Stock-Based Awards. As of July 5, 2007, there were approximately 2,141,057 shares of Station common stock subject to options granted under our equity incentive plans and 2,741,264 shares of unvested restricted stock outstanding. Upon the consummation of the merger, all of our equity compensation awards, including awards held by our directors and executive officers, will be subject to the following treatment:

- all stock options granted under any of our employee or director equity plans, whether vested or unvested, will vest and be cancelled and converted into the right to receive a cash payment equal to the number of shares of Station common stock underlying such options multiplied by the amount by which $90.00 exceeds the option exercise price, without interest; and
- each share of unvested restricted stock will vest and be cancelled and converted into the right to receive $90.00 in cash.

The table below sets forth, as of May 31, 2007, for each of our directors, executive officers, and for such persons as a group:

- the number of vested stock options held by such persons (no unvested stock options are held by such persons);

- the cash payment that may be made in respect of such stock options upon consummation of the merger;
- the number of shares of unvested restricted stock;
- the aggregate cash payment that will be made in respect of shares of unvested restricted stock;
- the number of owned shares of common stock held by such persons that will be sold to Parent for cash consideration of $90.00 per share or converted into the right to receive cash payments upon consummation of the merger; and
- the total cash payment that will be made in respect of such shares upon consummation of the merger.

	Options			Restricted Stock		Owned Shares		
	Vested Options	Weighted Average Exercise Price of Vested Options	Resulting Consideration(1)	Unvested Shares	Resulting Consideration	Shares(2)	Resulting Consideration	Total Consideration
Directors:								
Frank J. Fertitta, III(3)	663,900	$ 11.77	$ 51,937,115	726,370	$ 65,373,300	348,266	$ 31,343,940	$ 148,654,355
Lorenzo J. Fertitta(4)	661,400	11.62	51,841,100	616,271	55,464,390	419,694	37,772,460	145,077,950
Robert E. Lewis	—	—	—	10,000	900,000	7,500	675,000	1,575,000
Lowell H. Lebermann, Jr.	22,500	13.48	1,721,700	9,000	810,000	3,000	270,000	2,801,700
James E. Nave, D.V.M.	30,000	13.61	2,291,700	9,000	810,000	6,000	540,000	3,641,700
Lee S. Isgur	—	—	—	12,000	1,080,000	12,500	1,125,000	2,205,000
Executive Officers:								
Glenn C. Christenson(5)	110,000	$ 10.07	$ 8,792,000	256,614	$ 23,095,260	222,243	$ 20,001,870	$ 51,889,130
Scott M Nielson	217,207	10.37	17,295,506	240,814	21,673,260	255,039	22,953,510	61,922,276
William W. Warner	130,000	12.69	10,050,000	350,444	31,539,960	37,768	3,399,120	44,989,080
Richard J. Haskins	24,000	13.02	1,847,600	173,504	15,615,360	26,698	2,402,820	19,865,780
Thomas M. Friel	30,900	15.01	2,317,287	36,000	3,240,000	9,651	868,590	6,425,877

(1) The amounts set forth in this "Resulting Consideration" column are calculated based on the actual exercise prices underlying the related options, as opposed to the weighted average exercise price per share of vested options.

(2) The numbers set forth in this "Owned Shares" column do not include shares owned by Frank J. Fertitta III and Lorenzo J. Fertitta which will be contributed to Fertitta Partners in exchange for Class A Units of Fertitta Partners.

(3) Frank J. Fertitta III is Chairman and Chief Executive Officer of Station.

(4) Lorenzo J. Fertitta is Vice Chairman and President of Station.

(5) As described below, on March 29, 2007 Station and Mr. Christenson entered into a Separation Agreement and General Release, pursuant to which Mr. Christenson's employment with Station terminated effective March 30, 2007.

Investment by Certain Members of Management in Fertitta Partners. Certain members of Station's management may be permitted to participate in the proposed merger by contributing shares of Station common stock and/or cash to Fertitta Partners in exchange for Class A Units issued by Fertitta Partners; however, no agreements have been reached with respect to such participation. By virtue of these investments, unlike Station's other stockholders, these members of management will have an opportunity to share in the growth of Fertitta Partners after the proposed merger.

Separation Agreement and Release with Mr. Christenson. On March 29, 2007, Station and Mr. Christenson entered into a Separation Agreement and General Release (the "Separation Agreement"), pursuant to which Mr. Christenson's employment with Station terminated effective March 30, 2007. In connection with the Separation Agreement, on March 29, 2007, Station and Mr. Christenson also entered into a Consulting Agreement (the "Consulting Agreement"), pursuant to which Mr. Christenson agreed to provide consulting services to Station until the earlier of the closing date of the transaction contemplated by the merger agreement and March 31, 2009, unless the Consulting Agreement is otherwise terminated pursuant to the terms thereof. The Separation Agreement provides that all vested Company stock options held by Mr. Christenson as of the termination of his employment shall remain fully exercisable until the earlier of the closing date of the transactions contemplated by the merger agreement and the expiration of Mr. Christenson's term of engagement under the Consulting Agreement. The Separation Agreement also provides that all Company restricted stock held by Mr. Christenson as of the termination of his employment shall continue to vest in accordance with the terms of the applicable awards until the earlier of the closing date of the transactions contemplated by the merger agreement and the expiration of Mr. Christenson's term of engagement under the Consulting Agreement. The Separation Agreement further provides that if the Merger Agreement is terminated in certain circumstances, the provisions of the Separation Agreement and the Consulting Agreement shall terminate, and Mr. Christenson's employment agreement shall be restored as if his employment with Station had not been terminated.

Arrangements with Respect to Station, Fertitta Partners and Parent Following the Merger

In connection with the merger, Station will become a privately held company. Following the consummation of the merger, approximately 25% of the issued and outstanding shares of non-voting common stock of Station will be owned by Fertitta Partners and the remaining 75% of the issued and outstanding shares of non-voting common stock of Station will be owned by FCP HoldCo. Substantially simultaneously with the consummation of the merger, shares of voting common stock of Station will be issued for nominal consideration to FCP VoteCo. By virtue of the equity rollovers described above, the Rollover Stockholders will acquire Class A Units issued by Fertitta Partners. In addition, certain of our directors, officers and other members of management will receive economic interests in Fertitta Partners and Parent by virtue of their ownership of Class B or Class C Units as described below. As a result, certain of our directors, officers and other members of management, or their affiliates, will be parties to the operating agreement of Fertitta Partners and the second amended and restated operating agreement of Parent entered into at closing and will have rights and obligations under such agreements with respect to Fertitta Partners and Parent, respectively, and their respective members. In addition, it is expected that Fertitta Partners, FCP HoldCo and FCP VoteCo will enter into a stockholders agreement with respect to their ownership of voting and non-voting common stock of Station and that Frank J. Fertitta III, Lorenzo J. Fertitta and Thomas J. Barrack, Jr. will enter into an operating agreement of FCP VoteCo. The terms of the operating agreements for Fertitta Partners, Parent and FCP VoteCo and the stockholders agreement for Station are subject to continuing negotiation but are expected to have the following terms:

Governance. Pursuant to the operating agreements of Parent and FCP VoteCo and the stockholders agreement for Station, boards of managers will have broad authority over the operations of Parent and FCP VoteCo, and a board of directors will have broad authority over the operations of Station. The boards of managers of Parent and FCP VoteCo and the board of directors of Station will initially consist of three members. The members of such boards of managers and board of directors will initially be Frank J. Fertitta III, Lorenzo J. Fertitta and Thomas J. Barrack, Jr. Such boards of managers and board of directors may have up to five (5) members, of which affiliates of Frank J. Fertitta III and Lorenzo J. Fertitta will be entitled to appoint three (3) members and affiliates of the Equity Investor will be entitled to appoint two members. Each of Frank J. Fertitta III and Lorenzo J. Fertitta will be named as members of such boards of managers and board of directors as long as he serves as Chief Executive Officer and President, respectively, of Parent, Station or any subsidiary of Parent. The vote of a majority of the members of such boards of managers or board of directors will constitute the action of the board of managers or board of directors, as applicable, but specified actions will require the approval of a member of the board of managers or board of directors, as applicable, designated by the Equity Investor. Pursuant to the operating agreement of Fertitta Partners, the board of managers will consist of two members, who will initially be Frank J. Fertitta III and Lorenzo J. Fertitta.

The amended and restated certificate of incorporation of Merger Sub, which will become the certificate of incorporation of the surviving corporation, will provide for one class of non-voting common stock and one class of voting common stock. Following the consummation of the merger, approximately 25% of the issued and outstanding shares of non-voting common stock of Station will be owned by Fertitta

Partners and the remaining 75% of the issued and outstanding shares of non-voting common stock of Station will be owned by FCP HoldCo. Following the consummation of the merger, all of the issued and outstanding shares of voting common stock of Station will be owned by FCP VoteCo. Immediately prior to the consummation of the merger, each of Frank J. Fertitta III, Lorenzo J. Fertitta and Thomas J. Barrack, Jr. will own a one-third interest in FCP VoteCo. It is currently anticipated that there will be 1,000,000 shares of non-voting common stock of Station outstanding for each share of outstanding voting common stock of Station.

Economic Rights. Generally, the economic rights in Parent and Fertitta Partners will initially be divided into three classes of units—Class A Units, Class B Units, and Class C Units (as defined in the second amended and restated operating agreement of Parent and the operating agreement of Fertitta Partners). A supermajority of the board of managers of Parent or Fertitta Partners, as applicable, may also authorize additional classes of Units of Parent or Fertitta Partners, respectively, having such rights, terms, conditions and prices as such board of managers may determine. Concurrently with the execution of the second amended and restated operating agreement of Parent, FC Investor shall make capital contributions to Parent in exchange for Class A Units of Parent pursuant to the equity commitment described more fully in the section entitled "—Interests of Certain Persons in the Merger" above. Concurrently with the execution of the operating agreement of Fertitta Partners, affiliates of the Rollover Stockholders shall make capital contributions to Fertitta Partners in exchange for Class A Units of Fertitta Partners pursuant to the rollover commitments described more fully in the section entitled "—Interests of Certain Persons in the Merger". Class A Units of Parent and Fertitta Partners will be voting interests, while Class B Units and Class C Units of Parent and Fertitta Partners will be non-voting.

Class B Units will be issued by each of Parent and Fertitta Partners to affiliates of Frank J. Fertitta III and Lorenzo J. Fertitta and will represent fifteen percent (15%) of the total outstanding Class A Units and Class B Units (pro forma for the issuance of the Class A Units and Class B Units) of Parent and Fertitta Partners, respectively. The Class C Units may be issued from time to time by each of Parent and Fertitta Partners to members of Station's management and may represent in the aggregate up to five percent (5%) of the outstanding Class A Units and Class B Units of Parent and Fertitta Partners, respectively. The Class C Units shall vest ratably over the first four (4) anniversaries following the date of grant.

Distributions in respect of the units of Parent and Fertitta Partners shall be made *first* pro rata to holders of the Class A Units until such holders have received distributions in an amount per unit equal to the initial basis of a Class A Unit acquired for cash upon execution of the second amended and restated operating agreement (the "Initial Cost Basis"), *second* pro rata to the holders of Class B Units until such members have received distributions in an amount per Unit equal to the Initial Cost Basis, and thereafter to all respective holders of Class A Units, Class B Units and Class C Units that have reached the specified threshold in proportion to their respective percentage interests.

The table below sets forth the expected capitalization of Parent immediately following the merger, detailing (a) the contribution made by FC Investor in respect of its Class A Units of Parent, (b) the Class A Units owned by FC Investor and (c) the Class B Units owned by affiliates of Frank J. Fertitta III and Lorenzo J. Fertitta. At this time, no Class C Units have been granted to members of management of Station.

Capitalization of Parent Immediately Following the Merger

	Capital Contributions						
	Contributed Shares of Station Common Stock	Imputed Value	Cash	Class A Units	% of Class A Units	Class B Units	% of Class B Units
Frank J. Fertitta III	—	—	—	—	—	226,684,686	49.6%
Lorenzo J. Fertitta	—	—	—	—	—	230,003,549	50.4%
FC Investor	—	—	$2,587,900,000	2,587,900,000	100%	—	—
TOTAL	—	—	$2,587,900,000	2,587,900,000	100%	456,688,235	100%

The table below sets forth the expected capitalization of Fertitta Partners immediately following the merger, detailing (a) the contributions made by each of the Rollover Stockholders in respect of their Class A Units of Fertitta Partners, (b) the Class A Units owned by each of the Rollover Stockholders, and (c) the Class B Units owned by affiliates of Frank J. Fertitta III and Lorenzo J. Fertitta. At this time, no Class C Units have been granted to members of management of Station.

Capitalization of Fertitta Partners Immediately Following the Merger

	Capital Contributions					
	Contributed Shares of Station Common Stock	Imputed Value	Class A Units	% of Class A Units	Class B Units	% of Class B Units
Frank J. Fertitta	3,979,884	$358,189,560	358,189,560	41.1%	76,249,049	49.6%
Lorenzo J. Fertitta	4,038,153	363,433,770	363,433,770	41.8%	77,365,402	50.4%
Blake & Delise Sartini	1,653,984	148,858,560	148,858,560	17.1%	—	—
FC Investor	—	—	—	—	—	—
TOTAL	9,672,021	$870,481,890	870,481,890	100%	153,614,451	100%

The table below sets forth the expected capitalization of Station immediately following the merger, detailing (a) the non-voting common stock owned by each of FCP HoldCo and Fertitta Partners, and (b) the voting common stock owned by FCP VoteCo.

Capitalization of Station Immediately Following the Merger

	Non-Voting Common Stock	Imputed Value	% of Non-Voting Common Stock	Voting Common Stock	% of Voting Common Stock	% of Total Common Stock
FCP HoldCo	28,754,444	$2,587,900,000	74.8%	—	—	74.8%
Fertitta Partners	9,672,021	870,481,890	25.2%	—	—	25.2%
FCP VoteCo	—	—	—	38.4	100%	*
TOTAL	38,426,465	$3,458,381,890	100%	38.4	100%	100%

* Less than one percent

Other Provisions. The operating agreements for Parent, Fertitta Partners and FCP VoteCo and the stockholders agreement for Station will contain provisions relating to transfers of the Units or shares, as applicable, including tag along provisions, and, in the case of Parent and Fertitta Partners, rights to require a purchase by the Parent or Fertitta Partners, respectively, or sale by the holder of Class C Units upon certain types of termination of employment of the holder of such Units. The stockholders agreement of Station will also contain rights to require an initial public offering of a successor corporation to Parent or subsidiary of Parent beginning on the fourth anniversary of the merger and ending on the seventh anniversary in the case of rights held by affiliates of Frank J. Fertitta III and Lorenzo J. Fertitta and at any time on or after the seventh anniversary in the case of affiliates of the Equity Investor.

Management Arrangements

It is expected that Frank J. Fertitta III and Lorenzo J. Fertitta will enter into amended and restated employment agreements with Station that will be effective following the closing. The terms of Frank J. Fertitta III and Lorenzo J. Fertitta's employment agreements with Station are subject to continuing negotiation but are expected to have the terms described below. Additionally, we expect that Station will enter into employment arrangements with other members of our management team, the terms of which are currently under negotiation.

The employment agreements of Frank J. Fertitta III and Lorenzo J. Fertitta with Station will govern the terms of such persons' employment with Station following the closing. For purposes of this section only, we refer to Frank J. Fertitta III and Lorenzo J. Fertitta as "Executive Officers".

Pursuant to the terms of his employment agreement, Frank J. Fertitta III will agree to serve as the Chief Executive Officer and Chairman of the board of directors of Parent, FCP Holdco and Station. Pursuant to the terms of his employment agreement, Lorenzo J. Fertitta will agree to serve as the President and Vice Chairman of the board of directors of Parent, FCP Holdco and Station. Each employment agreement shall terminate on the fifth anniversary of the date of the agreement, but is subject to automatic five-year extensions unless Station or the Executive Officer gives notice at least six months prior to the end of the then-current term or unless the employment agreement is otherwise terminated pursuant to the terms thereof; provided, however, that as long as Frank J. Fertitta III and Lorenzo J. Fertitta maintain agreed upon minimum levels of ownership of the outstanding Class A Units in Fertitta Partners, Station shall have no right to notify either Executive Officer that the term of his employment agreement may not be extended. Each employment agreement provides that the Executive Officer shall devote reasonable time and attention to the business and affairs of Station and does not prohibit the Executive Officer from engaging in charitable and community affairs or managing personal investments during the term of his employment.

Each employment agreement provides for a base salary (to be reviewed annually for increase but not decrease), an annual cash bonus to be based on the Executive Officer's performance and to be determined by Station's Board of Directors with a minimum annual cash bonus of (i) in the case of Lorenzo J. Fertitta, no less than 50% of 150% of his then-current base salary, and (ii) in the case of Frank J. Fertitta III, no less than 50% of 200% of his then current base salary), a supplemental performance bonus to be paid if Station and its subsidiaries exceed, by 10% or more, certain target financial performance benchmarks established by the board of directors of Station, participation in Station's Deferred Compensation Plan, and the inclusion of the Executive Officer in all benefit plans and programs of Station made available to Station's executive officers or salaried employees generally. Frank J. Fertitta III's annual base salary for the first year of his employment with Station is $2,500,000. Lorenzo J. Fertitta's annual base salary for the first year of his employment with Station is $1,930,000. The employment agreements provide that the Executive Officers shall not be entitled to receive any equity-based compensation without the approval of a majority of Station's board of directors, including the members of the board designated by affiliates of the Equity Investor.

Each Executive Officer will also be entitled to certain other benefits and perquisites in addition to those made available to Station's management generally. These other benefits include participation in the Supplemental Executive Retirement Plan (the "SERP"), participation in Station's Special Long-Term Disability Plan, group health insurance coverage through such executive group health insurance plan as Station may select, and supplemental life insurance in the amount of not less than $70 million aggregate coverage for Frank J. Fertitta III and $35 million aggregate coverage for Lorenzo J. Fertitta. Perquisites include but are not limited to personal security services, use of an automobile, payment or reimbursement for the cost of an annual physical examination, four weeks of vacation per year, and payment or reimbursement of initiation and annual membership fees for a country club, lunch club or fitness club.

The amended and restated employment agreements will also provide for payments to be made to the Executive Officers if their employment is terminated as a result of death or disability or for cause or good reason and for payments to be made upon the consummation of certain change of control transactions.

Indemnification and Insurance

The merger agreement provides that all rights to indemnification, exculpation and advancement existing in favor of our current or former directors, officers, employees and agents as provided in our and our subsidiaries' organizational documents, or in any indemnification agreement or arrangement as in effect as of the date of the merger agreement, with respect to matters occurring prior to or at the effective time of the merger will survive the consummation of the merger and will continue in full force and effect during and after the closing of the merger.

After the consummation of the merger, Station will, pursuant to the merger agreement, comply with all of its existing obligations to indemnify and hold harmless present and former officers and directors against certain liabilities. Parent has agreed to provide or cause the surviving corporation to provide a "tail" directors' and officers' insurance policy with a claims period of at least six years after the effective time with coverage in an amount equal to at least 150% of the directors' and officers' coverage maintained by Station as of the date of the merger agreement. Station has further agreed to use commercially reasonable efforts to increase the amount of such insurance coverage to 300% of the amount of Station's current policies.

The indemnification and insurance provisions of the merger agreement are more fully described under "The Merger Agreement —Indemnification and Insurance".

Continued Benefits

To the extent that any of our executive officers remains employed by the surviving corporation, each will be entitled to receive compensation and benefits following the merger. For a period of one year following the effective time of the merger, Parent has agreed to cause the surviving corporation to maintain for the benefit of each employee of Station and its subsidiaries employed immediately prior to the effective time compensation and benefits that are substantially comparable in the aggregate to the benefits provided under our benefit plans prior to the closing of the merger (other than equity based benefits).

Parent has agreed to cause the surviving corporation to recognize the service of such employees with us prior to the consummation of the merger for purposes of eligibility and vesting (but not for benefits accrual purposes, except for purposes of vacation and severance) with respect to any benefit plan, programs, policies and arrangements maintained for the benefit of all employees prior to the consummation of the merger to the same extent as was taken into account under our benefit plans prior to the closing of the merger. Additionally, the surviving corporation will give such employees credit for any deductibles and maximum out-of-pocket limitations satisfied prior to the closing of the merger.

The provisions of the merger agreement relating to continued employee benefits are more fully described under "The Merger Agreement—Employee Benefits."

Special Committee Compensation

We agreed to pay Dr. James E. Nave, D.V.M. a one-time fee of $90,000 for serving as chairman of the special committee and each of Lee S. Isgur, Lowell H. Lebermann, Jr. and Robert E. Lewis a one-time fee of $60,000 for serving on the special committee payable upon receipt of the offer. Additionally, each member of the special committee receives $1,500 for each meeting attended and the committee chair receives $2,500 for each meeting attended. In addition, we have agreed to indemnify each member of the special committee in respect of liabilities for acts or omissions arising out of such member's acts as a special committee member.

Material United States Federal Income Tax Consequences

The following summarizes the material United States federal income tax consequences of the merger to U.S. Holders (as defined below) of shares of Station common stock who exchange such shares for the cash consideration pursuant to the merger. This summary is based upon the Internal Revenue Code of 1986, as amended, which we refer to as the Internal Revenue Code, existing regulations promulgated thereunder, published rulings and court decisions, all as in effect and existing on the date of this proxy statement and all of which are subject to change at any time, which change may be retroactive or prospective. No rulings have been sought or are expected to be sought from the Internal Revenue Service with respect to any of the tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Unless otherwise specifically noted, this summary applies only to U.S. Holders (as defined below) that hold their shares of Station common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code.

This summary addresses only the material United States federal income tax consequences, and not all tax consequences, of the merger that may be relevant to U.S. Holders of shares of Station common stock. It also does not address any of the tax consequences of the merger to holders of shares of Station common stock that are Non-U.S. Holders (as defined below) or to holders that may be subject to special treatment under United States federal income tax law, such as, for example, financial institutions, real estate investment trusts, personal holding companies, tax-exempt organizations, regulated investment companies, partnerships (including any entity or arrangement treated as a partnership for United States federal income tax purposes) and persons holding Station common stock through a partnership, persons who hold shares of Station common stock as part of straddle, hedge, conversion, constructive sale or other integrated transaction or whose functional currency is not the U.S. dollar, traders in securities who elect to use the mark-to-market method of accounting, persons who acquired their Station common stock through the exercise of employee stock options or other compensation arrangements, insurance companies, S corporations, brokers and dealers in securities or currencies and certain U.S. expatriates. Further, this summary does not address the United States federal estate, gift or alternative minimum tax consequences of the merger, or any state, local or non-U.S. tax consequences of the merger, or the United States federal income tax consequences to any person that will own actually or constructively shares of Station capital stock following the merger. For example, this summary does not address the United States federal income tax consequences of the merger to the Rollover Stockholders, the Equity Investor or persons related to the Rollover Stockholders or the Equity Investor under applicable constructive ownership rules.

Each holder of shares of Station common stock should consult its tax advisor regarding the tax consequences of the merger in light of such holder's particular situation, including any tax consequences that may arise under the laws of any state, local or non-U.S. taxing jurisdiction and the possible effects of changes in United States federal or other tax laws.

A “U.S. Holder” means a beneficial owner of shares of Station common stock that, for United States federal income tax purposes, is:

- a citizen or individual resident of the United States;
- a corporation, including any entity treated as a corporation for United States federal income tax purposes, created or organized in the United States or under the laws of the United States, any State thereof or the District of Columbia;
- an estate, the income of which is subject to United States federal income tax without regard to its source; or
- a trust, if:
  - a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or
  - it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

If a partnership holds shares of Station common stock, the tax treatment of each of its partners generally will depend upon the status of such partner and the activities of the partnership. A partner of a partnership holding shares of Station common stock should consult its own tax advisors regarding the United States federal income tax consequences of the merger.

A “Non-U.S. Holder” means a beneficial owner of shares of Station common stock that is not a U.S. Holder. We urge holders of shares of Station common stock that are Non-U.S. Holders to consult their own tax advisors regarding the United States tax consequences of the merger.

Disposition of Shares of Station Common Stock

The exchange of shares of Station common stock for the cash consideration pursuant to the merger will be a taxable sale transaction for United States federal income tax purposes. In general, a U.S. Holder who receives the cash consideration in exchange for shares of Station common stock pursuant to the merger will recognize gain or loss for United States federal income tax purposes in an amount equal to the difference, if any, between the amount of cash received and the U.S. Holder’s adjusted tax basis in the shares of Station common stock sold. Gain or loss will be determined separately for each block of shares (that is, shares acquired at the same cost in a single transaction). The gain or loss will generally be capital gain or loss, and will generally be long-term capital gain or loss if, on the date of the merger, the shares of Station common stock exchanged pursuant to the merger were held for more than one year. In the case of stockholders who are individuals, long-term capital gain is currently eligible for reduced rates of United States federal income tax. There are limitations on the deductibility of capital losses.

Backup Withholding Tax and Information Reporting

Payment of the cash consideration with respect to the exchange of shares of Station common stock pursuant to the merger may be subject to information reporting and United States federal backup withholding tax at the applicable rate (currently 28%), unless a holder of Station common stock properly certifies its taxpayer identification number or otherwise establishes an exemption from backup withholding and complies with all other applicable requirements of the backup withholding rules. Each beneficial owner of shares of Station common stock that is a U.S. Holder should complete and sign the substitute Form W-9 that will be part of the letter of transmittal to be returned to the disbursing agent in order to provide the information and certification necessary to avoid backup withholding, unless an applicable exemption exists and is otherwise proved in a manner acceptable to the disbursing agent. Backup withholding is not an additional tax. Any amounts so withheld may be allowed as a refund or a credit against such holder's United States federal income tax liability, if any, provided that the required information is properly and timely furnished to the IRS.

Financing of the Merger

Parent estimates that the total amount of funds necessary to consummate the proposed merger and the related transactions, including related customary fees and expenses, is approximately $5.7 billion, consisting of:

- approximately $4.5 billion to pay Station stockholders and holders of options or restricted shares amounts due to them under the merger agreement, assuming a purchase price of $90.00 per share (net of the exercise price for options and net of the value of the equity rollover shares of Station common stock contributed to Fertitta Partners by the Rollover Stockholders);

- approximately $1.1 billion to repay certain existing indebtedness; and

- approximately $100 million to pay fees and expenses in connection with the merger.

These payments are expected to be funded by a combination of (A) equity contributions by affiliates of the Equity Investor and other investors in Parent and (B) debt financing. Parent and Fertitta Partners have obtained equity and debt financing commitments described below in connection with the transactions contemplated by the merger agreement. Parent's and Fertitta Partner's proposed equity and debt financing may change after the date hereof. The merger agreement permits changes to Parent's financing under specified circumstances. As part of the equity contributions, the Rollover Stockholders will contribute to Fertitta Partners an aggregate of 9,672,021 shares of Station common stock. The total funded indebtedness of Station and its subsidiaries following the merger is expected to be approximately $5.4 billion.

Pursuant to the merger agreement, Station is obligated to provide, and cause its subsidiaries to provide, and use reasonable best efforts to cause their representatives to provide, all cooperation reasonably requested by Parent in connection with the financing, including providing reasonably required information relating to Station, participating in meetings, presentations, drafting sessions, due diligence sessions, road shows and sessions with rating agencies in connection with the financing, assisting in the preparation of certain documents for the financing, executing and delivering certain documents relating to the pledge of collateral and other matters ancillary to the financing that are reasonably requested by Parent, furnishing Parent and its financing sources with readily-available historical financial and other pertinent information regarding Station as may be reasonably requested by Parent, using commercially reasonable efforts to obtain accountants' comfort letters, legal opinions, surveys and title insurance as may be requested by Parent or the lenders under the debt financing commitments, using commercially reasonable efforts to provide monthly financial statements within 25 days of the end of each month prior to the closing, taking all actions reasonably necessary to permit the prospective lenders involved in the financing to evaluate Station's current assets, cash management and accounting systems, policies and procedures relating thereto for the purpose of establishing collateral arrangements and establish bank and other accounts and blocked account agreements and lock box arrangements in connection with the foregoing, and taking all corporate action reasonably necessary to permit the consummation of the debt financing and to permit the proceeds of the debt financing to be made available to Station.

The following arrangements are intended to provide the necessary financing for the merger:

Equity Financing

Parent has received an equity commitment letter from FC Investor pursuant to which FC Investor has committed to contribute up to an aggregate of approximately $2.6 billion in cash to Parent in connection with the proposed merger and in exchange for which FC Investor will receive Class A Units of Parent. The obligation to fund commitments under the equity commitment letter is subject to the satisfaction or waiver of all conditions precedent to Parent's obligations to consummate the merger (other than such conditions the satisfaction of which is dependent upon the making of such contribution, which shall be deemed satisfied). In addition, the obligation to fund the commitment shall terminate automatically upon the date that is ten business days following termination of the merger agreement so long as no claim for performance or monetary damages is made on or before such date.

In addition to the equity commitments described above, as of the date hereof, Frank J. Fertitta III and Lorenzo J. Fertitta have delivered to Parent equity rollover commitment letters, which were subsequently assigned by Parent to Fertitta Partners, whereby such Rollover Stockholders have committed to contribute an aggregate of 8,018,037 shares of Station common stock to Fertitta Partners in exchange for Class A Units of Fertitta Partners. In addition, the Sartini-Related Stockholders have delivered to Parent an equity rollover commitment letter, which was subsequently assigned to Fertitta Partners, whereby such Rollover Stockholders have committed to contribute 1,653,984 shares of Station common stock to Fertitta Partners in exchange for Class A Units of Fertitta Partners. The obligation to make such contributions is subject to the satisfaction or waiver of all conditions precedent to Parent's obligations to consummate the merger (other than such conditions the satisfaction of which is dependent upon the making of such contribution, which shall be deemed satisfied). In addition, the obligation to fund the commitments shall terminate automatically upon the date that is ten business days following termination of the merger agreement so long as no claim for performance or monetary damages is made on or before such date. The rollover commitments of the Rollover Stockholders are more fully described under "Special Factors—Effects of the Merger" and "Special Factors—Interests of Certain Persons in the Merger."

Debt Financing

Parent has received debt commitment letters, each dated as of May 3, 2007, from prospective arrangers and lenders (the "Lender Parties") to provide, subject to the conditions set forth therein:

- to the surviving corporation, up to $500 million of senior secured credit facilities (of which $350 million is expected to be drawn at the closing of the merger, as described below) for the purpose of repaying or refinancing certain existing revolving indebtedness of Station's subsidiaries, as well as for providing ongoing working capital and for other general corporate purposes of the surviving corporation and its subsidiaries; and
- to the CMBS Borrower (as defined under the caption "CMBS Loan" below), a group of newly created, wholly-owned special purpose subsidiaries of the surviving corporation, up to $2.725 billion of mortgage loans and/or related mezzanine financing (collectively, "CMBS Loans"), for the purpose of financing the merger and paying fees and expenses incurred in connection with the merger.

The debt commitments expire at the earlier of (a) May 23, 2008 or (b) the termination of the merger agreement.

The documentation governing the senior secured credit facilities and the CMBS Loans has not been finalized. In addition, the financing is subject to the right of the Lender Parties and the borrowers to change certain terms (but not the conditions or the aggregate amount) of the financing. Accordingly, the actual terms and amounts of such facilities may differ from those described below.

Parent has agreed to use its commercially reasonable best efforts to assist in the syndication of the debt financing on the terms and conditions described in the debt commitment letters. If any portion of the debt financing becomes unavailable on the terms and conditions contemplated in the debt commitment letters, Parent shall use its reasonable best efforts to obtain alternative financing on terms no less favorable to Parent and Merger Sub, in an amount sufficient to consummate the transactions contemplated by the merger agreement, as promptly as possible.

Although the debt financing described in this proxy statement is not subject to due diligence or "market out" conditions, such financing may not be considered assured. As of the date of this proxy statement, no alternative financing arrangements or alternative financing plans have been made in the event the debt financing described herein is not available as anticipated.

Conditions Precedent to the Debt Commitments. The availability of the senior secured credit facilities is subject to, among other things:

- consummation of the merger in accordance with the merger agreement in the form executed on February 23, 2007, as amended, modified or waived with the reasonable approval of all of the Commitment Parties that are party to the May 3, 2007 commitment letters;
- proof of insurance coverage reasonably acceptable to the arranger;
- the equity contribution being made and representing at least 32.5% of the consideration payable under the merger agreement;
- subject to certain qualifications, delivery of an acceptable environmental report of each of the properties included as collateral for the senior secured credit facilities;
- the repayment of certain existing debt guaranteed by Station, and the absence of certain types of other debt or preferred equity;
- no material adverse effect, as defined in the merger agreement, shall have occurred;
- affiliates of the Equity Investor, Frank J. Fertitta III and Lorenzo J. Fertitta beneficially owning or controlling, directly or indirectly, 70% of the voting equity of Parent;
- payment of required fees and expenses;
- negotiation, execution and delivery of definitive documentation, delivery of customary opinions, documents and certificates, and, subject to certain exceptions and qualifications, granting and perfecting security interests in certain collateral; and
- receipt of material governmental and third party approvals in connection with the financing and the continuing operations of the surviving corporation and its subsidiaries.

The availability of the CMBS Loans is subject to CMBS Borrower being in a position to substantially contemporaneously satisfy all of the conditions to the senior credit facilities and a number of additional conditions, including among other things:

- delivery of irrevocable (subject only to payment of premiums at closing) title insurance commitments with respect to the fee and ground leasehold interests in the real property being transferred to CMBS Borrower or owned by its newly acquired wholly owned subsidiaries to be included as collateral for the CMBS Loans (collectively, the "CMBS Property");
- delivery of the executed master lease of the CMBS Property back to Station and the executed sub-leases from Station to its respective operating subsidiaries; and
- delivery of acceptable estoppel certificates from the ground lessor and any fee mortgagee thereof with respect to each CMBS Property that is a lessee's interest under a ground lease.

Senior Secured Credit Facilities

The borrower under the senior secured credit facilities at the closing of the merger will be the surviving corporation. The senior secured credit facilities will be comprised of a $500.0 million revolving loan facility with a term of six years ($350 million of which is expected to be drawn in part as of the closing date of the merger). The revolving credit facility will include sublimits for the issuance of letters of credit and swingline loans and will be available in U.S. dollars, in each case with sublimits to be agreed upon. In addition, so long as no default exists or would result therefrom, Station will have the right at any time after the merger to request that additional commitments be provided under the senior secured credit facilities or a new secured term loan facility, in either case in an amount not to exceed $450.0 million, as long as such incremental fundings do not mature earlier than the original commitment and are on terms and conditions substantially the same as, and secured on a pari passu basis with, the initial revolving credit facility. None of the lenders under the mutual revolving credit facility shall be obligated to provide such additional commitments.

Deutsche Bank Securities, Inc. and JPMorgan Securities, Inc. will act as joint lead arrangers and joint book running managers for the senior secured credit facilities. Deutsche Bank Trust Company Americas will act as sole administrative agent for the senior secured credit facilities. JPMorgan Chase Bank, N.A. will act as syndication agent for the senior secured credit facilities.

Interest Rate. Loans under the senior secured credit facilities are expected to bear interest, at Station's option, at a rate equal to the adjusted Eurodollar rate or an alternate base rate, in each case plus a spread. After Station delivers financial statements for the first full fiscal quarter ending after the effective date of the merger, interest rates under the senior secured credit facilities will be subject to change based on a total leverage ratio (which means the ratio of Station's total indebtedness to EBITDA), with step-downs as agreed upon between Station and the arrangers.

Guarantors. All obligations under the senior secured credit facilities and under any interest rate protection or other hedging arrangement entered into with a Lender Party or any of its affiliates will be unconditionally guaranteed jointly and severally at the closing of the merger by each direct and indirect, existing and future domestic wholly owned subsidiary of Station (which we sometimes refer to as the guarantors and, together with Station, as the loan parties), except certain designated unrestricted subsidiaries.

Security. Subject to compliance with applicable gaming laws and certain other limitations and exceptions, the obligations of Station under the senior secured credit facilities, and under any interest rate protection or other hedging arrangement entered into with a lender or any of its affiliates, will be secured, subject to permitted liens and other agreed upon exceptions, by (i) all the capital stock of Station and our majority owned subsidiaries other than unrestricted subsidiaries and excluding interests in joint ventures; (ii) the land, improvements and other real property relating to Red Rock, Texas Station and any future capital project with a budget over $100 million or upon any other property generating over $10 million of adjusted EBITDA, and, if permitted under the CMBS Loan, the loan parties' leasehold interests in the real estate securing the CMBS Loan, all excluding any fee and/or ground lease interests of CMBS Borrower in any such property securing the CMBS Loan; (iii) all other assets of the loan parties, including intellectual property; and (iv) a second lien in all furniture, fixtures and equipment, which we refer to as FF&E, and the FF&E reserve accounts that are located at the real estate securing the CMBS Loan (a) owned by a guarantor subtenant (first lien is in favor of borrower as master sub-lessor under the subleases of such real estate by the applicable sub-lease guarantors to secure such sub-lessee's obligations under such subleases) and (b) owned by borrower (first lien is in favor of the landlord under the master lease of such real estate by the borrower to secure borrower's obligations under such master lease). If certain security is not provided at the closing of the merger despite the use of commercially reasonable efforts to so provide, the delivery of such security will not be a condition precedent to the availability of the senior secured credit facilities on the closing date, but instead will be required to be delivered following the closing date, pursuant to arrangements to be agreed upon.

Other Terms. The senior secured credit facilities will contain customary representations and warranties and customary affirmative and negative covenants, including, among other things, restrictions on indebtedness, investments, sales of assets, mergers and consolidations, prepayments of subordinated indebtedness, liens and dividends and other distributions. The senior secured credit facilities will also include customary events of default, including a change of control to be defined.

CMBS Loans

In connection with the CMBS Loan financing, certain Station subsidiaries (the “Operating Subsidiaries”) entered into a purchase and sale agreement with a newly created wholly-owned “special purpose” subsidiary of Station, which will, immediately prior to the closing of the CMBS Loans, assign the purchase and sale agreement to an affiliate, a newly created “special purpose” subsidiary of Station (the “CMBS Borrower”). Pursuant to such purchase and sale agreement, the Operating Subsidiaries’ equity interests in their wholly-owned subsidiaries that own substantially all fee and leasehold real property comprising Palace Station, Boulder Station, Sunset Station, Santa Fe Station, Fiesta Rancho and Fiesta Henderson (collectively, the “CMBS Property”) will be sold to CMBS Borrower following which such CMBS Property will be leased back to Station, which will in turn sublease the CMBS Property back to the Operating Subsidiaries in a sale and leaseback transaction.

The CMBS Loan requires the creation of one or more wholly owned unrestricted direct and indirect special purpose subsidiaries (collectively, the “Real Estate Borrowers”), the most remote of which will be the CMBS Borrower, and on or prior to the closing of the merger, the following will occur:

- each parcel of the CMBS Property will be contributed by the applicable Operating Subsidiary of Station that currently owns or leases the same to a newly created subsidiary (each, a “Real Estate Subsidiary” and collectively, the “Real Estate Subsidiaries”) that is wholly owned by such Operating Subsidiary;
- Shortly before the closing of the CMBS Loans, Parent will form a number of wholly-owned “special purpose” entities, the first of which will be the subsidiary of Merger Sub, the second of which will be a subsidiary of the first subsidiary, and the last of which will be CMBS Borrower, a subsidiary of the third or fourth subsidiary, as applicable. (Each of such subsidiaries other than CMBS Borrower are referred to as “MezzCo” and they are collectively referred to as “MezzCos”);
- concurrently with the closing of a portion of the CMBS Loan to CMBS Borrower each MezzCo will borrow a portion of the CMBS Loan from a mezzanine lender and contribute the proceeds thereof and other equity contribution proceeds received from its parent to its subsidiary and ultimately to CMBS Borrower;
- CMBS Borrower will use the proceeds of the CMBS Loan and equity contributions to purchase the equity of the Real Estate Subsidiaries from the Operating Subsidiaries;
- the CMBS Borrower will merge each of its newly acquired Real Estate Subsidiaries with and into itself, such that the CMBS Borrower will directly own or lease all of the CMBS Property;
- upon the consummation of the transaction, the CMBS Borrower, the MezzCos and the Operating Subsidiaries will be directly and indirectly wholly owned subsidiaries of Station under an “OpCo / PropCo” structure;

- the CMBS Borrower, an unrestricted subsidiary of Station and sometimes referred to as PropCo, will then lease the CMBS Property to Station, which will in turn sublease each parcel of the CMBS Property to the restricted Operating Subsidiary that has continuously operated and will continue to operate the same (each an "OpCo"); and
- the CMBS Borrower and its intermediate holding companies, MezzCos, will enter into the CMBS Loans.

The expectation as to the CMBS Loans is that the Real Estate Borrowers will enter into up to $2.725 billion aggregate principal amount of mortgage loans and related mezzanine financing. The CMBS Loans will have an initial term of two years from the closing of the merger, subject to the CMBS Borrower's option to exercise three one-year extensions, for a maximum term of five years. Interest on the CMBS Loans will equal the London interbank offer rate ("LIBOR") plus a specified spread. FCP HoldCo, Fertitta Partners and FCP VoteCo will execute a guaranty with respect to certain "recourse carve out" obligations of CMBS Borrower. CMBS Borrower will be required to hedge the interest rate such that inclusive of the spread, it will not exceed 7.5%.

Security. The CMBS Loans are expected to be secured by, among other things, (a) a perfected first priority fee and/or leasehold deed of trust on each CMBS Property, (b) a first priority blanket assignment of all of CMBS Borrower's rights and interests under the master lease and all other leases, rents and profits payable to CMBS Borrower as landlord/sublessor with respect to each CMBS Property, (c) an assignment of the related interest rate hedge arrangements, (d) a first priority and perfected security interest in all other real property interests including certain personal property, licenses, permits, contract rights, general intangibles and other assets of CMBS Borrower used in connection with the operation, maintenance and management of each CMBS Property, and (e) with respect to any mezzanine financing forming part of the CMBS Loan, a first priority pledge of 100% of the equity interests in CMBS Borrower and any applicable subsidiaries created under CMBS Borrower for purposes of effectuating the mezzanine financing.

Other Terms. The CMBS Loan will contain representations and warranties and affirmative and negative covenants that are customary for financings of that type, such as a lease shortfall reserve if the lease coverage ratio falls below 90% of the closing date lease coverage ratio for two consecutive quarters, but will not contain any other financial maintenance covenants and will not impair the operation of the properties. The CMBS Loans will also include customary events of default.

Estimated Fees and Expenses

Except as set forth below, Station will not pay any fees or commissions to any broker, dealer or other person in connection with the merger. If Station's stockholders do not approve the merger under certain circumstances described under "The Merger Agreement —Termination," Station has agreed to reimburse Parent for reasonable out-of-pocket fees and expenses (including reasonable legal fees and expenses) up to $40 million in the aggregate incurred by Parent, Merger Sub or their respective affiliates in connection with the transactions contemplated by the merger agreement, credited in certain circumstances against any required termination fee that becomes payable by Station.

The following is an estimate of fees and expenses to be incurred by Station in connection with the merger:

Legal	$ 3,025,000
Financial Advisors	$ 15,001,000
Accounting	$ 40,000
Printing and Mailing	$ 110,000
SEC Filing Fees	$ 163,377
Disbursing Agent	$ 20,000
Proxy Solicitation and Information Agent	$ 35,000
Miscellaneous	$ 5,110,000
Total	$ 23,504,377

In addition, it is expected that Parent, Merger Sub and/or the Equity Investor will incur approximately $81.7 million of financing costs as well as legal and other advisory fees.

The Voting Agreement

In connection with the transactions contemplated by the merger agreement, the Rollover Stockholders, Parent and Station entered into a voting agreement dated as of February 23, 2007, pursuant to which the Rollover Stockholders agreed, subject to certain conditions, to vote their Station common stock (i) in favor of the approval of the merger agreement and the approval of the transactions contemplated thereby, including the merger, (ii) in favor of the approval of any other matter to be approved by the stockholders of Station to facilitate the transactions contemplated by the merger agreement, including the merger, (iii) against any Company Acquisition Proposal or any transaction contemplated by such Company Acquisition Proposal, (iv) against any proposal made in opposition to, or in competition or inconsistent with, the merger or the merger agreement, including the approval thereof or the consummation thereof, including any amendment of Station's organization documents or other proposal or transaction involving Station or any of its subsidiaries which amendment or other proposal or transaction would in any matter impede, interfere with, materially delay, frustrate, prevent or nullify or result in a breach of any representation or warranty, covenant, agreement or other obligation of Station or any of its subsidiaries under or with respect to the merger agreement or any of the transactions contemplated thereby, (v) against any extraordinary dividend, distribution or recapitalization by Station or change in the capital structure of Station (other than pursuant to or explicitly permitted by the merger agreement) and (vi) against any action or agreement that would reasonably be expected to result in any condition to the consummation of the merger not being fulfilled.

The obligations to vote for or against the matters described, as the case may be, in the immediately preceding paragraph will survive until the earliest to occur of (i) the effective time of the merger agreement, (ii) the termination of the merger agreement in accordance with its terms and (iii) the written agreement of Parent and Station to terminate the voting agreement.

The foregoing summary of the voting agreement does not purport to be complete and is qualified in its entirety by reference to the copy of such agreement attached as an exhibit to the Schedule 13E-3 filed with the SEC in connection with the merger and incorporated herein by reference.

The Limited Guarantee

In connection with the merger agreement, certain affiliates of the Equity Investor, namely, Colony Investor VII, L.P., a Delaware limited partnership, Colony Investor VIII, L.P., a Delaware limited partnership, and Colony Parallel Investors VIII Holdings, L.P., a Delaware limited partnership, provided us with a limited guarantee, dated as of February 23, 2007 which was subsequently reaffirmed on May 4, 2007 (the "Guarantee"), of payment of the $160 million reverse termination fee or $106 million regulatory termination fee payable by Parent, if any (as such fees are further described in the section entitled "The Merger Agreement—Termination Fees and Expenses"), as well as Parent's obligation for breach and indemnification and expense reimbursement obligations under the merger agreement, up to a maximum amount of $175 million. The Guarantee will remain in full force and effect until the earliest to occur of (i) the effective time of the merger and payment of all obligations due by Parent and Merger Sub under the merger agreement at such time, (ii) the termination of the merger agreement by the mutual consent of us, on the one hand, and Parent and Merger Sub, on the other hand, (iii) the termination of the merger agreement by Parent or us on or after February 23, 2008 (or May 23, 2008, in certain circumstances) unless Parent is obligated to pay the $106 million regulatory termination fee, in which case the Guarantee shall terminate upon Parent's payment in full of such regulatory termination fee, (iv) the termination of the merger agreement by us if our board of directors (acting through the special committee if it still exists) has concluded in good faith that a Company Acquisition Proposal constitutes a Superior Proposal, or (v) the termination of the merger agreement (A) by Parent because a temporary restraining order, preliminary or permanent injunction or other judgment, order or law prohibits, restrains or renders illegal the consummation of the merger, (B) by Parent because the stockholders of Station fail to approve the merger agreement by the Requisite Stockholder Vote at the Special Meeting or any adjournment or postponement of that meeting or (C) by Parent or Merger Sub if (1) we have breached or failed to perform any of our representations, warranties, covenants or agreements, and such breach or failure to perform would result in a failure of a condition to Parent's or Merger Sub's obligation to consummate the merger and, if capable of being cured, cannot be cured within sixty (60) days following notice of such breach to Station, (2) the board of directors of Station or any committee of the board of directors withdraws or modifies, or publicly proposes to withdraw or modify, its recommendation, or approves or recommends any alternative proposal (or resolves to do so) or (3) Station willfully breaches its covenants under the merger agreement relating to solicitations, Company Acquisition Proposals and board recommendation changes in any respect materially adverse to Parent and Merger Sub. The Guarantee is our sole recourse against the Equity Investor; however the Guarantee does not limit our rights against Parent and Merger Sub.

The foregoing summary of the Guarantee does not purport to be complete and is qualified in its entirety by reference to the copy of such agreement attached as an exhibit to the Schedule 13E-3 filed with the SEC in connection with the merger and incorporated herein by reference.

Regulatory Approvals

The following discussion summarizes the material regulatory requirements that we believe relate to the merger, although we may determine that additional consents from or notifications to governmental agencies are necessary or appropriate.

In the merger agreement, the parties have agreed to cooperate with each other to make all filings with governmental authorities and to obtain all governmental approvals and consents necessary to consummate the merger, subject to certain exceptions and limitations. It is a condition to the consummation of the merger that required governmental consents and approvals shall have been obtained before the effective date of the merger.

The failure to obtain the required approval of the merger, comply with the procedural requirements prescribed by any applicable gaming regulatory authority, or of Station or Parent to qualify or make disclosures or applications as required under the laws and regulations of any applicable gaming regulatory authority may result in the loss of license or denial of application for licensure in any such applicable jurisdiction.

Nevada Gaming Regulation. As a result of Station's ownership and operation of Palace Station Hotel & Casino, Boulder Station Hotel & Casino, Texas Station Gambling Hall & Hotel, Sunset Station

Hotel & Casino, Santa Fe Station Hotel & Casino, Red Rock Casino Resort Spa, Fiesta Rancho Casino Hotel, Fiesta Henderson Casino Hotel, Wild Wild West Gambling Hall & Hotel, Wildfire Casino, Magic Star Casino, Gold Rush Casino, Lake Mead Casino, Green Valley Ranch Resort Spa Casino, Barley's Casino & Brewing Company and The Greens Gaming and Dining, Station is, and upon consummation of the merger, will be, subject to the jurisdiction of the Nevada gaming authorities. The ownership and operation of casino gaming facilities in Nevada are subject to the Nevada Gaming Control Act and the regulations of the Nevada Gaming Commission (collectively the "Nevada Act"), and various local ordinances and regulations. Station's respective gaming operations are subject to the licensing and regulatory control of the Nevada Gaming Commission (the "Nevada Commission"), the Nevada State Gaming Control Board (the "Nevada Board"), the Clark County Liquor and Gaming Licensing Board and applicable local liquor and gaming authorities of the cities of Las Vegas, Henderson and North Las Vegas, Nevada (collectively the "Nevada Gaming Authorities").

The laws, regulations and supervisory procedures of the Nevada Gaming Authorities are based upon declarations of public policy that are concerned with, among other things:

- the prevention of unsavory or unsuitable persons from having a direct or indirect involvement with gaming at any time or in any capacity;
- the establishment and maintenance of responsible accounting practices and procedures;
- the maintenance of effective controls over the financial practices of licensees, including the establishment of minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues, providing reliable record-keeping and requiring the filing of periodic reports with the Nevada Gaming Authorities;
- the prevention of cheating and fraudulent practices; and
- the establishment of a source of state and local revenues through taxation and licensing fees.

The Nevada Act provides that the acquisition of control of a registered publicly traded corporation such as Station must have the prior approval of the Nevada Commission. The Nevada Board reviews and investigates applications and makes recommendations on those applications to the Nevada Commission for final action. FCP VoteCo will file applications with the Nevada Board for approval of the acquisition of control of Station and for associated approvals, and will also file related applications with all appropriate local jurisdictions. Station is currently registered by the Nevada Commission as a publicly traded corporation (a "Registered Company") and has been found suitable to own its gaming subsidiaries that have licensed gaming facilities in Nevada.

In seeking approval of the merger, Station and FCP VoteCo must satisfy the Nevada Board and the Nevada Commission on a variety of standards prior to the consummation of the merger. The Nevada Board and the Nevada Commission will consider all relevant material facts in determining whether to grant this approval, and may consider not only the effects of the merger but also any other facts that are deemed relevant. Such facts may include, among others:

- the business history of Parent, including its record of financial stability, integrity and success of its operations;
- the current business activities of Parent;
- the adequacy of the proposed financing; and
- whether the merger will create a significant risk that Station, Parent or their subsidiaries will not satisfy their financial obligations as they become due or satisfy all financial and regulatory requirements imposed by the Nevada Act.

As described in “Arrangements With Respect To Station, Fertitta Partners and Parent Following The Merger” above, Station intends to voluntarily register its voting common stock pursuant to Section 12(g) of the Exchange Act. The registration of Station’s voting common stock pursuant to the Exchange Act will require Station to register with the Nevada Commission as a Registered Company and, as such, Station will be required to periodically submit detailed financial and operating reports to the Nevada Gaming Authorities and furnish any other information that the Nevada Gaming Authorities may require. At any time, the Nevada Commission has the power to investigate and require a finding of suitability of any record or beneficial owner of Station’s voting securities. The Nevada Act requires any person who acquires more than 5% of any class of voting securities of a publicly traded corporation, as reported to the SEC, to report the acquisition to the Nevada Commission, and such person may be required to be found suitable. Also, any person who becomes a beneficial owner of more than 10% of any class of voting securities of a publicly traded corporation, as reported to the SEC, must apply for a finding of suitability within thirty days after the chairman of the Nevada Board mails a written notice requiring such filing and must pay the costs and fees that the Nevada Board incurs in conducting the investigation. If a stockholder who must be found suitable is a corporation, partnership or trust, it must submit detailed business and financial information, including a list of beneficial owners. An “institutional investor,” as defined in the Regulations of the Nevada Gaming Commission and State Gaming Control Board, which acquires more than 10% but not more than 15% of the voting securities of a Registered Company may apply to the Nevada Gaming Commission for a waiver of such finding of suitability if such institutional investor holds the voting securities for investment purposes only. An institutional investor that has obtained a waiver may, in certain circumstances, hold up to 19% of a Registered Company’s voting securities and maintain its waiver for a limited period of time. An institutional investor shall not be deemed to hold voting securities for investment purposes unless the voting securities were acquired and are held in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the members of the board of directors of the Registered Company, any change in the corporate charter, bylaws, management, policies or operations, or any of its gaming affiliates, or any other action which the Nevada Commission finds to be inconsistent with holding the voting securities for investment purposes only. Activities which are not deemed to be inconsistent with holding voting securities for investment purposes include: (i) voting on all matters voted on by stockholders; (ii) making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in its management, policies or operations; and (iii) such other activities as the Nevada Commission may determine to be consistent with such investment intent. If the beneficial holder of voting securities who must be found suitable is a corporation, partnership or trust, it must submit detailed business and financial information including a list of beneficial owners.

Any person who fails or refuses to apply for a finding of suitability or a license within 30 days after being ordered to do so by the Chairman of the Nevada Board may be found unsuitable. The same restrictions apply to a record owner if the record owner, after request, fails to identify the beneficial owner. Any person found unsuitable and who holds, directly or indirectly, any beneficial ownership of a Registered Company’s voting securities beyond the time that the Nevada Commission prescribes may be guilty of a misdemeanor. A Registered Company may be subject to disciplinary action if, after receiving notice that a person is unsuitable to be a holder of its voting securities or to have any other relationship with the Registered Company or its licensed or registered subsidiaries, the company involved:

- pays that person any dividend or interest upon our voting securities;
- allows that person to exercise, directly or indirectly, any voting right conferred through securities held by that person;
- pays remuneration in any form to that person for services rendered or otherwise; or
- fails to pursue all lawful efforts to require such unsuitable person to relinquish his voting securities for cash at fair market value.

The holders of Station's non-voting common stock will not be subject to any mandatory requirement that they file applications for findings of suitability under the Nevada Act. The holders of non-voting common stock will, however, remain subject to the discretionary authority of the Nevada Commission and the Nevada Board and may be required to file applications and have their suitability determined. It is anticipated that only Station and the holders of the voting common stock and their respective members and managers will file applications for registration and findings of suitability in connection with the merger. Following effectiveness of the registration of the voting common stock, Station will be required and expects to file annual, quarterly and current reports, proxy statements and other information with the SEC.

Additionally, the Clark County Liquor and Gaming Licensing Board and the licensing authorities of the cities of Las Vegas, North Las Vegas and Henderson, Nevada, have taken the position that they have the authority to approve all persons owning or controlling the voting securities of any entity holding a gaming license. It is customary practice of Clark County and the other local Nevada jurisdictions to defer to the Nevada Board and Commission with respect to the background and suitability investigation of application such as those that will be filed by FCP VoteCo and its members as holders of Station's voting securities.

The Nevada Commission may, in its discretion, require the holder of any debt security of a Registered Company to file an application, be investigated and be found suitable to own the debt security of such Registered Company if the Nevada Commission has reason to believe that such ownership would otherwise be inconsistent with the declared policies of the State of Nevada. If the Nevada Commission determines that a person is unsuitable to own such security, then pursuant to the Nevada Act, the publicly traded corporation can be sanctioned, including the loss of its approvals, if without the prior approval of the Nevada Commission, it: (i) pays to the unsuitable person any dividend, interest, or any distribution whatsoever; (ii) recognizes any voting right by such unsuitable person in connection with such securities; (iii) pays the unsuitable person remuneration in any form; or (iv) makes any payment to the unsuitable person by way of principal, redemption, conversion, exchange, liquidation, or similar transaction.

All directors of Station and certain of the individuals who will be appointed as officers, directors and key employees of Station in conjunction with the merger and the members of FCP VoteCo will be required by the Nevada Act to be investigated and licensed or found suitable as part of the approval process relating to the transaction.

Station, together with its operating gaming subsidiaries, currently holds all gaming licenses and approvals necessary to their continued operation.

The Nevada Gaming Authorities may also investigate any individual who has (or will have) a material relationship to, or material involvement with, Station or Station's Nevada gaming subsidiaries or FCP VoteCo in order to determine whether the individual is suitable or should be licensed as a business associate of a gaming licensee. The Nevada Gaming Authorities may deny an application for licensing for any cause that they deem reasonable. A finding of suitability is comparable to licensing, and both require submission of detailed personal and financial information followed by a thorough investigation.

The Nevada Gaming Authorities may deny an application for licensing or a finding of suitability for any cause they deem reasonable. A finding of suitability is comparable to licensing; both require submission of detailed personal and financial information followed by a thorough investigation. The applicant for licensing or a finding of suitability, or the gaming licensee by whom the applicant is employed or for whom the applicant serves, must pay all the costs of the investigation. Changes in licensed positions must be reported to the Nevada Gaming Authorities. In addition to their authority to deny an application for a finding of suitability or licensure, the Nevada Gaming Authorities have jurisdiction to disapprove a change in a corporate position or a similar position in a limited liability company.

If the Nevada Gaming Authorities were to find an officer, director or key employee unsuitable for licensing or unsuitable to have a relationship with Station or Station's Nevada gaming subsidiaries or FCP VoteCo, that entity would have to sever all relationships with such person. In addition, the Nevada Gaming Commission may require Station or Station's Nevada gaming subsidiaries or FCP VoteCo to terminate the employment of any person who refuses to file appropriate applications. All individuals required to file applications for findings of suitability and/or licensing in connection with the merger as officers, directors and key employees of Station or Station's Nevada gaming subsidiaries or FCP VoteCo will file applications with the Nevada Gaming Authorities.

If the Nevada Commission issues an order of registration of Station (the "Final Order") the Final Order may (1) prohibit FCP HoldCo, Parent, FC Investor or certain investment funds affiliated with Colony from holding the voting securities of Station; (2) prohibit FCP HoldCo, the Rollover Stockholders and FCP VoteCo from selling, assigning, transferring, pledging or otherwise disposing of any of the voting or non-voting securities of Station without the prior approval of the Nevada Commission, (3) prohibit certain investment funds affiliated with Colony from selling, assigning, transferring, pledging or otherwise disposing of any partnership or membership interest or any interest in FC Investor, without the prior approval of the Nevada Commission and (4) prohibit Station from declaring cash dividends or distributions on any class of stock of Station to any person or entity that has not been licensed or found suitable by the Nevada Commission; provided, however, that the Final Order may provide that, with the prior administrative approval of the Chairman of the Nevada Board, or his designee, Station may pay dividends or make distributions to its direct and indirect equity owners who have not who have not been licensed or found suitable by the Nevada Commission for the purpose of defraying tax liabilities and tax related expenses of such direct or indirect equity owners that arise directly out of such direct or indirect ownership interest. The Final Order would become effective upon issuance by the Nevada Commission. The Final Order, if obtained, will set forth a description of Station and its affiliates and intermediary companies and the various gaming licenses and approvals obtained by those entities together with any conditions and limitations pertaining to the licenses and approvals.

Native American Gaming Regulation. As a result of Station's management on behalf of the United Auburn Indian Community of the Thunder Valley Casino near Sacramento, California, Station is, and upon completion of the merger will be, subject to the jurisdiction of the National Indian Gaming Commission, the California Gambling Control Commission and the United Auburn Indian Community—Tribal Gaming Agency. Those gaming regulatory authorities may require approval of certain aspects of the merger or the other transactions contemplated by the merger agreement, either prior to or after the completion of the merger.

United States Antitrust Considerations. Under the HSR Act and the rules promulgated thereunder by the Federal Trade Commission, the merger cannot be consummated until Station and Parent file a notification and report form under the HSR Act and the applicable waiting period has expired or been terminated. Station and Parent filed notification and report forms under the HSR Act with the FTC and the Antitrust Division of the Department of Justice on March 9, 2007. The waiting period was terminated on March 20, 2007. At any time before or after consummation of the merger, notwithstanding the early termination of the waiting period under the HSR Act, the Antitrust Division or the FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the consummation of the merger or seeking divestiture of substantial assets of Station or Parent. At any time before or after the consummation of the merger, and notwithstanding the early termination of the waiting period under the HSR Act, any state could take such action under the antitrust laws as it deems necessary or desirable in the public interest. Such action could include seeking to enjoin the consummation of the merger or seeking divestiture of substantial assets of Station or Parent. Private parties may also seek to take legal action under the antitrust laws under certain circumstances.

While there can be no assurance that the merger will not be challenged by a governmental authority or private party on antitrust grounds, Station, based on a review of information provided by Parent relating to the businesses in which it and its affiliates are engaged, believes that the merger can be effected in compliance with federal and state antitrust laws. The term "antitrust laws" means the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, and all other Federal and state statutes, rules, regulations, orders, decrees, administrative and judicial doctrines, and other laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade.

Accounting Treatment of the Merger

The merger is expected to be accounted for as a business combination using the purchase method of accounting for financial accounting purposes, whereby the estimated purchase price would be allocated to the assets and liabilities of Station based on their relative fair values following Statement of Financial Accounting Standards No. 141, Business Combinations.

Litigation Related to the Merger

Station is aware of six lawsuits that challenge either the proposal or the merger agreement. They are as follows:

On December 4, 2006, Helen Roessler filed a purported class action complaint in the District Court of Clark County, Nevada (the "District Court"), Case No. A532367, against Station, our board of directors and Parent. The complaint alleges that the defendants breached their fiduciary duties and challenges the proposed transaction as inadequate and unfair to Station's public stockholders. The complaint seeks, among other relief, class certification of the lawsuit and an injunction against the proposed transaction. Three similar putative class actions were subsequently filed in the District Court: Goldman v. Station Casinos, Inc., et al., Case No. A532395, filed on December 4, 2006; Traynor v. Station Casinos, Inc., et al., Case No. A532407, filed on December 4, 2006; and Filhaber v. Station Casinos, Inc., et al., Case No. A532499, filed on December 5, 2006. These four actions are collectively referred to as the "Initial Lawsuits."

On January 2, 2007, David Griffiths filed a purported class action complaint in the District Court against Station, our board of directors, Blake L. Sartini and Delise F. Sartini, Colony, Colony Acquisitions and Parent. The complaint alleges that Station's board of directors breached their fiduciary duties and the remaining defendants aided and abetted the alleged breaches of fiduciary duties in connection with the proposed transaction. The complaint seeks, among other relief, class certification of the lawsuit, an injunction against the proposed transaction, declaratory relief, the imposition of a constructive trust upon the defendants, and an award of attorneys' fees and expenses to plaintiffs.

On January 4, 2007, the District Court consolidated the Initial Lawsuits under the heading In Re Station Casino's Shareholder Litigation and appointed lead counsel and liaison counsel in connection therewith. On January 29, 2007, plaintiff Griffiths filed a motion to vacate the District Court's order appointing lead counsel and to establish a briefing schedule on motions to appoint lead plaintiff and lead counsel. At the March 5, 2007 hearing on this motion, the plaintiff's motion was denied.

On February 14, 2007, the West Palm Beach Firefighters' Pension Fund filed a purported class and derivative action complaint in District Court against Station's board of directors, Thomas J. Barrack, Jr., Blake L. Sartini and Delise F. Sartini, Colony, Colony Acquisitions, Parent, Deutsche Bank Trust Company Americas and German American Capital Corporation. The complaint alleges, among other things, that Station breached its fiduciary duties and the remaining defendants aided and abetted the alleged breaches of fiduciary duty in connection with the proposed transaction. The complaint seeks, among other relief, class certification of the lawsuit, an injunction against the proposed transaction unless and until Station adopts and implements a fair sale process, the disclosure of all material information to Station's stockholders, the imposition of a constructive trust upon the defendants, and an award of attorneys' fees and expenses to plaintiffs.

All of the above-referenced actions have been consolidated into a single action under the heading In re Station Casinos Shareholder Litigation, Master Case No. A-532367, Dept. No. 13, District Court, Clark County, Nevada.

On June 1, 2007, the plaintiffs filed an amended consolidated class action complaint (the "Amended Complaint") in the District Court against Station, Station's directors, Frank J. Fertitta III, Lorenzo J. Fertitta, Blake L. Sartini and Delise F. Sartini, Colony, Colony Acquisitions and Parent. The Amended Complaint alleges that Station's directors breached their fiduciary duties to Station and its stockholders as follows:

A. The defendants failed to engage in a fair process that would maximize value to Station's stockholders because the defendants put into place covenants in Station's bond indentures that could, under certain circumstances, require a purchaser of Station not affiliated with Frank J. Fertitta III and Lorenzo J. Fertitta to redeem those bonds, put into place a stockholder rights plan and a staggered board, adopted a supermajority voting requirement in connection with any merger transaction and imposed a $160 million termination fee on Station.

B. The process being used to sell Station is wrongful, unfair and harmful and is an attempt by the defendants to aggrandize their personal and financial positions. It does not reflect the true inherent value of Station that was known only to the defendants. This value, which far exceeds the $90.00 per share merger consideration, includes the returns from Red Rock, the Company's Native American casino-management contracts and the expected returns from Aliante Station and other expansion projects.

C. The directors have not and are not exercising independent business judgment and have acted and are acting to the detriment of the plaintiff class. In particular, the members of the special committee are not independent of Frank J. Fertitta III and Lorenzo J. Fertitta, were handpicked for Station's board of directors by Frank J. Fertitta III and Lorenzo J. Fertitta, are loyal and beholden to them and will do what Frank J. Fertitta III and Lorenzo J. Fertitta tell them to do. The special committee failed to properly shop Station, artificially depressing the value of Station's stock, thereby depriving plaintiffs of the right to receive the maximum value for their shares. They are taking steps to avoid competitive bidding, to cap the price of Station stock and to give Parent and other members of the buying group an unfair advantage by, among other things, failing to solicit other potential acquirers or alternative transactions.

D. This proxy statement misrepresents material facts and omits material information necessary for stockholders to make an informed decision concerning the transaction because, in part, it does not discuss whether the defendants considered alternative transaction forms, nor does it properly detail the sale process.

E. This proxy statement does not detail whether Bear Stearns, financial advisor to the special committee, performed any sensitivity studies or whether it valued Station assuming Station would be split into separate operating and holding companies. This proxy statement also fails to detail the proper valuation for Station, or the basis for the valuation. In addition, Bear Stearns is in a conflict position because it owns 36,639 shares of Station common stock.

The Amended Complaint also alleges that Frank J. Fertitta III, Lorenzo J. Fertitta, Blake L. Sartini, Delise F. Sartini, FCP, Colony and Colony Acquisitions knowingly aided and abetted the Company's directors in breaching their fiduciary duties to the Company's public stockholders.

The Amended Complaint seeks an injunction preliminarily and permanently enjoining the defendants from proceeding with, consummating or closing the proposed merger transaction, and demands that the plaintiffs be awarded their costs and disbursements incurred in connection with this action, including reasonable attorneys' fees and reimbursement of expenses.

A copy of the Amended Complaint has been filed as an exhibit to Station's Current Report on Form 8-K filed with the SEC on June 8, 2007.

Station believes all of the allegations of wrongdoing in the Amended Complaint to be without merit, denies any wrongdoing, denies that information in this proxy statement is false or misleading, and denies that any material information is omitted from this proxy statement. In addition, Station has been advised that the other defendants named in the Amended Complaint similarly believe the allegations of wrongdoing in the Amended Complaint to be without merit, and deny any breach of duty to or other wrongdoing with respect to the plaintiff class.

In order to resolve the litigation and avoid further cost and delay, Station and the individual defendants, without admitting any wrongdoing, have agreed to make certain further disclosures in this proxy statement as requested by counsel for the plaintiffs in the litigation. It is anticipated that after further discovery all parties will cooperate in seeking dismissal of the litigation. Such dismissal, including an anticipated request by plaintiffs' counsel for attorneys' fees, will be subject to court approval.

Provisions for Unaffiliated Security Holders

No provision has been made to grant Station's stockholders, other than the Rollover Stockholders and the Equity Investor, access to the corporate files of Station, any other party to the merger agreement or any Rollover Stockholder or to obtain counsel or appraisal services at the expense of Station or any other such party.

Dissenters' Rights of Stockholders

Under Nevada law, the stockholders of Station are not entitled to appraisal, dissenters' or similar rights in connection with the merger. The Nevada Revised Statutes provide no rights of dissent with respect to a plan of merger or exchange if the shares of the corporation are listed on a national securities exchange included in the national market system established by the National Association of Securities Dealers, Inc. or held by at least 2,000 stockholders of record, unless: (i) the articles of the corporation issuing the shares provide otherwise, or (ii) the stockholders are required to accept in exchange for their shares anything other than cash, shares in the surviving corporation, shares in another entity that is publicly listed or held by more than 2,000 stockholders, or any combination of cash or shares in the surviving entity or a publicly listed company.

THE SPECIAL MEETING

Date, Time and Place

The Special Meeting will be held at 2:00 p.m. local time, on Monday, August 13, 2007, at Red Rock Casino Resort Spa, 11011 West Charleston Boulevard, Las Vegas, Nevada. We are sending this proxy statement to you in connection with the solicitation of proxies by the board for use at the Special Meeting and any adjournments or postponements of the Special Meeting.

Purpose

At the Special Meeting, stockholders will be asked to:

- consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of February 23, 2007 and amended as of May 4, 2007, among Station, Fertitta Colony Partners LLC, a Nevada limited liability company ("Parent"), and FCP Acquisition Sub, a Nevada corporation and a wholly-owned subsidiary of Parent ("Merger Sub"), as it may be amended from time to time;

- approve any motion to adjourn the special meeting to a later date, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposal; and

- transact such other business as may properly come before the special meeting or any adjournment or postponement of the special meeting.

Station Board Recommendation

The board of directors (with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in the vote) has determined that the merger and the merger agreement are fair to and in the best interests of Station and the unaffiliated stockholders and has unanimously approved the merger agreement. The board of directors (with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in the vote) recommends that you vote FOR approval of the merger agreement and FOR the adjournment proposal.

Record Date, Outstanding Shares and Voting Rights

Only holders of record at the close of business on June 14, 2007 (the "Record Date") of Station's common stock, $0.01 par value, will be entitled to vote at the Special Meeting or any adjournment or postponement of the Special Meeting. On the Record Date, there were 57,276,414 shares of common stock outstanding. Each share of common stock is entitled to one vote on all matters presented at the Special Meeting. Votes may be cast at the Special Meeting in person or by proxy.

Vote Required

The presence, in person or by proxy, of stockholders holding at least a majority of the voting power of our stock outstanding on the Record Date will constitute a quorum for the Special Meeting. The approval of the merger agreement requires the affirmative vote of the holders of (1) at least two-thirds of all of the outstanding shares of Station common stock entitled to vote and (2) a majority of the outstanding shares of Station common stock (other than shares of Station common stock held by Parent, Merger Sub, the Rollover Stockholders or any of their respective affiliates) present, in person or by proxy, and voting at the Special Meeting. Approval of the adjournment proposal requires the affirmative vote of the holders of the majority shares of Station common stock present, in person or by proxy, and entitled to vote at the Special Meeting on that matter. In order to vote, you should simply indicate on your proxy card how you want to vote, and sign and mail your proxy card in the enclosed return envelope as soon as possible so that your shares will be represented at the Special Meeting. If you receive more than one proxy card, it means that you have multiple accounts at the transfer agent and/or with brokers, banks or other nominees. Please sign and return all the proxy cards you have received to ensure that all your shares are voted. If you hold your shares as a stockholder of record, you may vote by telephone or by the Internet by following the instructions set forth on the enclosed proxy card.

If you sign and send in your proxy and do not indicate how you want to vote, your proxy will be counted as a vote FOR approval of the merger agreement and for the adjournment proposal. Under Nevada law and Station's Restated Bylaws (the "Bylaws"), shares as to which a broker abstains or withholds from voting will have the same legal effect as a vote against a proposal.

If your shares are held in the name of a broker, bank or nominee, often referred to as held in "street name," only your broker, bank or nominee can execute a proxy and vote your shares and only after receiving your specific instructions on proposals as to which it does not have discretionary authority. Please sign, date and promptly mail the proxy card (in the envelope provided to your broker, bank or nominee (or its agent)). Remember, your shares cannot be voted unless you return a signed and executed proxy card (or voting instruction form) to your broker, bank or nominee on proposals as to which it does not have discretionary authority. It is expected that pursuant to NYSE rules, brokers will not have discretionary authority over any of the proposals to be presented at the Special Meeting. If your shares are held your broker, bank or other nominee, please contact your broker, bank or other nominee to determine whether you will be able to vote by telephone or electronically.

We believe our directors and executive officers intend to vote all of their shares of our outstanding common stock FOR the approval of the merger agreement and FOR the adjournment proposal. As of the Record Date, Station's directors and executive officers beneficially owned approximately 13,109,059 of the outstanding shares, representing approximately 22.2% of the total outstanding shares, of Station common stock.

Voting of Proxies

Shares represented by duly executed and unrevoked proxies in the form of the enclosed proxy card received by the board of directors will be voted at the Special Meeting in accordance with specifications made therein by the stockholders, unless authority to do so is withheld. If no specification is made, shares represented by duly executed and unrevoked proxies in the form of the enclosed proxy card will be voted FOR approval of the merger agreement and FOR the adjournment proposal.

The board of directors does not know of any matters other than those described in the notice of the Special Meeting that are expected to come before the Special Meeting. However, if any other matters are properly presented at the Special Meeting for consideration, the persons named in the proxy card and acting thereunder generally will have discretion to vote on such matters in accordance with their best judgment unless authority is specifically withheld.

Revocation of Proxies

Any holder of stock giving a proxy may revoke it at any time prior to its exercise at the Special Meeting by sending a written notice of such revocation to Station or completing and submitting a new proxy card bearing a later date to the Secretary of Station at Station's executive offices, or attending the Special Meeting and voting in person. Attendance at the Special Meeting will not, by itself, constitute revocation of a proxy. If your shares are held in "street name" and you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote or to vote at the Special Meeting.

Solicitation of Proxies and Expenses

In connection with the Special Meeting, proxies are being solicited by, and on behalf of, Station. The Company will bear the cost of soliciting proxies from its stockholders. In addition to solicitation by mail, proxies may be solicited from Station stockholders by directors, officers and employees of Station in person or by telephone, facsimile or other means of communication. These directors, officers and employees will not receive special compensation. Station has retained D. F. King to assist in the solicitation of proxies from stockholders for the Special Meeting for a fee of $35,000, and reimbursement of certain out-of-pocket expenses. The Company also has agreed to indemnify D.F. King against certain liabilities including liabilities arising under the federal securities laws. Brokerage houses, nominees, fiduciaries and other custodians will be requested to forward soliciting materials to beneficial owners and will be reimbursed for their reasonable out-of-pocket expenses incurred in sending proxy materials to beneficial owners.

Adjournment of the Special Meeting

We may ask our stockholders to vote on a proposal to adjourn the Special Meeting to a later date to solicit additional proxies if there are insufficient votes at the time of the Special Meeting to approve the merger agreement. We currently do not intend to propose adjournment at our Special Meeting if there are sufficient votes to approve the merger agreement. If the proposal to adjourn our Special Meeting for the purpose of soliciting additional proxies is submitted to our stockholders for approval, such approval requires the affirmative vote of the holders of a majority of the shares of Station common stock present or represented by proxy and entitled to vote on the matter.

Please do not send any certificates representing shares of common stock with your proxy card. If the merger is consummated, the procedure for the exchange of certificates representing shares of Station common stock will be as described in this proxy statement. See "The Merger Agreement—Payment for Station Common Stock."

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This proxy statement and the documents incorporated by reference in this proxy statement contain forward-looking statements with respect to our financial condition, results of operations, plans, objectives, future performance and business, as well as forward-looking statements relating to the merger. These forward-looking statements involve risks and uncertainties that cannot be predicted or quantified, and consequently, actual results may differ materially from those expressed or implied herein. Such risks and uncertainties include, but are not limited to:

· the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement;

· the outcome of any legal proceedings that have been, or will be, instituted against Station related to the merger agreement;

· the inability to consummate the merger due to the failure to obtain stockholder approval for the merger or the failure to satisfy other conditions to consummate the merger, including the receipt of all regulatory approvals related to the merger;

· the failure by Parent to obtain the necessary financing arrangements set forth in the debt and equity commitment letters delivered pursuant to the merger agreement;

· risks that the proposed transaction disrupts current plans and operations and the potential difficulties in employee retention as a result of the merger;

· the amount of the costs, fees, expenses and charges related to the merger;

· the ability to maintain existing management;

· integration of acquisitions;

· competition within the gaming industry;

· the cyclical nature of the hotel business and gaming business;

· economic conditions;

· development and construction risks;

· regulatory matters;

· litigation; and

· other risks described in Station's filings with the Securities and Exchange Commission, including, but not limited to, Station's Annual Report on Form 10-K for the year ended December 31, 2006, as amended, its Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, and its Current Reports on Form 8-K filed since December 31, 2006.

All forward-looking statements are based on Station's current expectations and projections about future events. All forward-looking statements speak only as of the date hereof and, unless required by law, Station undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Additional financial information, including presentations from recent investor conferences, is available in the "Investor Relations" section of Station's website at www.stationcasinos.com. None of the information contained on Station's website shall be deemed incorporated by reference or otherwise included herein.

THE MERGER AGREEMENT

This section of the proxy statement describes the material provisions of the merger agreement but does not purport to describe all of the terms of the merger agreement. The following summary is qualified in its entirety by reference to the complete text of the merger agreement, which is attached as Annex A to this proxy statement, and the amendment to the merger agreement, which is attached as Annex B to this proxy statement, both of which are incorporated into this proxy statement by reference. We urge you to read the full text of the merger agreement because it is the legal document that governs the merger. It is not intended to provide you with any other factual information about us. Such information can be found elsewhere in this proxy statement and in the public filings we make with the SEC, as described in the section entitled "Where You Can Find More Information."

The Merger

At the effective time of the merger, Merger Sub will merge with and into Station upon the terms, and subject to the conditions, of the merger agreement. As the surviving corporation, Station will continue to exist following the merger. Upon consummation of the merger, the Amended and Restated Articles of Incorporation and Bylaws of Station, as amended to read as the Articles of Incorporation and Bylaws of Merger Sub as in effect immediately prior to the merger, will become the Articles of Incorporation and Bylaws of Station. Upon consummation of the merger, Frank J. Fertitta III, Lorenzo J. Fertitta and Thomas J. Barrack, Jr., (and such other directors as may be designated by Parent) will be the initial directors of the surviving corporation and the officers of Station will be the initial officers of the surviving corporation. All surviving corporation directors and officers will hold their positions in accordance with and subject to the Articles of Incorporation and Bylaws of the surviving corporation.

We or Parent may terminate the merger agreement prior to the consummation of the merger in some circumstances, whether before or after the approval by our stockholders of the merger agreement. Additional details on termination of the merger agreement are described in "—Termination."

Closing; Effective Time; Marketing Period

Unless otherwise agreed by the parties to the merger agreement, the parties are required to close the merger no later than the later to occur of (i) the second business day after the satisfaction or valid waiver of the conditions described under "—Conditions to the Merger," or (ii) the date of completion of the Marketing Period (as defined below), unless Parent notifies us at least three business days in advance that it desires to close the merger on an earlier date during the Marketing Period.

The merger will be effective in accordance with applicable law after the time the articles of merger are filed with the Secretary of State of the State of Nevada or such other date and time as may be specified in the articles of merger. We expect to consummate the merger as promptly as practicable after we obtain the necessary regulatory approvals, our stockholders approve the merger agreement and, if necessary, the Marketing Period described below expires.

For purposes of the merger agreement, "Marketing Period" means the first period of fifteen (15) consecutive business days throughout which:

- Parent has (and its financing sources have access to), in all material respects, certain financial information required to be provided by us under the merger agreement in connection with Parent's financing of the merger;
- both the mutual closing conditions and the conditions to the obligations of Parent and Merger Sub to consummate the merger are satisfied (or are capable of being satisfied at the closing of the merger); and

- the applicable auditors have not withdrawn their audit opinions for the specified financial information required to be provided by us under the merger agreement in connection with Parent's financing of the merger.

The fifteen business day Marketing Period will commence no earlier than three business days after the merger agreement has been approved by the Required Stockholder Vote. To the extent practicable and not commercially inadvisable, the parties will, if the specified financial information required to be provided by us is available, begin the Marketing Period on the date that Parent's Nevada counsel reasonably believes in good faith is 30 calendar days prior to the date on which all of the gaming approvals that are required to be obtained prior to the effective time of the merger to permit the consummation of the merger and Parent's ownership of Station are expected to be obtained.

Merger Consideration

Each share of our common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by Parent, FCP HoldCo, Merger Sub, Fertitta Partners or any wholly-owned subsidiary of Station or held in treasury by us) will be cancelled and converted into the right to receive the Merger Consideration (as defined below).

As used herein, "Merger Consideration" means, with respect to each share of our common stock $90.00 in cash, without interest. Parent, the surviving corporation and the disbursing agent designated by Parent will be entitled to deduct and withhold from the Merger Consideration any amounts required to be deducted and withheld under any applicable tax law, and any amounts so withheld shall be treated as having been paid to the holder from whose Merger Consideration the amounts were so deducted and withheld. If between February 23, 2007 and the effective time of the merger, the number of outstanding shares is changed into a different number of shares or a different class, by reason of any stock dividend, subdivision, reclassification, recapitalization, split-up, combination, exchange of shares or the like, other than pursuant to the merger, the amount of Merger Consideration payable per share and any other dependent items shall be appropriately adjusted to provide the holders of the shares the same economic effect as contemplated by the merger agreement prior to such action.

After the merger is effective, each holder of shares of our common stock will cease to have any rights with respect to the shares, except for the right to receive the Merger Consideration.

Treatment of Options and Restricted Shares

Stock Options

As of the effective time of the merger, all outstanding options granted under our employee benefit plans will be canceled and the holder thereof will be entitled to receive the Employee Option Consideration (as defined below) at the effective time of the merger. The holders of options will be paid the Employee Option Consideration by the disbursing agent or other agent reasonably acceptable to Station as promptly as reasonably practicable after the effective time of the merger. We will take any actions reasonably necessary to effectuate the cancellation of the options effective at the effective time of the merger.

As used herein, "Employee Option Consideration" means an amount in cash equal to the product of (A) the number of shares of common stock previously subject to the options held by such holder (B) the excess, if any, of the Merger Consideration over the exercise price per share of common stock previously subject to such options without interest.

Restricted Shares

Immediately prior to the effective time of the merger, all shares of common stock that have been granted subject to vesting or other restrictions will vest and become free of their restrictions. At the effective time of the merger, these restricted shares will be cancelled and converted into the right to receive the Merger Consideration.

Payment for the Shares of Common Stock

Parent will designate a disbursing agent who is reasonably satisfactory to us to make payment of the Merger Consideration and Employee Option Consideration as described above. Prior to or substantially simultaneously with the filing of the articles of merger with the Nevada Secretary of State, Parent will deposit (or cause to be deposited) with the disbursing agent funds sufficient to pay the Merger Consideration in respect of all outstanding shares of Station common stock immediately prior to the effective time of the merger (other than such shares held by Station, Parent, Merger Sub or any subsidiaries of Station or Parent), the Employee Option Consideration to holders of options outstanding immediately prior to the effective time of the merger and any declared and unpaid dividends.

At the effective time of the merger, we will close our stock transfer books. After that time, there will be no further transfer of shares of common stock.

As soon as practicable after the effective time of the merger, the surviving corporation will or will cause the disbursing agent to send each record holder of shares of Station common stock a letter of transmittal and instructions advising you how to surrender your stock certificates in exchange for the Merger Consideration. The disbursing agent will send you your Merger Consideration and any declared and unpaid dividends after you have (A) surrendered your stock certificates to the disbursing agent and (B) provided to the disbursing agent your signed letter of transmittal and any other items specified by the letter of transmittal. Interest will not be paid or accrue in respect of the Merger Consideration. YOU SHOULD NOT FORWARD YOUR STOCK CERTIFICATES TO THE DISBURSING AGENT WITHOUT A LETTER OF TRANSMITTAL, AND YOU SHOULD NOT RETURN YOUR STOCK CERTIFICATES WITH THE ENCLOSED PROXY.

If any cash deposited with the disbursing agent is not claimed within twelve months following the effective time of the merger, such cash will be returned to Parent or the surviving corporation upon demand. Any former stockholder of Station who has not complied with the terms set forth in the merger agreement relating to payment of the Merger Consideration prior to the end of the applicable period shall thereafter look only to the surviving corporation for payment of his claim for the Merger Consideration, without any interest thereon. Any unclaimed amounts remaining as of two years after the effective time of the merger (or immediately prior to when such amounts would escheat to or become the property of any government entity) will, to the extent permitted by law, become the property of the surviving corporation free and clear of any prior claims or interest thereto.

If payment is to be made to a person other than the registered owner of the shares of our common stock, it is a condition to such payment that the stock certificate or book-entry share is properly endorsed or in otherwise proper form for transfer and the person requesting such payment must pay to the disbursing agent any applicable stock transfer tax or establish that such stock transfer taxes have been paid or are not payable.

No dividends or other distributions with respect to capital stock of the surviving corporation with a record date after the effective time of the merger will be paid to the holder of any unsurrendered stock certificate or book-entry share.

Except as described in the aforementioned provisions, from and after the effective time of the merger, the holders of the shares of common stock outstanding immediately prior to the consummation of the merger will cease to have any rights with respect to such shares of common stock, other than the right to receive Merger Consideration, as provided in the merger agreement.

In the event that you have lost stock certificate, or if it has been stolen or destroyed, you must make an affidavit of that fact and post any bond in such reasonable amount as the surviving corporation or disbursing agent may direct as indemnity against any claim that may be made against the surviving corporation or the disbursing agent with respect to such certificate, in order for the disbursing agent to issue the Merger Consideration.

Parent, the surviving corporation and the disbursing agent designated by Parent will be entitled to deduct and withhold from the merger consideration any amounts required to be deducted and withheld under any applicable tax law, and any amounts so withheld shall be treated as having been paid to the holder from whose merger consideration the amounts were so deducted and withheld.

Representations and Warranties

The merger agreement contains representations and warranties made by us to Parent and representations and warranties made by Parent and Merger Sub to us. The assertions embodied in those representations and warranties were made solely for purposes of the merger agreement and may be subject to important qualifications and limitations agreed by the parties in connection with negotiating its terms. Moreover, some of those representations and warranties may not be accurate or complete as of any particular date because they are subject to a contractual standard of materiality or Material Adverse Effect (as defined below) different from that generally applicable to public disclosures to stockholders or used for the purpose of allocating risk between the parties to the merger agreement rather than establishing matters of fact. For the foregoing reasons, you should not rely on the representations and warranties contained in the merger agreement as statements of factual information.

In the merger agreement, Station, Parent and Merger Sub each made representations and warranties relating to, among other things:

· corporate existence and power;

· authority to enter into and perform its obligations under, and enforceability of, the merger agreement;

· required regulatory filings and consents and approvals of governmental entities;

· gaming approvals;

· the absence of conflicts with or defaults under, and consents or approvals required under, organizational documents, applicable laws and contracts;

· information supplied for inclusion in this proxy statement and other SEC filings; and

· payment of brokers’ fees exclusively to Bear Sterns.

In the merger agreement, Parent and Merger Sub also each made representations and warranties relating to:

· commitment of the funds necessary to perform its obligations under the merger agreement;

· no contracts with management, other than the equity rollover commitment letters, the voting agreement and the first amended and restated operating agreement of Parent;

· the operations of Parent and Merger Sub;

- the limited guarantee of Parent's payment obligations by affiliates of the Equity Investor (for the benefit of Station) under the merger agreement;
- their ownership of our common stock;
- their ownership of interest(s) in any of our competitors;
- their acknowledgement that Station makes no representations and warranties as to any matter, except as expressly set forth in the merger agreement;
- the solvency of the surviving corporation and each of its subsidiaries following the merger;
- disclosure of projections and plans for the business and operation of Station and its subsidiaries;
- their delivery to the special committee of the most current projections, estimates or forecasts relating to Station which they, or any of their affiliates or representatives, have received or prepared; and
- no payment of brokers' fees except to Deutsche Bank.

Station also made representations and warranties relating to:

- capital structure;
- takeover laws;
- forms and financial statements filed with the SEC;
- undisclosed liabilities;
- absence of changes or events since December 31, 2005 which has had or would be reasonably likely to have a material adverse effect on Station;
- delivery of opinion of financial advisor to the special committee;
- no payment of brokers' fees except to Bear Stearns;
- compliance with applicable laws, including gaming laws;
- governmental permits; and
- the stockholder vote that is required to consummate the merger.

Many of Station's representations and warranties are qualified by a Material Adverse Effect standard. For purposes of the merger agreement, "Material Adverse Effect" is defined to mean a material adverse effect on the assets or liabilities, business, financial condition or results of operations of Station and its subsidiaries, taken as a whole, provided that none of the following shall be deemed to constitute or be taken into account in determining whether there has been a Material Adverse Effect on Station.

- any fact, change, development, circumstance, event, effect or occurrence (an "Effect") in general economic or political conditions, whether locally, nationally or internationally, or in the financial or securities markets, or any outbreak or escalation of hostilities or declared or undeclared acts of terrorism;
- any Effect generally affecting, or resulting from general changes or developments in, the travel, hospitality or gaming industries;
- any failure to meet internal or published projections, forecasts or revenue or earnings predictions for any period (provided that the underlying causes of such failures shall not be excluded);

- any change in the price or trading volume of the shares of Station common stock in and of itself (provided that the underlying causes of such changes shall not be excluded);
- any Effect that is demonstrated to have resulted from the announcement of the proposal of the merger or the merger agreement and the transactions contemplated thereby, or the identity of Parent or any of its affiliates as the acquirer of Station;
- any Effect arising from any action taken by Station to comply with its obligations under the merger agreement; or
- any changes in law or United States generally accepted accounting principles (or the interpretation thereof).

except in the case of the first and second bullets above, to the extent such effects referred to therein have a materially disproportionate impact on the assets or liabilities, business, financial condition or results of operations of Station and its subsidiaries, taken as a whole, relative to other participants in the travel, hospitality or gaming industries. In addition, Station's representations and warranties are qualified by the knowledge of Frank J. Fertitta III and Lorenzo J. Fertitta.

Conduct of Business Prior to Closing

We have agreed in the merger agreement that, until the consummation of the merger or termination of the merger agreement, except to the extent contemplated by the merger agreement or consented to in writing by Parent, we will:

- conduct, and cause our subsidiaries to conduct, our respective businesses in the ordinary and usual course consistent with past practice; and
- use and cause each of our subsidiaries to use all commercially reasonable efforts to maintain and preserve intact our business organization, including the services of our key employees on terms and conditions substantially comparable to those currently in effect and the goodwill of any governmental authority, customers, lenders, distributor, supplies and other persons with which we have material business relationships.

We have also agreed that, until the consummation of the merger or termination of the merger agreement, except as expressly contemplated by the merger agreement or consented to in writing by Parent or as required by law, we will not and will not permit our subsidiaries to:

- propose or adopt any change in our organizational or governing documents;
- merge or consolidate Station or any of its subsidiaries with any person, other than the merger and other than any mergers or consolidations among us and our subsidiaries or among our subsidiaries;
- sell, lease or otherwise dispose of a material amount of assets or securities, including by merger, consolidation, asset sale or other business combination (including the formation of a joint venture), other than pursuant to the agreements relating to the sale and lease-back transactions to be consummated in connection with the closing of the merger agreement (which are further described in the section entitled "Special Factors—Financing of the Merger—Debt Financing—CMBS Loans" beginning on page 68);
- redeem, repurchase, prepay, defease, cancel, incur or otherwise acquire, or modify in any material respect the terms of, indebtedness for borrowed money or assume, guarantee, endorse or become responsible for the obligations of any person, other than incurrence, assumption or guarantee of indebtedness in the ordinary course consistent with past practice, including any borrowings under

our existing credit facilities for working capital purposes and other such actions taken in the ordinary course consistent with past practice;

- offer, place or arrange any issue of debt securities or commercial bank or other credit facilities that could be reasonably expected to complete with or impede the debt financing or cause the breach of any debt financing commitment provisions described under "—Financing";
- make any material loans, advances or capital contributions to, acquisitions or licenses of, or investments in, any other person, except as required by existing contracts;
- authorize any capital expenditures in excess of $25,000,000 per project or in excess of $30,000,000 per related series of projects, other than expenditures necessary to maintain existing assets in good repair and expenditures contemplated by our 2007 budget and approved development plans, as delivered to Parent prior to February 23, 2007, or our 2008 budget and development plans approved by the board of directors;
- pledge or otherwise encumber shares of our or our subsidiaries' capital stock or other voting securities;
- mortgage any of our material assets or create, assume or suffer any material lien thereupon, other than permitted liens, as described in the merger agreement;
- enter into or amend any contract with any executive officer, director or other affiliate of us or any of our subsidiaries or any person beneficially owning 5% or more of our common stock;
- split, combine or reclassify any capital stock;
- declare, set aside, make or pay any dividend or other distribution in respect of any capital stock, other than:
  - a dividend or distribution paid by our wholly-owned subsidiaries to its parent corporation;
  - the dividend of $0.2875 per share payable on March 12, 2007 to stockholders of record on February 26, 2007; or
  - regularly quarterly cash dividends commencing with the quarter ending June 30, 2007 declared and paid by us prior to the closing date of the merger, not exceeding $0.2875 per share of common stock per dividend, provided that, with respect to the quarter ending September 30, 2007, the record date and payment date shall not be earlier than September 21 and October 2, respectively, and, with respect to the quarter ending December 31, 2007, the record date and payment date shall not be earlier than December 21 and January 2, respectively, and with respect to the quarter ending March 31, 2008, the record date and payment date shall not be earlier than March 21 and April 2, respectively;
- issue or offer to issue any capital stock or redeem, repurchase or otherwise acquire any capital stock, other than in connection with:
  - the exercise of employee stock options;
  - the withholding of capital stock to satisfy tax obligations relating to employee stock options or restricted shares;
  - the acquisition by us of capital stock in connection with the forfeiture of employee stock options or restricted shares;
  - the acquisition by us of capital stock in connection with the net exercise of employee stock options in accordance with the terms thereof; or

- the issuance of capital stock as required to comply with our employee benefit plan or employment agreement in effect on the date of the merger agreement;

- (A) adopt, amend or terminate any Station employment benefit plan, collective bargaining agreement or any employment agreement with any officer or director of Station (other than entry into employment agreements with persons who are not executive officers or directors) or (B) take any action to accelerate the vesting or payment or fund or secure the payment of compensation or benefits under any Station employee benefit plan, other than:

  - as required pursuant to existing written agreements or any Station employee benefit plan, employment agreement or collective bargaining agreement in effect as of February 23, 2007;

  - as effected in the ordinary course of business; or

  - as required by applicable law;

- other than in the ordinary course of business consistent with past practices, settle or compromise any litigation or release, dismiss or otherwise dispose of any claim or arbitration, other than settlements or compromises of litigation, claims or arbitration that do not exceed $25,000,000 in the aggregate, and do not involve any material injunctive or other non-monetary relief or impose material restrictions on our business or operations;

- make or change any material tax election or settle or compromise any material tax liability of Station or its subsidiaries, agree to an extension of the statute of limitations with respect to the assessment or determination of our taxes or any of our subsidiaries, file any amended tax return with respect to a material tax, enter into any closing agreement with respect to any tax or surrender any right to claim a tax refund, other than in the ordinary course of business and so long as it is not individually or in the aggregate material to Station and its subsidiaries taken as a whole;

- change any of our financial accounting methods or methods of tax accounting principles or practices materially affecting our and our subsidiaries' reported consolidated assets, liabilities or results of operations, other than as required by changes in law or generally accepted accounting principles;

- adopt a plan of or enter into a letter of intent to effectuate a complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of us or our subsidiaries, other than the merger contemplated by the merger agreement and mergers or reorganizations among us and our subsidiaries or among our subsidiaries;

- take any action that is intended to or would result in any of the conditions to effecting the merger described under "—Conditions to the Merger" of the merger agreement incapable of being satisfied;

- take any action or fail to take any action, which would, or would be reasonably likely to, prevent, materially delay or materially impede our ability to consummate the merger or other transactions contemplated by the merger agreement; or

- authorize, commit or agree to do any of the foregoing.

In no event shall any action taken by, with the written consent of, or at the written direction of, Frank J. Fertitta III or Lorenzo J. Fertitta (and not also at the direction or with the concurrence of Station's board of directors, acting with the concurrence of the special committee, or the special committee) constitute a violation of any of the above provisions.

In addition, Parent and Merger Sub have agreed in the merger agreement that, until the effective time of the merger or termination of the merger agreement, they will not:

- take any action (including by way of any amendment to the first amended and restated operating agreement of Parent) that is intended to or would result rendering in any of the conditions to the merger described under "—Conditions to the Merger" incapable of being satisfied; or
- take any action or fail to take any action, which would, or would be reasonably likely to, prevent, materially delay or materially impede their ability to consummate the merger or other transactions contemplated by the merger agreement.

Agreement to Take Further Action and to Use Reasonable Best Efforts; Consents and Governmental Approvals

General; HSR Act

Subject to the terms and conditions set forth in the merger agreement, each of the parties to the merger agreement has agreed to use its reasonable best efforts to take, or cause to be taken, all actions, and to do or cause to be done, all things necessary, proper or advisable to consummate the merger:

- prepare and file as promptly as practicable all documentation to effect all necessary filings, consents, waivers, approvals, authorizations, permits or orders from all governmental authorities (including gaming authorities) or other persons and, in the case of Parent, enforce any remedies available to it in the interim operating agreement, provided however that in no event will we or any of our subsidiaries be required to pay, prior to the effective time of the merger, any fee, penalty or other consideration to obtain any consent, approval or waiver required for the consummation of the merger under any contract other than de minimis amounts or amounts that are advanced or simultaneously reimbursed by Parent;
- make an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated by the merger agreement as promptly as reasonably practicable after February 23, 2007 (and in any event within 10 business days of February 23, 2007);
- supply as promptly as reasonably practicable any additional information and documentary material that may be requested pursuant to the HSR Act;
- take or cause to be taken all other actions necessary, proper or advisable to cause the expiration or termination of the applicable waiting periods, or receipt of required authorizations, as applicable, under the HSR Act;
- request and use respective reasonable best efforts to obtain early termination of the waiting period under the HSR Act;
- cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party;
- keep the other party reasonably informed of any communication received by such party from, or given by such party to, the FTC, the DOJ or any other governmental authority and of any communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby;
- permit the other party to review any communication given by it to, and consult with each other in advance of any meeting or conference with, the FTC, the DOJ or any other governmental authority or, in connection with any proceeding by a private party, with any other person, and to the extent

permitted by the FTC, the DOJ or such other applicable governmental authority or other person, give the other party the opportunity to attend and participate in such meetings and conferences.

- resolve any objections that may be asserted with respect to the merger under any law or any suit instituted (or threatened to be instituted) by the FTC, the DOJ or any other applicable governmental authority or any private party challenging any of the transactions contemplated by the merger agreement as violative of any law or which would otherwise prevent, materially impede or materially delay the consummation of any of the transactions contemplated by the merger agreement (provided that (1) no party is required to, and Station may not, without the prior written consent of Parent, become subject to any requirement, condition, limitation, understanding, agreement or order to dispose of or to operate the assets or business of Station or any of its subsidiaries in any manner which could reasonably be expected to have a Material Adverse Effect on Station at or after the effective time of the merger, (2) Station will, upon the request of Parent, become subject to any requirement, condition, limitation, understanding, agreement or order to dispose of or to operate the assets or business of Station or any of its subsidiaries, so long as such requirement, condition, limitation, understanding, agreement or order is binding on Station and such subsidiary only in the event that the Closing occurs; and (3) in no event shall any member of Parent or any affiliate of any member of Parent as of the date of the merger agreement be required or agree to divest any stock, partnership, membership or other ownership interest in any entity or restrict its conduct with regard to any business to the extent such action or restriction relates to the Las Vegas Hilton); provided that, without excluding other possibilities, the transactions contemplated by the merger agreement will be deemed to be materially delayed if unresolved objections or suits delay or would reasonably be expected to delay the consummation of the transactions contemplated beyond the twelve month anniversary of the merger agreement; and

- contest and resist any administrative or judicial action or proceeding instituted (or threatened to be instituted) by a governmental authority or private party challenging the merger or the transactions contemplated by the merger agreement and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that prohibits, prevents or restricts the consummation of the transactions contemplated by the merger agreement.

Gaming Approvals

Parent and Merger Sub also agreed to use commercially reasonable efforts to:

- as promptly as practicable obtain all licenses, permits, approvals, authorizations, registrations, findings of suitability, franchises, entitlements, waivers and exemptions issued by any gaming authority required to permit the parties to consummate the transactions contemplated by the merger agreement;

- avoid any action or proceeding by any gaming authority challenging the consummation of the transactions contemplated by the merger agreement;

- make or cause to be made all necessary filings, and make any other required submissions, as required under the gaming laws;

- schedule and attend any hearings or meetings with the gaming authorities to obtain gaming approvals as promptly as possible; and

- comply with the terms and conditions of the foregoing in all material respects to obtain the gaming approvals.

Parent and its representatives and affiliates agreed to:

- file or cause to be filed within 60 calendar days after February 23, 2007 all required initial applications and documents in respect of officers, directors and affiliates in connection with obtaining the gaming approvals;
- file or caused to be file as promptly as practicable all other required applications and documents in connection with obtaining the gaming approvals;
- request an accelerated review from the gaming authorities in connection with such filings;
- act diligently and promptly to pursue the gaming approvals;
- cooperate with Station in connection with making all previously mentioned gaming filings; and
- keep us reasonably informed of the status of Parent's application for gaming approvals, including promptly advising us upon receiving any communication that causes Parent or Merger Sub to believe that there is a reasonable likelihood that any gaming approval required from such gaming authority will not be obtained or will be materially delayed.

Access to Information

We have agreed to, and have agreed to cause our subsidiaries to, subject to the restrictions imposed by the gaming laws, the HSR Act, federal and state securities laws and other applicable laws, provide Parent and Merger Sub and their representatives, during normal business hours and upon reasonable advance notice:

- access to the offices, properties, books and records of Station and its subsidiaries; and
- all documents reasonably requested by Parent and Merger Sub.

Notwithstanding the foregoing, Parent, Merger Sub and their representatives shall not have access to any books, records, documents or other information:

- to the extent that such books, records, documents or other information are subject to the terms of a confidentiality agreement with a third party, provided however that Station shall use commercially reasonable efforts to obtain waivers under such agreements or implement requisite procedures to enable reasonable efforts without violating such agreement;
- to the extent that the disclosure thereof would result in the loss of attorney-client privilege; or
- to the extent required by applicable law, provided that we shall use our reasonable best efforts to enable reasonable access without violating such law.

All information exchanged with Parent and Merger Sub is subject to confidentiality agreements between Station and the Equity Investor and Station and Parent.

Takeover Statutes

The parties agree to use their respective reasonable best efforts:

- to take all action necessary so that no "fair price," "merger moratorium," "control share acquisition," or other anti-takeover or similar statute or regulation (each a "Takeover Statute") is or becomes applicable to the merger or any of the other transactions contemplated by the merger agreement; and

- if any such Takeover Statute is or becomes applicable to any of the foregoing, to take all action necessary so that the merger and the other transactions contemplated by the merger agreement may be consummated as promptly as practicable on the terms contemplated by the merger agreement and otherwise to minimize the effect of such Takeover Statute on the merger and the other transactions contemplated by the merger agreement.

Financing

Cooperation of Station

We have agreed to, and have agreed to cause our subsidiaries to (and to use our reasonable best efforts to cause our and their respective representatives to) provide to Parent all cooperation as may be reasonably requested in writing by Parent with reasonable notice in connection with Parent's financing including:

- participating in meetings, presentations, road shows, due diligence sessions and sessions with rating agencies;
- assisting with the preparation of materials for rating agency presentations, offering documents, private placement memoranda, bank information memoranda, prospectuses, business projections and financial statements (including those required by the SEC) and similar documents required for Parent's financing;
- executing and delivering any pledge and security documents, other definitive financing documents or other certificates, legal opinions or documents, as may be reasonably requested by Parent (including a certificate of our chief financial officer or any subsidiary with respect to solvency matters and consents of accountants for use of their reports in any materials relating to Parent's debt financing), and otherwise reasonably facilitating the pledging of collateral;
- furnishing Parent and its financing sources with such financial and other information regarding Station as may be reasonably requested by Parent, including certain information required in connection with Parent's debt financing and the transactions contemplated by the merger agreement, including all financial statements and data of the type required by Regulation S-X and Regulation S-K under the Securities Act of 1933 (the "Securities Act") and the type customarily included in private placements under Rule 144A of the Securities Act;
- using commercially reasonable efforts to obtain accountants' comfort letters, legal opinions, surveys and title insurance as may be requested by Parent or the lenders under the debt financing commitments;
- using commercially reasonable efforts to provide monthly financial statements (excluding footnotes) within 25 days of the end of each month prior to the closing date of the merger if and in the form proposed by Station;
- taking all actions reasonably necessary to (A) permit the prospective lenders involved in Parent's debt financing to evaluate our current assets, cash management and accounting systems, policies and procedures relating thereto for the purposes of establishing collateral arrangements as of the effective time of the merger and (B) so long as not effective until or after the effective time of the merger, establish bank and other accounts and blocked account agreements and lock box arrangements in connection with Parent's debt financing; and
- taking all corporate actions reasonably necessary to permit the consummation of Parent's debt financing and to permit the proceeds thereof to be made available to us on the closing date of the merger to consummate the merger.

We have also agreed to cause our officers to deliver such customary management representation letters as any audit firm may request in connection with any comfort letters or similar documents required in connection with the debt financing. However, neither we nor any of our subsidiaries, in connection with the financing, will be required to:

- pay any commitment or other similar fee prior to the effective time of the merger that is not advanced or substantially simultaneously reimbursed by Parent; or

- incur any out-of-pocket expense, unless such expense is advanced or substantially simultaneously reimbursed by Parent.

The merger agreement limits our obligation to incur or pay any fees, expenses or liabilities with respect to the debt financing prior to the effective time of the merger, and we are indemnified by Parent against certain losses with respect to the debt financing.

Debt and Equity Financing

Parent has agreed to use its reasonable best efforts to arrange its debt financing on the terms and conditions described in the debt financing commitments as promptly as practicable, including using reasonable best efforts to:

- negotiate definitive agreements with respect to the debt financing on the terms and conditions contained therein or on other terms no less favorable to Parent and Merger Sub; and

- satisfy on a timely basis all conditions applicable to the financing set forth in the definitive financing agreements that are within its control.

In the event that all conditions to the financing commitments (other than with respect to the debt financing and the availability or funding of equity financings) have been satisfied in Parent's good faith judgment, Parent has agreed to use its reasonable best efforts to cause the lenders and other persons providing such financing to fund the debt financing and equity financing required to consummate the merger on the closing date of the merger.

In the event any portion of Parent's debt financing becomes unavailable on the terms and conditions set forth in the debt financing commitments, Parent shall use its best efforts to arrange to obtain alternative financing from alternative sources on terms that are no less favorable, taken as a whole, to Parent and Merger Sub than as contemplated by the debt commitment letters, in an amount sufficient to consummate the merger as promptly as practicable but no later than the last day of the Marketing Period.

Parent shall not agree to any amendments or modifications to or grant any waivers of, any condition or other material provision under the debt or equity financing commitments without our consent that would be likely to cause any material delay in the satisfaction of the conditions to the merger set forth in "—Conditions to the Merger".

Notwithstanding Parent's agreement to arrange its debt financing on the terms and conditions described in the financing commitments, after February 23, 2007, but before the effective time of the merger, one or more debt financing commitments may be superseded by new debt financing commitments, which replace existing debt financing commitments, provided that the terms of the new debt financing commitments shall not:

- impose new or additional conditions or adversely amend the existing conditions to the receipt of the financing in any material respect; or

- be reasonably likely to cause any delay in the commencement of the Marketing Period or the satisfaction of conditions set forth in "—Conditions to the Merger," of the merger agreement.

Existing Indebtedness

If requested by Parent, we agreed to take certain actions with regard to our outstanding publicly traded senior or senior subordinated notes, including effecting a tender offer and related consent solicitation. Our obligations to consummate the tender offer and consent solicitation are subject to the closing of the merger. We agreed to take certain actions with regard to our outstanding (i) 6% senior notes due 2012, (ii) $6\frac{1}{2}$% senior subordinated notes due 2014, (iii) $6\frac{7}{8}$% senior subordinated notes due 2016, (iv) $6\frac{5}{8}$% senior subordinated notes due 2018 and (v) $7\frac{3}{4}$% senior subordinated notes due 2016. Parent shall promptly, upon Station's request, reimburse Station for all reasonable and documented out-of-pocket costs, fees and expenses incurred by or on behalf of Station in connection with the tender offer and consent solicitation in respect of any series of notes. Unless requested by Parent pursuant to the terms of the merger agreement, we do not intend to effect any tender offer or consent solicitation with respect to our outstanding publicly traded senior or senior subordinated notes in connection with the merger.

Vesting of Equity Awards

As promptly as practicable (and in any event within 30 calendar days from the date of the merger agreement) we will take such actions as may be reasonably required to irrevocably amend the terms of our options and restricted shares (the "Equity Awards") to provide that in the event we consummate a Superior Proposal which results in the termination of the merger agreement, any such Equity Awards that are unvested at the date of such consummation (the "Superior Proposal Effective Time") will become fully vested (and in the case of the options, immediately exercisable in full) and all restrictions on such Equity Awards will lapse, in each case at the Superior Proposal Effective Time, provided that:

- such Equity Awards are still outstanding at (and have not terminated prior to) the Superior Proposal Effective Time;
- such Equity Awards have not become fully vested or exercisable prior to the Superior Proposal Effective Time; and
- such amendments will expressly be conditioned upon the consummation of a Superior Proposal that results in the termination of the merger agreement and will be of no effect if such Superior Proposal is not consummated.

Conditions to the Merger

Conditions to Each Party's Obligations

Each party's obligation to consummate the merger is subject to the satisfaction of the following conditions at or prior to the effective time of the merger:

- the merger agreement will have been approved by holders of (1) at least two-thirds of all of the outstanding shares of Station common stock then entitled to vote and (2) a majority of the outstanding shares of Station common stock (other than shares of Station common stock held by Parent, Merger Sub, the Rollover Stockholders or any of their respective affiliates) present, in person or by proxy, and voting at the Special Meeting;
- any applicable waiting period under the HSR Act will have expired or been terminated and all other governmental approvals (including gaming approvals) will have been obtained; and
- no temporary restraining order, preliminary or permanent injunction or other judgment or order issued by any court or agency or other law will be in effect that prohibits, restrains or renders illegal the consummation of the merger.

Conditions to Parent's and Merger Sub's Obligations

The obligation of Parent and Merger Sub to consummate the merger is subject to the satisfaction or waiver by Parent of the following further conditions at or prior to the effective time of the merger:

- our representations and warranties with respect to the shares of our capital stock authorized and outstanding, dividends declared by us, the lack of preemptive rights and stockholder agreements, voting trusts, or other agreements relating to shares of our capital stock, and our lack of bonds, notes, debentures and other indebtedness having the right to vote, are true and correct in all material respects as of the date of the merger agreements and as of the effective time of the merger as if made at and as of such time;
- all of our other representations and warranties are true and correct in all respects as of the date of the merger agreement and as of the closing date of the merger as if made on such date, except where the failure of any such representation and warranty to be so true and correct has not had, and would not be reasonably likely to have, a Material Adverse Effect on Station, provided that representations made as of a specific date are required to be true and correct as of such date only;
- we will have performed in all material respects all obligations that we are required to perform under the merger agreement at or prior to the effective time of the merger; and
- Parent and Merger Sub will have received a certificate signed on behalf of us by a senior officer of ours attesting to the satisfaction of the foregoing conditions relating to representations, warranties and obligations.

Conditions to Station's Obligations

Our obligation to consummate the merger is subject to the satisfaction or waiver of the following further conditions at or prior to the effective time of the merger:

- the representations and warranties made by Parent and Merger Sub in the merger agreement that are qualified as to materiality will be true and correct as of the date of the merger agreement and as of the closing date of the merger as if made as of such date, provided that representations made as of a specific date are required to be true and correct as of such date only;
- the representations and warranties made by Parent and Merger Sub in the merger agreement that are not qualified as to materiality will be true and correct in all material respects as of the date of the merger agreement and as of the closing date of the merger as if made as of such date, provided that representations made as of a specific date are required to be true and correct as of such date only;
- Parent and Merger Sub will have performed in all material respects all obligations that are required to be performed by them under the merger agreement; and
- we will have received a certificate signed on behalf of Parent and Merger Sub by a duly authorized officer, each attesting to the satisfaction of the foregoing conditions relating to representations, warranties and obligations.

Restrictions on Solicitations of Other Offers

The merger agreement provides that during the period beginning on the date of the merger agreement and continuing until 11:59 p.m., Pacific Standard Time on the 30th business day thereafter, or April 6, 2007 (the "No-Shop Period Start Date"), we are permitted to:

- initiate, solicit and encourage, publicly or otherwise, any Company Acquisition Proposal including by way of providing access to non-public information pursuant to one or more confidentiality agreements that are consistent with Station's past practice for transactions involving unaffiliated third-parties; and

· enter into and maintain discussions or negotiations with respect to Company Acquisition Proposals or otherwise cooperate with or assist or participate in, or facilitate, any such inquiries, proposals, discussions or negotiations.

From and after the No-Shop Period Start Date, we have agreed that we, our subsidiaries and representatives will not, subject to certain exceptions discussed below:

· initiate, solicit or knowingly encourage (including by way of providing information) the submission of any inquiries, proposals or offers that constitute or may reasonably be expected to lead to any Company Acquisition Proposal or engage in any discussions or negotiations with respect thereto or otherwise cooperate with or assist or participate in, or knowingly facilitate any such inquiries, proposals, discussions or negotiations; or

· approve or recommend, or publicly propose to approve or recommend, any Company Acquisition Proposal or enter into any merger agreement, letter of intent, agreement in principle, share purchase agreement, asset purchase agreement or share exchange agreement, option agreement or other similar agreement providing for or relating to a Company Acquisition Proposal or enter into any agreement or agreement in principle requiring us to abandon, terminate or fail to consummate the transactions contemplated by the merger agreement or breach our obligations thereunder or propose or agree to do any of the foregoing.

Prior to terminating the merger agreement or entering into an agreement with respect to any such Company Acquisition Proposal, we are required to comply with certain terms of the merger agreement described under "The Merger Agreement—Recommendation Withdrawal/Termination in Connection with a Superior Proposal."

Notwithstanding the foregoing, under certain circumstances, our board of directors (acting through the special committee if it still exists) may respond to a bona fide unsolicited Company Acquisition Proposal or terminate the merger agreement and enter into an acquisition agreement with respect to a Superior Proposal, so long as we comply with certain terms of the merger agreement described under "The Merger Agreement—Recommendation Withdrawal/Termination in Connection with a Superior Proposal."

In addition, on the No-Shop Period Start Date we have agreed to immediately cease and cause to be terminated any solicitation, encouragement, discussion or negotiation with any persons previously conducted by us, our subsidiaries or our representatives with respect to a Company Acquisition Proposal and to use reasonable best efforts to cause to require the other parties thereto to promptly return or destroy all confidential information previously provided by us, any of our subsidiaries or our respective representatives except with respect to any Company Acquisition Proposal received prior to the No-Shop Period Start Date which constitutes a Superior Proposal or would reasonably be expected to constitute a Superior Proposal.

Notwithstanding the aforementioned restrictions, if at any time on and following the No-Shop Period Start Date and prior to the approval of the merger agreement by our stockholders (i) we have otherwise complied in all material respects with our covenants under the merger agreement relating to solicitations, as described in "—Restrictions on Solicitation of Other Offers" and we have received a written Company Acquisition Proposal from a third party (including a Company Acquisition Proposal prior to the No-Shop Start Period from an Excluded Party) that our board of directors (acting through the special committee if it still exists) believes in good faith to be bona fide and (ii) our board of directors (acting through the special committee if it still exists, or otherwise by resolution of a majority of its disinterested directors) determines in good faith, after consultation with its independent financial advisors and outside counsel, that such

Company Acquisition Proposal constitutes or could reasonably be expected to result in a Superior Proposal, then we may:

- furnish information with respect to Station and our subsidiaries to the person making such Company Acquisition Proposal; and
- participate in discussions or negotiations with the person making such Company Acquisition Proposal regarding such Company Acquisition Proposal.

In such cases, we will not, and will not allow our representatives to, disclose any non-public information to such person without first entering into a confidentiality agreement that is consistent with Station's past practice for transactions involving unaffiliated third-parties. Also, following the No-Shop Period Start Date, we will promptly, within one business day, notify Parent and Merger Sub if we receive a Company Acquisition Proposal from an Excluded Party or a person or group of related persons (other than an Excluded Party), which notice will include the material terms and conditions of the Company Acquisition Proposal and the identity of the party (other than an Excluded Party) making such proposal or inquiry. We will keep Parent and Merger Sub reasonably apprised as to the status and any material developments, discussions and negotiations concerning the same. Notwithstanding the foregoing, prior to obtaining the Requisite Stockholder Vote, we will in any event be permitted to furnish information with respect to Station and our subsidiaries to any Excluded Party and participate in discussions or negotiations with any Excluded Party regarding such person's Company Acquisition Proposal.

A "Company Acquisition Proposal" means any inquiry, proposal or offer from any person or group of persons other than Parent, Merger Sub or their respective affiliates relating to any direct or indirect acquisition or purchase (whether in a single transaction or a series of transactions) of a business or businesses that constitutes 30% or more of the cash flow, net revenues, net income or assets of Station and its subsidiaries, taken as a whole, or 30% or more of any class or series of equity securities of Station, any tender offer or exchange offer that if consummated would result in any person or group of persons beneficially owning 30% or more of any class or series of equity securities of Station, or any merger, reorganization, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving Station (or any subsidiary or subsidiaries of Station whose business or businesses constitute(s) 30% or more of the cash flow, net revenues, net income or assets of Station and its subsidiaries, taken as a whole).

A "Superior Proposal" means a Company Acquisition Proposal (except the references therein to "30%" shall be replaced by "50%"), which was not obtained in violation of the merger agreement provisions relating to solicitations, Company Acquisition Proposals and board recommended changes, and which Station's board of directors (acting through the special committee if it still exists, or otherwise by resolution of a majority of its disinterested directors) in good faith determines, would, if consummated, result in a transaction that is more favorable from a financial point of view to the stockholders of Station (in their capacities as stockholders) (other than the Rollover Stockholders) than the transactions contemplated hereby (x) after consultation with its financial advisor, (y) after taking into account the likelihood of consummation of such transaction on the terms set forth therein (as compared to the terms herein), including, without limitation, the relative likelihood of obtaining the Requisite Stockholder Vote, and (z) after taking into account all appropriate legal, financial, regulatory or other aspects of such proposal, including without limitation, the identity of the third party making such proposal and the terms of any written proposal by Parent to amend or modify the terms of the merger and the other transactions contemplated by the merger agreement.

An "Excluded Party" means the person making a Company Acquisition Proposal received prior to the No-Shop Period Start Date which constitutes a Superior Proposal or could reasonably be expected to result in a Superior Proposal; provided, that any Excluded Party shall cease to be an Excluded Party at such time as a Company Acquisition Proposal made by such party fails to constitute a Superior Proposal and could not reasonably be expected to result in a Superior Proposal.

Recommendation Withdrawal/Termination in Connection with a Superior Proposal

The merger agreement requires us to take all action necessary to duly call, give notice of, convene and hold a meeting of our stockholders for the purpose of obtaining the approval of the merger agreement as promptly as reasonably practical after the SEC confirms that it has no further comments on our proxy statement and Schedule 13E-3. We also agreed to use commercially reasonable efforts to solicit the approval of the merger agreement by our stockholders and have agreed to include in our proxy statement the recommendation of the board of directors that our stockholders approve the merger agreement. In this regard, our board of directors has unanimously resolved (with Frank J. Fertitta III and Lorenzo J. Fertitta taking no part in the vote) to recommend that our stockholders approve the merger agreement.

However, our board of directors (acting through the special committee if it still exists, or otherwise by resolution of a majority of its disinterested directors) may, at any time prior to the approval of the merger agreement by our stockholders, withdraw or modify, in a manner adverse to Parent or Merger Sub, or take any action or make any other public statement inconsistent with its recommendation that our stockholders approve the merger agreement if we receive a Company Acquisition Proposal that our board of directors (acting through the special committee if it still exists, or otherwise by resolution of a majority of its disinterested directors) concludes in good faith constitutes a Superior Proposal and determines in good faith, after consultation with outside counsel, that failure to take such action would be inconsistent with the fiduciary duties of our board of directors under applicable law.

To the extent our board of directors proposes to take the foregoing actions, it may only do so if:

- we give written notice to Parent of our determination that the Company Acquisition Proposal constitutes a Superior Proposal; and
- at least three business days following the receipt by Parent of such notice, our board of directors determines that such Superior Proposal remains a Superior Proposal.

Termination of the Merger Agreement

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after stockholder approval has been obtained:

- by mutual written consent of Station (acting on the direction of the special committee) and Parent and Merger Sub; or
- by either Station (with the prior approval of the special committee) or Parent if:
  - the effective time shall not have occurred on or before February 23, 2008 (the “End Date”), unless the failure of the party seeking to exercise such termination right to perform its obligation, under the merger agreement has been the principal cause of the failure of the merger to be consummated by such time. Such “End Date” shall be automatically extended until May 23, 2008 if all of the conditions to the consummation of the merger were or were capable of being satisfied other than relating to a gaming approval and Parent provides written notice of such extension prior to February 23, 2008;
  - a temporary restraining order, preliminary or permanent injunction or other judgment, order or law prohibits, restrains or renders illegal the consummation of the merger and such legal restraint has become final and non-appealable, provided that such right to terminate the merger agreement shall not be available to any party whose breach of any provision of the merger agreement has been the principal cause of or resulted in the application or imposition of such restraint; or

- our stockholders, at the Special Meeting or at any adjournment or postponement thereof at which the merger agreement was voted on, fail to approve the merger agreement by the Requisite Stockholder Vote; or

- by Station (with the prior approval of the special committee) if:
  - a breach of or failure to perform any representation, warranty, covenant or agreement on the part of Parent or Merger Sub set forth in the merger agreement shall have occurred and such breach or failure to perform would result in a failure of a condition to Station's obligation to consummate the merger and cannot be cured within 60 calendar days following notice to Parent; provided that we are not then in material breach of the merger agreement;
  - prior to obtaining the Requisite Stockholder Vote, we receive a Company Acquisition Proposal and our board of directors (acting through the special committee if it still exists, or otherwise by resolution of a majority of its disinterested directors) has concluded in good faith that such proposal constitutes a Superior Proposal; however we may not terminate the merger agreement pursuant to the foregoing unless:
    - we have complied in all material respects with the conditions described in "—Restrictions on Solicitation of Other Offers;"
    - we pay the termination fee in compliance with the requirements of described in "—Termination Fees and Expenses;" and
    - our board of directors concurrently approves and we concurrently enter into a definitive agreement with respect to such Superior Proposal; or

- by Parent or Merger Sub if:
  - a breach of or failure to perform any representation, warranty, covenant or agreement on our part set forth in the merger agreement shall have occurred and such breach or failure to perform would result in a failure of a condition of Parent's or Merger Sub's obligation to consummate the merger and cannot be cured within 60 calendar days following notice of such breach to us; provided that Parent or Merger Sub is not in material breach of the merger agreement;
  - our board of directors or any committee thereof withdraws or modifies in a manner adverse to Parent or Merger Sub its recommendation that our stockholders approve the merger agreement, or publicly proposes to take such action;
  - our board of directors or any committee thereof shall have approved or recommended to our stockholders a Company Acquisition Proposal other than the merger, or shall have resolved to take such action; or
  - we willfully breach our covenants under the merger agreement relating to solicitations, Company Acquisition Proposals and board recommendation changes in any manner materially adverse to Parent and Merger Sub, as described in "—Restrictions on Solicitation of Other Offers" and "—Recommendation Withdrawal/Termination in Connection with a Superior Proposal."

Termination Fees and Expenses

Payable by Station

We have agreed to reimburse Parent's and Merger Sub's reasonable out-of-pocket fees and expenses incurred by them or their affiliates in connection with the merger agreement, up to $40 million in the aggregate, (x) if the merger agreement is terminated by us or Parent because at our stockholders' meeting or any adjournment thereof at which the merger agreement has been voted upon, (i) our stockholders fail to approve the merger agreement by the Majority-Minority Vote and the termination fee is not otherwise payable under the merger agreement or (y) if Parent terminates the merger agreement because of a breach of any representation, warranty, covenant or agreement by us, which would cause the conditions to the obligations of Parent and Merger Sub not to be satisfied and such breach is not cured within 60 calendar days following notice of such breach to us. If we become obligated to pay a termination fee under the merger agreement after payment of such expenses, the amount previously paid to Parent as an expense reimbursement will be credited toward the termination fee amount payable by us.

We must pay a termination fee of $160 million to Parent, as promptly as possible (but in any event within four business days) under the following conditions:

- we terminate the merger agreement because, prior to obtaining the Requisite Stockholder Vote, we receive a Company Acquisition Proposal and our board of directors (acting through the special committee if it still exists, or otherwise by resolution of a majority of its disinterested directors) has concluded in good faith that such proposal constitutes a Superior Proposal (except that if the Company Acquisition Proposal is received prior to the No-Shop Period Start Date, the termination fee shall be $106 million),
- Parent terminates the merger agreement because our board of directors approved or recommended to our stockholders to adopt a Company Acquisition Proposal other than the merger contemplated by this merger agreement or we willfully breach our covenants under the merger agreement relating to solicitations, Company Acquisition Proposals and board recommendation changes in any manner materially adverse to Parent and Merger Sub, as described in "—Restrictions on Solicitation of Other Offers" and "—Recommendation Withdrawal/Termination in Connection with a Superior Proposal";
- Parent terminates the merger agreement because our board of directors withdrew, modified or publicly proposed to do so in a manner adverse to Parent and Merger Sub its recommendation that our stockholders approve the merger agreement, and prior to such withdrawal, a Company Acquisition Proposal had been publicly announced or otherwise communicated or made known to the special committee, or any person had publicly announced or communicated or made known a bona fide intention, whether or not conditional, to make a Company Acquisition Proposal; or
- we or Parent terminate the merger agreement because our stockholders fail to approve the merger agreement by the Requisite Stockholder Vote, and (a) prior to the Special Meeting a Company Acquisition Proposal had been publicly announced or otherwise communicated or made known to the special committee, or any person had publicly announced or communicated or made known a bona fide intention, whether or not conditional, to make a Company Acquisition Proposal, (b) such Company Acquisition Proposal is not withdrawn or terminated prior to the Special Meeting, and (c) within twelve (12) months after such termination, we or any of our subsidiaries enter into a definitive agreement with respect to, or consummate, any Company Acquisition Proposal (whether or not the same as that originally announced) (provided that for purposes of this provision only, references in the definition of "Company Acquisition Proposal" to "30%" shall be replaced with "50%").

Payable by Parent

Parent must pay us a reverse termination fee of $160 million as promptly as possible (but in any event within four business days) if we terminate the merger agreement due to a breach of Parent's or Merger Sub's representations, warranties, covenants or agreements, including failure to deposit with the disbursing agent sufficient funds to make all payments pursuant to the merger agreement.

In the alternative, Parent must pay us a regulatory termination fee of $106 million as promptly as possible (but in any event within four business days) if we (with the prior approval of the special committee) or Parent terminate the merger agreement because the merger is not consummated by the End Date, and

- Parent and Merger Sub have not obtained all of the gaming approvals required under the merger agreement (which failure was not meaningfully contributed to by us);
- all other conditions to closing pursuant to the merger agreement have been satisfied (or are capable of being satisfied at the closing of the merger); and
- we are not in material breach of the merger agreement.

With respect to the regulatory breakup fee, the disclosure of objective facts (and not opinions or any other subjective statements) by us as required by applicable law or the rules or regulations of any applicable United States securities exchange or governmental entity to which we are subject that is not made for the purposes of triggering the regulatory breakup fee will not, in and of themselves, constitute a meaningful contribution by us as referenced above.

Notices of Certain Events

Station, Parent and Merger Sub agreed to use reasonable efforts to promptly notify the other parties of:

- the occurrence or nonoccurrence of any event the occurrence or nonoccurrence of which would reasonably be expected to cause any representation or warranty of such party contained in the merger agreement to be untrue or inaccurate in any material respect;
- any failure of Station, Parent or Merger Sub, as the case may be, to comply with or satisfy, or the occurrence or nonoccurrence of any event, the occurrence or nonoccurrence of which would reasonably be expected to cause the failure by such party to comply with or satisfy, any covenant, condition or agreement to be complied with or satisfied by it under the merger agreement in any material respect;
- the receipt by such party or any notice or other communication from any person alleging that the consent of such person, which consent is or could reasonably be expected to be material to Station and its subsidiaries or the operation of their businesses, is or may be required in connection with the transactions contemplated by the merger agreement;
- the receipt by such party of any material notice or other communication from any governmental authority in connection with the transactions contemplated by the merger agreement; and
- its learning of any actions, suits, claims, investigations or proceedings commenced against, or affecting such party that, if they were pending on the date of the merger agreement, would have been required to be disclosed pursuant to the merger agreement or which relate to the consummation of the transactions contemplated by the merger agreement.

Indemnification and Insurance

The merger agreement provides that all rights to indemnification, exculpation and advancement existing in favor of our current or former directors, officers, employees and agents as provided in our and our subsidiaries' organizational documents, or in any indemnification agreement or arrangement as in effect as of the date of the merger agreement, with respect to matters occurring prior to or at the effective time of the merger will survive the consummation of the merger and will continue in full force and effect from and after the closing of the merger.

After the consummation of the merger, Station will, pursuant to the merger agreement, comply with all of its existing obligations to indemnify and hold harmless present and former officers and directors against certain liabilities. Parent has agreed to provide or cause the surviving corporation to provide a "tail" directors' and officers' insurance policy with a claims period of at least six years after the effective time with coverage in an amount equal to at least 150% of the directors' and officers' coverage maintained by Station as of the date of the merger agreement. Station has further agreed to use commercially reasonable efforts to increase the amount of such insurance coverage to 300% of the amount of Station's current policies.

Employee Benefits

Without limiting any additional rights that any employee employed by us or any of our subsidiaries may have under any benefit plan, employment agreement or collective bargaining agreement, Parent has agreed to cause the surviving corporation and each of its subsidiaries, for a period of one year following the effective time of the merger, to maintain for the benefit of each employee of Station and its subsidiaries employed immediately prior to the effective time (i) base salary or hourly wage rate, target cash bonus opportunities under annual programs and commissions, but excluding equity and equity equivalents (collectively, "Compensation"), that in the aggregate is no less favorable than, and (ii) welfare benefits that in the aggregate are no less favorable than, the Compensation and benefits maintained and provided to such employee immediately prior to the effective date of the merger. Subject to such obligations, nothing will (A) prevent the amendment, termination of any of the benefit plans in accordance with their respective terms, or (B) interfere with the surviving corporation's right or obligation to make such changes as are necessary to conform with applicable law.

Parent has agreed to cause the surviving corporation to give full credit for purposes of eligibility to such employees with us prior to the consummation of the merger for purposes of eligibility and vesting (but not for benefits accrual purposes, except for purposes of vacation and severance) under any benefit plan and any other employee compensation and incentive plans, benefit (including vacation) plans, programs, policies and arrangements, in each case maintained for the benefit of employees as of and after the effective date of the merger by Parent, its subsidiaries or the surviving corporation (each a "Parent Plan") for such employee's service prior the effective date of the merger with us and our subsidiaries. With respect to each Parent Plan that is a "welfare benefit plan" (as defined in Section 3(1) of ERISA), Parent or its subsidiaries will (i) cause there to be waived any pre-existing condition or eligibility limitations or exclusions and actively-at-work requirements with respect to the employees and their eligible dependents and (ii) give effect, for the year in which the closing of the merger occurs, for purposes of satisfying any deductible and maximum out-of-pocket limitations, to claims incurred and amounts paid by, and amounts reimbursed to employees and their eligible dependents under similar plans maintained by us and our subsidiaries in which such employees and their eligible dependents participated immediately prior to the effective time of the merger.

From and after the effective time of the merger, Parent will cause the surviving corporation and all of their subsidiaries to assume and honor, in accordance with their respective terms:

- each existing employment, change in control, severance and termination plan, policy or agreement of or between Station and any of its subsidiaries, on the one hand, and any officer, director or employee of that company, on the other hand;
- each equity-based plan, program or agreement and each bonus plan, program or agreement; and
- all obligations pursuant to existing benefit restoration plans, equity-based plans, programs or agreements, bonus plans, programs or agreements, bonus deferral plans, vested and accrued benefits under any employee benefit plan, program or arrangement of Station or our subsidiaries

and similar employment compensation and benefit arrangements and agreements in effect as of the effective date of the merger.

Amendment and Waiver

The parties may amend the merger agreement at any time, except that after our stockholders have approved the merger agreement, there shall be no amendment that, under applicable law, requires the further approval of our stockholders without such further approval. All amendments to the merger agreement shall be in writing signed by us, Parent and Merger Sub.

At any time before the consummation of the merger, each of the parties to the merger agreement may, by written instrument:

- extend the time for the performance of any obligations or other acts of the other parties;
- waive any inaccuracies in the representations and warranties of the other parties contained in the merger agreement or in any document delivered pursuant to the merger agreement; or
- subject to the requirements of any applicable laws, waive compliance with any of the agreements or conditions contained in the merger agreement.

Specific Performance

Parent and Merger Sub are entitled to seek specific performance of the terms of the merger agreement prior to the valid termination of the merger agreement, but we are only entitled to seek specific performance to require Parent and Merger Sub to cause the equity financing to be funded if:

- all of the conditions to effect the merger described above under "Conditions to the Merger—Conditions to Each Party's Obligations" and "—Conditions to Parent's and Merger Sub's Obligations" are satisfied (or are capable of being satisfied at the closing of the merger);
- the funds contemplated by the debt financing are available; and
- we are not in material breach of the merger agreement.

Remedies

Parent's and Merger Sub's right to terminate the merger agreement and receive, as applicable, the payment of the termination fee and other amounts payable are the sole and exclusive remedy of Parent and Merger Sub against Station and its subsidiaries and any of their respective affiliates, stockholders, partners, members, directors, officers or agents.

Our right to terminate the merger agreement and receive payment, as applicable, of the reverse termination fee or the regulatory termination fee and other amounts payable are our sole and exclusive remedy against Parent, Merger Sub and any of their respective affiliates, stockholders, partners, members, directors, officers or agents.

OTHER MATTERS

Other Matters for Action at the Special Meeting

As of the date of this proxy statement, our board of directors knows of no matters that will be presented for consideration at the Special Meeting other than as described in this proxy statement.

Future Stockholder Proposals

If the Requisite Stockholder Vote is obtained at the Special Meeting, we do not expect to hold a 2007 Annual Meeting of stockholders. If the merger is consummated, we will not have public stockholders and there will be no public participation in any future meeting of stockholders.

Householding of Special Meeting Materials

Some banks, brokers and other nominee recordholders may be participating in the practice of "householding" proxy statements and annual reports. This means that only one copy of this notice and proxy statement may have been sent to multiple stockholders in your household, unless Station has received contrary instructions from any such stockholders. If you would prefer to receive separate copies of a proxy statement or annual report either now or in the future, please contact your bank, broker or other nominee. Upon written or oral request to our office of Financial Services at 2411 West Sahara Avenue, Las Vegas, Nevada 89102, (702) 797-7040, we will promptly deliver a separate copy of the annual reports and proxy statements, as applicable, to any stockholder at a shared address to which a single copy of documents was delivered. In addition, stockholders sharing an address can request delivery of a single copy of annual reports or proxy statements, as applicable, if you are receiving multiple copies upon written or oral request to our office of Financial Services at the address and telephone number stated above.

OTHER IMPORTANT INFORMATION REGARDING STATION

Directors and Executive Officers of Station

The following persons are the directors and executive officers of Station as of the date of this proxy statement. Station's Articles of Incorporation and Bylaws require that the number of directors on the board of directors be not less that three nor more than fifteen. Currently, the board of directors has fixed the number of directors at six. The directors are evenly divided into three classes. Class I consists of Lowell H. Lebermann, Jr. and Robert E. Lewis whose terms expire in 2009. Class II consists of Lorenzo J. Fertitta and James E. Nave D.V.M. whose terms expire in 2007. Class III consists of Frank J. Fertitta III and Lee S. Isgur whose terms expire in 2008. All directors hold their positions until their terms expire and until their respective successors are elected and qualified. Executive officers are elected by and serve at the discretion of the board of directors.

None of these persons has been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors), and none of these persons has been a party to any judicial or administrative proceeding during the past five years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws or a finding of any violation of federal or state securities laws. All of the directors and executive officers of Station are citizens of the United States. All of the directors and executive officers can be reached c/o Station Casinos, Inc., 2411 West Sahara Avenue, Las Vegas, Nevada 89102; (702) 797-7040.

The merger agreement provides that Frank J. Fertitta III, Lorenzo J. Fertitta, and Thomas J. Barrack, Jr. (and such other persons as may be designated by Parent) are expected to be directors of the surviving corporation following the merger. The merger agreement provides that the officers of Station immediately prior to the closing of the merger will be the initial officers of the surviving corporation (unless determined otherwise by Parent).

The following table sets forth the directors and executive officers of Station as of the date of this proxy statement and provides their respective ages and positions with Station.

Name	Age	Position
Frank J. Fertitta III(*)	45	Chairman of the Board and Chief Executive Officer
Lorenzo J. Fertitta(*)	38	Vice Chairman of the Board and President
Thomas M. Friel	44	Executive Vice President, Chief Accounting Officer and Treasurer
William W. Warner	42	Executive Vice President and Chief Operating Officer
Scott M Nielson	49	Executive Vice President and Chief Development Officer
Richard J. Haskins	43	Executive Vice President, General Counsel and Secretary
Lee S. Isgur	69	Director
Lowell H. Lebermann, Jr.	68	Director
Robert E. Lewis	61	Director
James E. Nave, D.V.M.	62	Director

(*) Frank J. Fertitta III and Lorenzo J. Fertitta are brothers.

Set forth below is a description of the backgrounds, including business experience, for each of Station's directors and executive officers.

Frank J. Fertitta III. Frank J. Fertitta III has served as Chairman of the Board of Station since February 1993 and Chief Executive Officer since July 1992. Frank J. Fertitta III also served as President of Station from 1989 until July 2000. He has held senior management positions since 1985, when he was named General Manager of Palace Station. He was elected a director of Station in 1986, at which time he was also appointed Executive Vice President and Chief Operating Officer.

Lorenzo J. Fertitta. Lorenzo J. Fertitta was appointed Vice Chairman of the Board of Station in December 2003. Lorenzo J. Fertitta has served as President of Station since July 2000 and has served as a director since 1991. From 1991 to 1993, he served as Vice President of Station. Lorenzo J. Fertitta served as President and Chief Executive Officer of Fertitta Enterprises, Inc. from June 1993 to July 2000, where he was responsible for managing an investment portfolio consisting of marketable securities and real property. Lorenzo J. Fertitta currently serves as the first President of the Nevada Resort Association and a member of its Board of Directors and serves as a director of the American Gaming Association. Lorenzo J. Fertitta served as a commissioner on the Nevada State Athletic Commission from November 1996 until July 2000.

Thomas M. Friel. Mr. Friel was appointed Executive Vice President, Chief Accounting Officer and Treasurer in March 2007. He served as Vice President of Finance and Corporate Controller from July 1999 to March 2007. Mr. Friel is a Certified Public Accountant. He is a member of the Board of Directors of Big Brothers and Big Sisters of Southern Nevada.

William W. Warner. Mr. Warner was appointed Chief Operating Officer of Station in July 2004 and has been an Executive Vice President of Station since March 2002. He served as Chief Development Officer from March 2002 to July 2004, Vice President of Finance of Station from January 1996 to March 2002 and Director of Finance from August 1993 to January 1996.

Scott M Nielson. Mr. Nielson was appointed Chief Development Officer of Station in July 2004 and has been an Executive Vice President of Station since June 1994. He served as Chief Legal Officer from March 2002 to July 2004 and General Counsel from 1991 to March 2002. In 1992, he was appointed Secretary of Station and served in that position until July 2004. From 1991 through June 1994, he served as Vice President of Station. From 1986 to 1991, Mr. Nielson was in private legal practice as a partner in the Las Vegas firm of Schreck, Jones, Bernhard, Woloson & Godfrey (now Brownstein Hyatt Farber Schreck, P.C.), where he specialized in gaming law and land use planning and zoning. Mr. Nielson is a member of the American Bar Association, the Nevada Bar Association and the International Association of Gaming Attorneys.

Richard J. Haskins. Mr. Haskins was appointed Executive Vice President and Secretary of Station in July 2004 and has served as General Counsel of Station since April 2002. He previously served as Assistant Secretary from September 2003 to July 2004, as Vice President and Associate General Counsel from November 1998 to March 2002 and as General Counsel of Midwest Operations from November 1995 to October 1998. From 1990 to October 1995, Mr. Haskins was in private legal practice, most recently as a partner in the Kansas City, Missouri law firm of Rose Brouillette & Shapiro P.C. Mr. Haskins is a member of the American Bar Association, Kansas Bar Association, Missouri Bar Association and Nevada Bar Association.

Lee S. Isgur. Mr. Isgur has served as a director of Station since December 2003 and serves on the Audit and Governance and Compensation Committees. Mr. Isgur has been the Managing Partner of Corporate Counselors, a research and investment banking consulting firm, since 1997 and has served on the Board of Directors of eDiets since 1999, where he serves as chair of the Audit Committee and as a member of the Governance and Compensation committees. From 1994 to 1997, Mr. Isgur was a Managing Director of Jefferies & Company, an investment banking firm. Prior to that, he was a partner at Volpe Welty & Company, a research and investment banking firm.

Lowell H. Lebermann, Jr. Mr. Lebermann has served as a director of Station since October 1993 and is Chairman of the Governance and Compensation Committee and serves on the Audit Committee. He is Chairman of Centex Beverage, Inc., a wholesale distributor of Miller beer and imported beverages. He is a director of Patton Medical, Inc. and DoggettData, Inc., of Austin, Texas. Mr. Lebermann is a former director of Valero Energy Corporation, San Antonio and of Franklin Federal Bancorp, Austin (acquired by Norwest) and a founding member of the Board of Directors of the Texas Workers' Compensation Fund.

From 1993 to 1999, he was a member of the Board of Regents of The University of Texas System and was a Council Member on the Austin City Council from 1971 to 1977.

Robert E. Lewis. Mr. Lewis has served as a director of Station since May 2004 and serves on the Audit and Governance and Compensation Committees. Mr. Lewis has served as president of the Nevada Division of Lewis Operating Corp. since December 1999. Mr. Lewis became the president of the Nevada Region of Kaufman and Broad Home Corporation upon the merger of Lewis Homes Management Corp. and Kaufman and Broad Home Corporation in January 1999. He served in that capacity until December 1999. Prior to the merger, Mr. Lewis ran the Nevada operations of the Lewis Homes group of companies and its affiliates for 25 years. He has served as a director for the National Association of Home Builders and as a director and President of the Southern Nevada Home Builders Association. Mr. Lewis is also on the Executive Committee and served as Secretary and Legislative Chairman for the Nevada Development Authority, he is a Past Chairman of the Las Vegas District Council of the Urban Land Institute and served on the Clark County Community Growth Task Force.

James E. Nave, D.V.M. Dr. Nave has served as a director of Station since March 2001 and is Chairman of the Audit Committee and serves on the Governance and Compensation Committee. Dr. Nave has been an owner of the Tropicana Animal Hospital since 1974 and has been the owner and manager of multiple veterinary hospitals since 1976. Dr. Nave has also served on the Board of Directors of Bank West of Nevada since 1994, where he also serves as Chairman of the Site Committee. Dr. Nave has served on the Board of Directors of Western Alliance Bancorporation since 2003, where he also serves as a member of the Audit and Compensation Committees. Dr. Nave is also the Globalization Liaison Agent for Education and Licensing for the American Veterinary Medical Association and is Chairperson of the National Commission for Veterinary Economics Issues. In addition, Dr. Nave is a member and past President of the Nevada Veterinary Medical Association, the Western Veterinary Conference and the American Veterinary Medical Association. He is also a member of the Clark County Veterinary Medical Association, the National Academy of Practitioners, the American Animal Hospital Association and the Executive Board of the World Veterinary Association. Dr. Nave was a member of the University of Missouri, College of Veterinary Medicine Development Committee from 1984 to 1992. He was also a member of the Nevada State Athletic Commission from 1988 to 1999 and served as its chairman from 1989 to 1992 and from 1994 to 1996.

Selected Historical Consolidated Financial Data

The following table sets forth our historical selected financial data for the fiscal years ended December 31, 2002, 2003, 2004, 2005 and 2006 and for the three months ended March 31, 2006 and 2007. This financial data has been derived from, and should be read in conjunction with, our audited consolidated financial statements, the related notes and selected financial information filed as part of our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, as amended and the unaudited condensed consolidated financial statements and the related notes filed as part of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2007. More comprehensive financial information is included in such report, including management's discussion and analysis of financial condition and results of operations, and other documents filed by Station with the SEC, and the following summary is qualified in its entirety by reference to such reports and other documents and all of the financial information and notes contained in those documents. See "Where You Can Find More Information." Financial data for the three-month periods ended March 31, 2007 and March 31, 2006 are undaudited and, in the opinion of management, include all adjustments necessary for a fair presentation of the data. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the entire year.

	For the years ended December 31,					For the three months ended March 31,	
	2006(a)	2005	2004(b)	2003(c)	2002	2007	2006
	(amounts in thousands, except per share data)						
Operating Results:							
Net revenues	$1,339,024	$1,108,833	$ 986,742	$ 858,089	$ 792,865	$ 372,438	$ 292,470
Operating costs and expenses, excluding the following items:	983,339	772,927	721,957	655,844	638,164	277,419	196,614
Development(d)	9,036	8,747	10,683	4,306	—	2,259	2,132
Preopening(e)	29,461	6,560	848	—	—	4	14,122
Lease terminations(f)	1,053	14,654	—	—	—	—	500
Impairment loss(g)	—	—	—	18,868	8,791	—	—
Litigation settlement(h)	—	—	—	38,000	—	—	—
Operating income	316,135	305,945	253,254	141,071	145,910	92,756	79,102
Earnings from joint ventures	41,861	38,885	26,524	20,604	11,293	11,516	11,923
Operating income and earnings from joint ventures from joint ventures	357,996	344,830	279,778	161,675	157,203	104,272	91,025
Loss on early retirement of debt(i)	—	(1,278)	(93,265)	—	(5,808)	—	—
Interest expense, net	(178,544)	(87,325)	(81,284)	(93,498)	(101,639)	(62,428)	(25,384)
Income before income taxes and cumulative effect of change in accounting principle	179,452	256,227	105,229	68,177	49,756	41,844	65,641
Income tax provision	(69,240)	(94,341)	(38,879)	(23,834)	(18,508)	(18,794)	(24,519)
Cumulative effect of change in accounting principle(j)	—	—	—	—	(13,316)	—	—
Net income	$ 110,212	$ 161,886	$ 66,350	$ 44,343	$ 17,932	$ 23,050	$ 41,122
Basic earning per common share	$ 1.90	$ 2.46	$ 1.03	$ 0.76	$ 0.31	$ 0.42	$ 0.64
Diluted earnings per common share	$ 1.85	$ 2.40	$ 1.00	$ 0.72	$ 0.30	$ 0.41	$ 0.62
Dividends paid per common share	$ 1.08	$ 0.92	$ 0.69	$ 0.25	$ —	$ 0.29	$ 0.25
Balance Sheet Data:							
Total assets	$3,716,696	$2,929,043	$2,045,584	$1,745,972	$1,598,347	$3,694,061	$3,192,292
Long-term debt	3,468,828	1,944,328	1,338,213	1,168,957	1,165,722	3,399,074	2,383,685
Stockholders' (deficit) equity	(186,858)	630,814	488,921	339,939	270,678	(178,378)	400,322

(a) On April 18, 2006, we opened Red Rock.

(b) On August 2, 2004, we purchased Magic Star and Gold Rush.

(c) On January 27, 2003, we purchased Wildfire. We opened Thunder Valley on June 9, 2003, which we manage on behalf of the UAIC (see Note 6 to the Consolidated Financial Statements in Station's Annual Report on Form 10-K for the year ended December 31, 2006, as amended).

(d) During the last half of 2003, we increased our development resources in an effort to identify potential gaming opportunities. Development expenses include costs to identify potential gaming opportunities, the internal costs incurred to bring the Native American projects currently under contract to fruition and other development opportunities, which include payroll, travel and legal expenses. Also included in development expense for 2004 is a $2.0 million non-reimbursable milestone payment related to the Gun Lake project in Michigan. During 2003, $2.0 million of costs related to the Graton Rancheria project were expensed after achieving certain milestones on the project and are also not reimbursable (see Note 9 to the Consolidated Financial Statements in Station's Annual Report on Form 10-K for the year ended December 31, 2006, as amended).

(e) Preopening expenses for the years ended December 31, 2006, 2005 and 2004 include costs primarily related to the opening of Red Rock.

(f) During the year ended December 31, 2006 and 2005, we recorded lease terminations primarily related to land adjacent to the current Wild Wild West property.

(g) During the year ended December 31, 2003, we recorded an impairment loss of approximately $18.9 million, of which approximately $17.5 million was related to the impairment of goodwill at Fiesta Rancho as a result of reduced growth assumptions. In addition, approximately $1.4 million of the impairment loss in 2003 was primarily related to the write off of our investment in the development of a new slot product. During the year ended December 31, 2002, we recorded an impairment loss of approximately $8.8 million, of which approximately $3.9 million was related to the write-down of certain assets related to our investment in an Internet, intra-state gaming platform and related technology and approximately $4.9 million, which was related to the write-off of our option to invest in the Internet wagering business with Kerzner Interactive.

(h) On February 9, 2004, we entered into an agreement to settle a lawsuit that centered on allegations of improper conduct by our former Missouri legal counsel for $38 million.

(i) During the year ended December 31, 2005, we redeemed the remaining $16.9 million of outstanding 8 3⁄8% senior notes due 2008 and $17.4 million of outstanding 9 7⁄8% senior subordinated notes due 2010. During the year ended December 31, 2004, we completed tender offers and consent solicitations for approximately $940.6 million of our senior and senior subordinated notes outstanding. During the year ended December 31, 2002, we redeemed our $150 million 9 3⁄4% senior subordinated notes.

(j) The Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") 142, "Goodwill and Other Intangible Assets", in June 2001. SFAS 142 changed the accounting for goodwill from an amortization method to an impairment-only approach. Amortization of goodwill, including goodwill recorded in past business combinations, ceased upon the adoption of SFAS 142. We implemented SFAS 142 on January 1, 2002 and tested for impairment in accordance with the provisions of SFAS 142 in the first quarter of 2002. As a result of an independent third party appraisal, we recorded an impairment loss of $13.3 million, net of the applicable tax benefit, related to Fiesta Rancho, which is shown as a cumulative effect of a change in accounting principle in our consolidated statements of operations.

Price Range of Common Stock and Dividend Information

Market Information

Our common stock trades on the NYSE under the symbol "STN". The following table sets forth, for the periods indicated, the high and low sale price per share of our common stock as reported on the NYSE.

	High	Low
Year Ending December 31, 2007		
First Quarter	$ 87.00	$ 80.43
Second Quarter	88.40	86.49
Third Quarter (through July 5, 2007)	87.43	86.90
Year Ending December 31, 2006		
First Quarter	$ 80.72	$ 64.51
Second Quarter	81.46	65.64
Third Quarter	68.30	53.45
Fourth Quarter	85.19	56.80
Year Ending December 31, 2005		
First Quarter	$ 71.22	$ 53.10
Second Quarter	70.75	58.99
Third Quarter	75.07	60.68
Fourth Quarter	70.95	61.43

On December 1, 2006, the last trading day before the investors made their proposal to take us private, the high and low sales prices of our common stock were $69.22 and $67.39, respectively. On February 23, 2007, the last trading day prior to the public announcement of the execution of the merger agreement, the high and low reported sales prices of our common stock were $83.68 and $83.00, respectively. On July 5, 2007, the most recent practicable date before the printing of this proxy statement, the high and low reported sales prices of our common stock were $87.41 and $87.15, respectively. You are urged to obtain a current market price quotation for our common stock.

Holders

As of June 29, 2007, there were 514 holders of record of our common stock and the closing price of our common stock was $86.80.

Dividends

We paid quarterly cash dividends of $0.2875 per share to stockholders of record on March 12, 2007 and May 21, 2007. The total amount paid in dividends thus far in 2007 was $32.9 million.

During the year ended December 31, 2006, we paid quarterly cash dividends of $0.25 per share to stockholders of record on February 10, 2006 and May 12, 2006 and $0.2875 per share to stockholders of record on August 11, 2006 and November 13, 2006. The total amount paid in dividends for 2006 was $65.4 million.

During the year ended December 31, 2005, we paid a quarterly cash dividend of $0.21 per share to stockholders of record on February 11, 2005 and May 13, 2005 and $0.25 per share to stockholders of record on August 12, 2005 and November 11, 2005. The total amount paid in dividends for 2005 was $62.6 million.

The payment of dividends in the future will be at the discretion of our board of directors. Restrictions imposed by our debt instruments and other agreements limit the payment of dividends (see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Description of Certain Indebtedness and Capital Stock").

The merger agreement provides that, pending consummation of the merger, we may continue to pay quarterly cash dividends not to exceed $0.2875 per share provided that: (i) with respect to the quarter ending September 30, 2007, the record date and payment date shall not be earlier than September 21, 2007 and October 2, 2007, respectively, (ii) with respect to the quarter ending December 31, 2007, the record date and payment date shall not be earlier than December 21, 2007 and January 2, 2008 respectively, and (iii) with respect to the quarter ending March 31, 2008, the record date and payment date shall not be earlier than March 21, 2008 and April 2, 2008 respectively).

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth, as of July 5, 2007, certain information regarding the shares of common stock beneficially owned by each stockholder who is known by Station to beneficially own in excess of 5% of the outstanding shares of common stock (solely based on information reported on Forms 13G filed with the Securities and Exchange Commission), by each director and named executive officer and by all executive officers and directors as a group.

	Amount and Nature of Beneficial Ownership		
Name and Address of Beneficial Owner(1)(2)	Currently Owned(3)	Acquirable Within 60 days	Percent of Class
Frank J. Fertitta III(4)	5,720,016	—	9.9
Lorenzo J. Fertitta(5)	5,735,518	—	9.9
Highfields Capital Management LP(6)	5,179,900	—	9.0
Janus Capital Management LLC(7)	4,133,215	—	7.2
Blake L. Sartini(8)	3,883,957	—	6.8
Delise F. Sartini(8)	3,844,558	—	6.7
UBS AG(9)	3,289,283	—	5.7
Marsico Capital Management(10)	2,924,246	—	5.1
Scott M Nielson(11)	713,060	—	1.2
William W. Warner	518,212	—	*
Richard J. Haskins(12)	224,202	—	*
Thomas M. Friel	76,551	—	*
James E. Nave, D.V.M.	45,000	—	*
Lowell H. Lebermann, Jr	34,500	—	*
Lee S. Isgur(13)	24,500	—	*
Robert E. Lewis	17,500	—	*
Executive Officers and Directors as a Group (10 persons)	13,109,059	—	22.2

* Less than one percent

(1) Of the total number of shares reported in this table, the following are the approximate number of vested stock options beneficially owned by each individual in the table: Frank J. Fertitta III 663,900; Lorenzo J. Fertitta 661,400; Scott M Nielson 217,207; William W. Warner 130,000; Thomas M. Friel 30,900; Richard J. Haskins 24,000, Lowell H. Lebermann, Jr. 22,500 and James E. Nave, D.V.M. 30,000. Of the total number of shares reported in this table, 381 shares beneficially owned by Mr. Warner are held by Station's 401(k) Plan.

(2) The address of each of the stockholders named in this table other than Highfields Capital Management LP, Janus Capital Management LLC, Blake and Delise Sartini, UBS AG and Marsico Capital Management is: c/o Station Casinos, Inc., 2411 West Sahara Avenue, Las Vegas, Nevada 89102.

(3) Unless otherwise indicated in the footnotes to this table and subject to the community property laws where applicable, each of the stockholders named in this table has sole voting and investment power with respect to the shares shown as beneficially owned.

(4) 3,084,460 shares owned by Mr. Frank J. Fertitta III have been pledged to Bear Stearns Securities Corp. and 624,418 shares owned by Mr. Frank J. Fertitta III have been pledged to Citibank, N.A.

(5) 2,500,000 shares owned by Mr. Lorenzo J. Fertitta have been pledged to Oppenheimer & Co. and 602,970 shares owned by Mr. Lorenzo J. Fertitta have been pledged to Citibank, N.A.

(6) The address of Highfields Capital Management LP is c/o Highfields Capital Management, John Hancock Tower, 200 Clarendon Street, 51st Floor, Boston, Massachusetts 02116 and the SEC filing date is February 14, 2007.

(7) The address of Janus Capital Management LLC is 151 Detroit Street, Denver, Colorado 80206 and the SEC filing date is April 30, 2007.

(8) Reflects 3,842,094 shares in which beneficial ownership is shared by Blake and Delise Sartini. Blake and Delise Sartini do not, however, share beneficial ownership of certain shares owned by Mr. Sartini or family trusts in which Mr. Sartini is trustee and shares of stock owned by family trusts of which Delise Sartini is trustee and thus have different total ownership figures. Delise Sartini is a sister of Frank J. Fertitta III and Lorenzo J. Fertitta and is married to Blake Sartini. The address for Blake and Delise Sartini is 6595 South Jones Blvd., Las Vegas, Nevada 89118. 436,426 shares owned by a family trust in which Blake and Delise Sartini are trustees have been pledged to Merrill Lynch Bank USA and 2,451,000 shares owned by a second family trust in which Blake and Delise Sartini are trustees have been pledged to ML Private Finance LLC.

(9) The address of UBS AG is Bahnhofstrass 45, CH-8021, Zurich, Switzerland and the SEC filing date is June 18, 2007.

(10) The address of Marsico Capital Management is 1200 17th Street, Suite 1600, Denver Colorado 80202 and the SEC filing date is February 12, 2007.

(11) Includes 191,931 shares owned by Mr. Nielson who shares voting and investment power with his wife and 31,683 shares in which his wife has sole voting and investment power.

(12) Includes 26,690 shares owned by Mr. Haskins who shares voting and investment power with his wife.

(13) Includes 12,500 shares owned by Mr. Isgur who shares voting and investment power with his wife.

Security Ownership of Parent, Merger Sub, Fertitta Partners, FCP HoldCo, FCP VoteCo, FC Investor, Colony and Colony Acquisitions

As of July 5, 2007, none of Parent, Merger Sub, Fertitta Partners, FCP HoldCo, FCP VoteCo, FC Investor, Colony or Colony Acquisitions may be deemed to beneficially own any shares of Station common stock.

Prior Purchases and Sales of Station Common Stock

Except for the transactions in the following table, there were no transactions with respect to Station common stock during the past 60 days effected by any of Station, any subsidiary of Station, any affiliate of

Station or any executive officer, director or person controlling Station. The following table sets forth the number of shares of vested restricted shares of Station common stock withheld in Station's treasury account to cover tax withholding amounts due and payable with respect to restricted stock lapses.

Purchaser	Quantity	Price Per Share	Date of Purchase
Station	1,075	$81.76	5/12/07
Station	2,165	87.69	6/01/07
Station	1,056	87.90	6/05/07
Station	264	87.60	6/23/07

The following table sets forth information regarding purchases of Station common stock by Station, Frank J. Fertitta III and Lorenzo J. Fertitta, showing for each fiscal quarter since January 1, 2005 the number of shares of Station common stock purchased, the range of prices paid for those shares and the average price paid per quarter for those shares. Both (1) purchases by Station of Station common stock pursuant to Station's share repurchase program and (2) shares of vested restricted shares of Station common stock withheld in Station's treasury account to cover tax withholding amounts due and payable with respect to restricted stock lapses are set forth below. Purchases by Frank J. Fertitta III and Lorenzo J. Fertitta were pursuant to option exercises or other purchases under Station's stock compensation plans, unless otherwise indicated. Neither Parent nor Merger Sub purchased any shares of Station common stock during this period.

	Quarter Ended					
	3/31/05			6/30/05		
	Range of Price($)	Average Price($)	Number of Shares	Range of Price($)	Average Price($)	Number of Shares
Station (purchases)	—	—	—	—	—	—
Station (shares withheld)	$60.45 - $69.11	$61.98	7,581	$62.52 - $62.52	$62.52	926
Frank J. Fertitta III	—	—	—	$67.65 - $70.28	$68.62	220,000
Lorenzo J. Fertitta	$58.58 - $61.60	$60.17	145,000	—	—	—

	Quarter Ended					
	9/30/05			12/31/05		
	Range of Price($)	Average Price($)	Number of Shares	Range of Price($)	Average Price($)	Number of Shares
Station (purchases)	—	—	—	$61.72 - $62.99	$62.11	221,400
Station (shares withheld)	$66.36 - $71.60	$70.72	38,470	$62.99 - $68.30	$65.21	67,694
Frank J. Fertitta III	$70.26 - $71.73	$71.06	258,400	$70.01 - $70.90	$70.33	172,200
Lorenzo J. Fertitta	$71.00 - $71.00	$71.00	11,700	$70.01 - $70.90	$70.35	96,900

	Quarter Ended					
	3/31/06			6/30/06		
	Range of Price($)	Average Price($)	Number of Shares	Range of Price($)	Average Price($)	Number of Shares
Station (purchases)	$64.92 - $77.91	$68.10	3,879,250	$68.76 - $80.50	$75.35	6,268,984
Station (shares withheld)	$68.32 - $72.53	$72.17	8,967	$64.67 - $78.82	$74.77	5,404
Frank J. Fertitta III	—	—	—	—	—	—
Lorenzo J. Fertitta	—	—	—	—	—	—

	Quarter Ended 9/30/06 Range of Price($)	Quarter Ended 9/30/06 Average Price($)	Quarter Ended 9/30/06 Number of Shares	Quarter Ended 12/31/06 Range of Price($)	Quarter Ended 12/31/06 Average Price($)	Quarter Ended 12/31/06 Number of Shares
Station (purchases)	$ 53.98 - $57.56	$ 55.70	2,524,716	—	—	—
Station (shares withheld)	$ 56.22 - $67.67	$ 63.78	29,044	$ 61.80 - $84.90	$ 81.34	7,972
Frank J. Fertitta III	—	—	—	—	—	—
Lorenzo J. Fertitta	—	—	—	—	—	—

	Quarter Ended 3/31/07 Range of Price($)	Quarter Ended 3/31/07 Average Price($)	Quarter Ended 3/31/07 Number of Shares
Station (purchases)	—	—	—
Station (shares withheld)	$81.10 - $86.59	$85.98	22,612
Frank J. Fertitta III	—	—	—
Lorenzo J. Fertitta	—	—	—

Ratio of Earnings to Fixed Charges (amounts in thousands)

	Twelve months ended 12/31/05	Twelve months ended 12/31/06	Three months ended 3/31/06	Three months ended 3/31/07
Fixed Charges				
Interest Expense	$ 83,551	$175,508	$ 24,299	$ 60,349
Capitalized Interest	22,287	29,638	12,544	5,013
Amortization of Debt Cost	3,262	4,731	1,088	1,275
Interest Portion of Rentals	3,362	3,170	792	725
Total Fixed Charges	$112,462	$213,047	$ 38,723	$ 67,362
Interest Portion of Rentals				
Rentals	$ 10,187	$ 9,606	$ 2,401	$ 2,197
Times 33%	3,362	3,170	792	725
Earnings				
Pretax Income from Continuing Operations	$256,227	$179,452	$ 65,641	$ 41,844
Fixed Charges	112,462	213,047	38,723	67,362
Less: Capitalized Interest	(22,287)	(29,638)	(12,544)	(5,013)
Total Earnings	$346,402	$362,861	$ 91,820	$104,193
Ratio of Earnings to Fixed Charges	3.08	1.70	2.37	1.55

Book Value Per Share

Our net book value per share as of March 31, 2007 was $(3.17), which is substantially below the $90.00 per share cash merger consideration.

IMPORTANT INFORMATION REGARDING THE PARTIES TO THE TRANSACTION

Fertitta Colony Partners LLC

Fertitta Colony Partners LLC is a Nevada limited liability company. The business address of Fertitta Colony Partners LLC and each of the executive officers, directors and members of Fertitta Colony Partners LLC listed below is: c/o Fertitta Colony Partners LLC, 2960 West Sahara Avenue, Suite 200, Las Vegas, Nevada 89102; (702) 367-9969. Fertitta Colony Partners LLC was formed solely for purposes of entering into the merger agreement and consummating the transactions contemplated by the merger agreement, including arranging the related financing transactions. Fertitta Colony Partners LLC has not conducted any activities to date other than activities incidental to its formation and in connection with the transactions contemplated by the merger agreement.

The names and material occupations, positions, officers or employment during the past five years of each executive officer and member of Fertitta Colony Partners LLC are set forth below.

Frank J. Fertitta III, member. Refer to "—Frank J. Fertitta III", below.

Lorenzo J. Fertitta, member. Refer to "—Lorenzo J. Fertitta", below.

FC Investor, LLC, member. Refer to "—FC Investor, LLC", below.

During the past five years, none of the persons or entities described above has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws or a finding of any violation of federal or state securities laws. Each person identified above is a United States citizen.

FCP Acquisition Sub

FCP Acquisition Sub is a Nevada corporation and a wholly-owned subsidiary of Fertitta Colony Partners LLC. The business address of FCP Acquisition Sub and each of the executive officers and directors of FCP Acquisition Sub listed below is: c/o Fertitta Colony Partners LLC, 2960 West Sahara Avenue, Suite 200, Las Vegas, Nevada 89102; (702) 367-9969. FCP Acquisition Sub was formed solely for purposes of entering into the merger agreement and consummating the transactions contemplated by the merger agreement, including arranging the related financing transactions. FCP Acquisition Sub has not conducted any activities to date other than activities incidental to its formation and in connection with the transactions contemplated by the merger agreement.

The names and material occupations, positions, officers or employment during the past five years of each executive officer and director of FCP Acquisition Sub are set forth below.

Frank J. Fertitta III, President and director. Refer to "—Frank J. Fertitta III", below.

Lorenzo J. Fertitta, Vice President, Secretary and director. Refer to "—Lorenzo J. Fertitta", below.

Thomas J. Barrack, Jr., director. Refer to "—Thomas J. Barrack, Jr.", below.

During the past five years, none of the persons or entities described above has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws or a finding of any violation of federal or state securities laws. Each person identified above is a United States citizen.

Fertitta Partners LLC

Fertitta Partners LLC is a Nevada limited liability company. The business address of Fertitta Partners LLC and each of the executive officers, directors and managers of Fertitta Partners LLC listed below is: c/o Fertitta Partners LLC, 2960 West Sahara Avenue, Suite 200, Las Vegas, Nevada 89102; (702) 367-9969. Fertitta Partners LLC was formed solely for purposes of entering into the transactions contemplated by the merger agreement. Fertitta Partners LLC has not conducted any activities to date other than activities incidental to its formation and in connection with the transactions contemplated by the merger agreement.

The names and material occupations, positions, officers or employment during the past five years of each executive officer, member and manager of Fertitta Partners LLC are set forth below.

Frank J. Fertitta III, member and manager Refer to "—Frank J. Fertitta III", below.

Lorenzo J. Fertitta, member and manager. Refer to "—Lorenzo J. Fertitta", below.

During the past five years, none of the persons or entities described above has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws or a finding of any violation of federal or state securities laws. Each person identified above is a United States citizen.

FCP Holding, Inc.

FCP Holding, Inc., is a Nevada corporation and a wholly-owned subsidiary of Fertitta Colony Partners LLC. The business address of FCP Holding, Inc., and each of the executive officers, directors and managers of FCP Holding, Inc., listed below is: c/o FCP Holding, Inc., 2960 West Sahara Avenue, Suite 200, Las Vegas, Nevada 89102; (702) 367-9969. FCP Holding, Inc., was formed solely for purposes of entering into the transactions contemplated by the merger agreement. FCP Holding, Inc., has not conducted any activities to date other than activities incidental to its formation and in connection with the transactions contemplated by the merger agreement.

The names and material occupations, positions, officers or employment during the past five years of each executive officer and director of FCP Holding, Inc., are set forth below.

Frank J. Fertitta III, President and director. Refer to "—Frank J. Fertitta III", below.

Lorenzo J. Fertitta, Vice President, Secretary and director. Refer to "—Lorenzo J. Fertitta", below.

Thomas J. Barrack, Jr., director. Refer to "—Thomas J. Barrack, Jr.", below.

During the past five years, none of the persons or entities described above has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws or a finding of any violation of federal or state securities laws. Each person identified above is a United States citizen.

FCP VoteCo LLC

FCP VoteCo LLC is a Nevada limited liability company. The business address of FCP VoteCo LLC and each of the executive officers, directors and managers of FCP VoteCo LLC listed below is: c/o FCP VoteCo LLC, 2960 West Sahara Avenue, Suite 200, Las Vegas, Nevada 89102; (702) 367-9969. FCP VoteCo LLC was formed solely for purposes of entering into the transactions contemplated by the merger agreement. FCP VoteCo LLC has not conducted any activities to date other than activities incidental to its formation and in connection with the transactions contemplated by the merger agreement.

The names and material occupations, positions, officers or employment during the past five years of each executive officer, member and manager of FCP VoteCo LLC are set forth below.

Frank J. Fertitta III, member and manager. Refer to "—Frank J. Fertitta III", below.

Lorenzo J. Fertitta, member and manager. Refer to "—Lorenzo J. Fertitta", below.

Thomas J. Barrack, Jr., member and manager. Refer to "—Thomas J. Barrack, Jr.", below.

During the past five years, none of the persons or entities described above has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws or a finding of any violation of federal or state securities laws. Each person identified above is a United States citizen.

Frank J. Fertitta III

The business address for Frank J. Fertitta III is 2411 West Sahara Avenue, Las Vegas, Nevada 89102; (702) 797-7040.

Frank J. Fertitta III has served as Chairman of the Board of Station Casinos, Inc. since February 1993 and Chief Executive Officer since July 1992. Frank J. Fertitta III also served as President of Station Casinos, Inc. from 1989 until July 2000. He has held senior management positions since 1985, when he was named General Manager of Palace Station. He was elected a director of Station Casinos, Inc. in 1986, at which time he was also appointed Executive Vice President and Chief Operating Officer.

During the past five years, Frank J. Fertitta III has not been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws or a finding of any violation of federal or state securities laws. Frank J. Fertitta III is a United States citizen.

Lorenzo J. Fertitta

The business address for Lorenzo J. Fertitta is 2411 West Sahara Avenue, Las Vegas, Nevada 89102; (702) 797-7040.

Lorenzo J. Fertitta was appointed Vice Chairman of the Board of Station Casinos, Inc. in December 2003. Lorenzo J. Fertitta has served as President of Station Casinos, Inc. since July 2000 and has served as a director since 1991. Lorenzo J. Fertitta served as President and Chief Executive Officer of Fertitta Enterprises, Inc. from June 1993 to July 2000, where he was responsible for managing an investment portfolio consisting of marketable securities and real property. From 1991 to 1993, he served as Vice President of Station Casinos, Inc. Lorenzo J. Fertitta currently serves as the first President of the Nevada Resort Association and a member of its board of directors and serves as a director of the American Gaming Association. Lorenzo J. Fertitta served as a commissioner on the Nevada State Athletic Commission from November 1996 until July 2000.

During the past five years, Lorenzo J. Fertitta has not been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws or a finding of any violation of federal or state securities laws. Lorenzo J. Fertitta is a United States citizen.

FC Investor, LLC

FC Investor, LLC is a Delaware limited liability company and a wholly-owned subsidiary of Colony Capital Acquisitions, LLC. The business address of FC Investor, LLC and each of the executive officers and directors of FC Investor, LLC listed below is: 1999 Avenue of the Stars, Suite 1200, Los Angeles, California 90067; (310) 282-8820. FC Investor, LLC was formed solely for purposes of entering into the transactions contemplated by the merger agreement. FC Investor, LLC has not conducted any activities to date other than activities incidental to its formation and in connection with the transactions contemplated by the merger agreement. Immediately prior to the consummation of the merger, certain investment funds affiliated with Colony Capital, LLC and of which Thomas J. Barrack, Jr. is the indirect general partner, will become the members of FC Investor, LLC.

The names and material occupations, positions, officers or employment during the past five years of each executive officer and member of FC Investor, LLC are set forth below.

Thomas J. Barrack, Jr., Chairman and Chief Executive Officer. Refer to "—Thomas J. Barrack, Jr.", below.

Jonathan H. Grunzweig, Vice President. Refer to "Colony Capital, LLC—Jonathan H. Grunzweig", below.

Ronald M. Sanders, Vice President. Ronald M. Sanders, Principal and General Counsel, is responsible for the management of global legal affairs and generally provides legal and other support to the operations of Colony Capital, LLC. Prior to joining Colony Capital, LLC in 2004, Mr. Sanders was a Partner with the law firm of Clifford Chance, where he specialized in the representation of private equity funds and mergers and acquisitions.

Mark M. Hedstrom, Vice President, Secretary and Treasurer. Refer to "Colony Capital, LLC—Mark M. Hedstrom", below.

Joy Mallory, Assistant Secretary. Refer to "Colony Capital, LLC—Joy Mallory", below.

Colony Capital Acquisitions, LLC, member. Refer to "—Colony Capital Acquisitions, LLC", below.

During the past five years, none of the persons or entities described above has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Colony Capital Acquisitions, LLC

Colony Capital Acquisitions, LLC is a Delaware limited liability company and a wholly-owned subsidiary of Colony Capital, LLC. The business address of Colony Capital Acquisitions, LLC and each of the executive officers and directors of Colony Capital Acquisitions, LLC listed below is: 1999 Avenue of the Stars, Suite 1200, Los Angeles, California 90067; (310) 282 8820. The principal business of Colony Capital Acquisitions, LLC is to provide investment advice and management services to institutional and individual investors.

Colony Capital Acquisitions, LLC does not have any executive officers or managers. Its members are set forth below.

Colony Capital, LLC, member. Refer to "—Colony Capital, LLC", below.

Colony Capital, LLC

Colony Capital, LLC, a Delaware limited liability company, acts as the managing member of Colony Capital Acquisitions, LLC. The business address of Colony Capital, LLC and each of the executive officers and directors of Colony Capital, LLC listed below is: 1999 Avenue of the Stars, Suite 1200, Los Angeles, California 90067; (310) 282 8820. The principal business of Colony Capital, LLC is to provide investment advice and management services to institutional and individual investors.

The names and material occupations, positions, officers or employment during the past five years of each executive officer and member of Colony Capital, LLC are set forth below.

Thomas J. Barrack, Jr., Sole Managing Member, Chairman and Chief Executive Officer. Refer to "—Thomas J. Barrack, Jr.", below.

Richard B. Saltzman, President. Richard B. Saltzman is the President of Colony Capital, LLC and shares responsibility for the Firm's global operations. In particular, Mr. Saltzman guides the strategic planning, acquisition and asset management activities of Colony and oversees new business initiatives. Prior to joining Colony in 2003, Mr. Saltzman spent 24 years in the investment banking business primarily specializing in real estate-related businesses and investments. Most recently, he was Managing Director and Vice Chairman of Merrill Lynch's investment banking division.

Jonathan H. Grunzweig, Principal and Chief Investment Officer. Jonathan H. Grunzweig is the Principal and Chief Investment Officer of Colony Capital, LLC. He oversees the sourcing, structuring, execution and management of all investments and divestments on a global basis. Prior to joining Colony Capital, LLC in 1999, Mr. Grunzweig was a Partner with the law firm of Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden"), where he specialized in corporate finance and mergers and acquisitions. Mr. Grunzweig also served as General Counsel for Colony Capital, LLC's global investment program. From time to time, Skadden works with Colony Capital, LLC and its affiliates. The special committee was made aware of Colony Capital, LLC's relationship with Skadden and determined that no conflict existed.

Mark M. Hedstrom, Principal and Chief Financial Officer. Mark M. Hedstrom is the Principal and Chief Financial Officer of Colony Capital, LLC. He is responsible for all financial and treasury functions and risk management and investor reporting.

Joy Mallory, Assistant Secretary. Joy Mallory is the Vice President of Colony Advisors, LLC. She is responsible for the management of legal affairs and corporate and partnership records, as well as the documentation of Colony-sponsored fund investments.

Thomas J. Barrack, Jr.

The business address for Thomas J. Barrack, Jr. is 1999 Avenue of the Stars, Suite 1200, Los Angeles, California 90067; (310) 282 8820.

Thomas J. Barrack, Jr. is the Founder, Chairman and Chief Executive Officer of Colony Capital, LLC. Colony Capital, LLC is the sole managing member of Colony Capital Acquisitions, LLC. During the past five years, Thomas J. Barrack, Jr. has, in such positions, provided overall strategic and investment direction and leadership to Colony Capital, LLC and its affiliates.

During the past five years, Thomas J. Barrack, Jr. has not been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws or a finding of any violation of federal or state securities laws. Thomas J. Barrack, Jr. is a United States citizen.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. Our SEC filings are available to the public from the SEC's Internet site at http://www.sec.gov, which contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. You may also read and copy any document we file at the SEC's Public Reference Room in Washington D.C. located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of any document we file at prescribed rates by writing to the Public Reference Section of the SEC at that address. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Information about us, including our SEC filings, is also available on our website at http://www.stationcasinos.com.

Because the merger is a "going private" transaction, Station, Parent, Merger Sub, Fertitta Partners, FCP HoldCo, FCP VoteCo, FC Investor, Frank J. Fertitta III, Lorenzo J. Fertitta, Colony, Colony Acquisitions and Thomas J. Barrack, Jr. have filed with the SEC a Transaction Statement on Schedule 13E-3 with respect to the proposed merger. The Schedule 13E-3, including any amendments and exhibits filed or incorporated by reference as a part of it, is available for inspection as set forth above. The Schedule 13E-3 will be amended to report promptly any material changes in the information set forth in the most recent Schedule 13E-3 filed with the SEC.

The SEC allows us to "incorporate by reference" into this proxy statement the information in other documents we file with the SEC, which means that we can disclose important information to you by referring you to those documents. Any information referenced this way is considered to be part of this proxy, and any information that we file later with the SEC will automatically update and supersede information contained in documents filed earlier with the SEC or contained in this proxy or a proxy supplement.

Some documents or information, such as that called for by Items 2.02 and 7.01 of Form 8-K, are deemed furnished and not filed in accordance with SEC rules. None of those documents and none of that information is incorporated by reference into this proxy statement. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the initial filing date of this proxy statement and before the Special Meeting:

- Station's Annual Report on Form 10-K for the year ended December 31, 2006, as amended;
- Station's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007;
- Station's Current Reports on Form 8-K, filed with the SEC on January 12, 2007, February 2, 2007, February 22, 2007, February 26, 2007, February 28, 2007, March 9, 2007, March 15, 2007, March 30, 2007 and June 8, 2007; and
- Station's Registration Statement on Form 8-A, as amended, containing a description of Station Casinos, Inc. common stock.

We will provide a copy of any document incorporated by reference in this proxy statement and any exhibit specifically incorporated by reference in those documents, without charge, by written or oral request directed to us at the following address and telephone number:

ATTENTION: INVESTOR RELATIONS
STATION CASINOS, INC.
2411 WEST SAHARA AVENUE
LAS VEGAS, NEVADA 89102
TEL: (702) 495-4242
OR *HTTP://WWW.STATIONCASINOS.COM*

Should you want more information regarding Station Casinos, Inc., please refer to the annual, quarterly and current reports, as applicable, filed with the SEC.

The information concerning Station Casinos, Inc. contained or incorporated by reference in this document has been provided by Station Casinos, Inc. and the information concerning Parent contained in this document has been provided by Parent.

You should rely only on the information contained or incorporated by reference in this proxy statement to vote your shares at the Special Meeting. We have not authorized anyone to provide you with information that is different from what is contained in this proxy statement. This proxy statement is dated July 9, 2007. You should not assume that the information contained in this proxy statement is accurate as of any date other than that date, and neither the mailing of the proxy statement to stockholders nor the issuance of the merger consideration pursuant to the merger shall create any implication to the contrary.

EXHIBIT D

Report of Odyssey Capital Group, LLC

ODYSSEY CAPITAL GROUP, LLC

EXECUTIVE SUMMARY

FOR THE SPECIAL COMMITTEE

TO THE BOARD OF DIRECTORS OF

SEPTEMBER 9, 2009

2 North Central Avenue, Suite 720 • telephone: 602.257.8400 • fax: 602.257.8600

Table of Contents

I. Introduction

A. Purpose of Engagement

Pursuant to a leveraged buyout transaction that closed on November 7, 2007 (the "LBO"), Fertitta Colony Partners, LLC, and related investors (the "Purchasers") acquired the stock of Station Casinos, Inc. (the "Company").

On April 20, 2009, a special litigation committee of the board of directors of the Company (the "Special Committee") retained Odyssey Capital Group, LLC ("Odyssey"), as its independent financial advisor to assist the Special Committee with its investigation of issues related to the LBO.[1] In connection with its investigation of the LBO, the Special Committee requested that Odyssey, among other things, determine whether:

- in light of the methodology and assumptions underlying the Company's LBO Projections (as defined in Section I.c below), the LBO Projections were reasonable when made, including with reference to the Company's historical methodology and assumptions;
- the LBO Projections were reasonable when made in light of the economic conditions and the outlook for the gaming sector expressed by Wall Street gaming analysts at the time of the LBO;
- the Company was insolvent at the time of the LBO or became insolvent as a result of the LBO; and
- the Company was left with adequate capital to conduct its business following the LBO.

This report contains a summary of Odyssey's review (the "Executive Summary"). This Executive Summary is provided subject to the conditions, assumptions and limitations described herein.

B. Special Committee's Use Only

This Executive Summary has been prepared for the Special Committee's use in its investigation of the LBO. Odyssey does not assume any liability whatsoever to any third party using this Executive Summary for any purpose whatsoever.

[1] Odyssey is a financial advisory firm that focuses on complex restructuring, distressed mergers and acquisitions, and financings in similar situations. Odyssey's professionals have previously provided advisory services in some of the most the complex restructuring matters and Chapter 11 proceedings.

C. Assumptions and Limitations

The Special Committee's use of this Executive Summary is subject to various reasonable and customary assumptions and limitations including, but not limited to, those summarized below.

For purposes of the Executive Summary, we have assumed that all relevant data, reports, legal documents, valuations, opinions, analyses and other related information are true, complete and accurate. We have assumed this whether such materials were provided by the Company or selected by Odyssey from third-party resources. We have not independently verified such materials; we do not assume responsibility or liability related to such verification. This Executive Summary is dependent upon such materials being true, complete and accurate.

The "LBO Projections" refers to two sets of Company financial projections prepared for purposes of the LBO. One set of projections was finalized in June 2007 (the "June Projections"). A second set was finalized in October 2007 (the "October Projections").

Our analysis of the reasonableness of the LBO Projections relies only on data available at the time the Company contemplated the LBO. Data available after November 7, 2007, has not been used for purposes of this analysis unless otherwise stated.

This Executive Summary does not offer legal conclusions regarding the LBO terms or LBO Projections.

With respect to the public companies and transactions analyzed and compared to the Company and the LBO, no other company or transaction is identical to the Company or the LBO. Nevertheless, such companies and transactions provide a basis of comparison when evaluating the Company and the LBO.

The preparation of this Executive Summary is the result of a complex process that involves subjective judgments, and the conclusions of this report do not arise from any single variable. Instead, our conclusions come from an analysis in which multiple variables have been considered to reach a final conclusion. The individual pieces of this report cannot stand alone, and they may be misleading if read apart from the rest of the Executive Summary.

D. Sources of Information

We conducted the studies, analyses and inquires we deemed necessary or appropriate to produce the Executive Summary. In connection with such studies, analyses and inquiries, we relied upon various sources of information including, among others:

- the Agreement and Plan of Merger (the "LBO Agreement"), dated February 23, 2007, and amended May 4, 2007, entered into by the Company and certain parties of the Purchaser;
- publicly available documents containing financial information about the Company;
- various publicly available documents describing the terms of the LBO;
- the Company's internal financial analyses and forecasts, including the LBO Projections, prepared by both Company employees and management;
- data and information related to other LBOs similar to the LBO and with publicly available terms and financial information;
- various financial presentations and analyses prepared in connection with the LBO, including those prepared by Bear Stearns, Duff & Phelps, Deutsche Bank and JPMorgan;
- various economic data relevant to conditions around the time of the LBO;
- publicly available business and financial information of publicly traded gaming companies comparable with the Company;
- various Wall Street gaming analysts' reports produced around the time of the LBO; and
- other information deemed necessary for this Executive Summary.

In addition to the above listed materials, we conducted interviews regarding operations, budgeting, management and other aspects of the Company's business with Station's senior management and certain property managers. Additional details regarding interviews and other sources are provided below where relevant.

II. Conclusions in Brief

A. Reasonableness of Methodology and Assumptions Underlying the LBO Projections

After reviewing the methodology and assumptions underlying the Company's LBO Projections, we have concluded that the methodology and assumptions were reasonable at the time they were used, including with reference to the Company's historical methodology and assumptions. We have also concluded that the LBO Projections were reasonable at the time they were made.

B. Reasonableness of the LBO Projections in Light of Wall Street Gaming Analysts' Reports and Economic Conditions

After reviewing contemporaneous economic conditions and Wall Street gaming analysts' reports, we have concluded that the LBO Projections were reasonable at the time they were made.

C. Solvency of the Company

Using various analyses, we have determined that the Company was not insolvent at the time of the LBO and did not become insolvent as a result of the LBO.

D. Adequacy of Capital

After analyzing the Company's debt, capital structures and LBO Projections, we have determined that following the LBO the Company was left with adequate capital to conduct its business.

III. Summary of Analyses

A. Analysis of Methodology and Assumptions Underlying the Company's Budgeting Process and LBO Projections

i. Introductory Note: LBO Process Same as Standard Budgeting Process; No Material Changes to Budgeting Process

The Company has used a consistent methodology with consistent assumptions and techniques to produce its annual budgets. Any variations have been subtle refinements over the years. The Company produced the LBO Projections using the same methodology and assumptions it uses to produce its annual budget. This was confirmed by both corporate and property employees who indicated that there have been no fundamental changes, either pre- or post-LBO, in the Company's approach to the budgeting process.

Consequently, to review the reasonableness of the LBO Projections, Odyssey analyzed the reasonableness of Company's established budgeting and forecasting methodology.

ii. Methodology and Assumptions Underlying the Company's Budgeting Process and LBO Projections

Odyssey's analysis of the methodology and assumptions underlying the Company's budgeting process and LBO Projections included:

- interviewing key corporate-level and property-level employees involved in budgeting and forecasting, including Tom Friel, Joleen Legakes, Bill Warner, Dan Schafer, Curt Mayer, Glen Bashore, Laura Bushey, Heidi Tibitts and Edward Cullin;
- reviewing the budgeting and forecasting process for capital and operating budgets;
- reviewing key process metrics and drivers; and
- comparing budgeted financials with actual Company performance.

iii. The Company's Dual-Track Budgeting Process: Corporate Budget and Property Budgets

The Company utilizes a dual-track budgeting process. The Company's corporate offices focus on the gaming industry as a whole and utilize a few key drivers to develop a top-down long-term budget. Concurrently, each property develops a line-by-line budget for its revenues and expenses for the next year. Both the corporate-level and property-level processes are more fully described below.

a. Budgeting Process: Corporate Level

As it evaluates the gaming market, the Company's corporate finance team uses two key metrics to generate revenue projections: population and win per capita. Once a market's size has been determined with these factors, the Company reviews historical market share information and current development plans to finalize its market share projections. With these projections, budgets for the individual properties within the submarkets can be set.

1. Population

The Company has determined that over 50% of its customers live within three-mile radius of its properties, and approximately 80% of its customers live within a five-mile radius. Consequently, the Company pays particular attention to the population of submarkets within five miles of Company properties.

Using population data provided by University of Nevada, Las Vegas, and Applied Analysis, a financial and economic consulting firm, the Company estimates future population growth in its market area. From 1998 to 2006, population growth for the Las Vegas locals market averaged 5.4%. For budgeting and LBO Projections, the Company estimated an average population growth rate of 4.2% for 2007 through 2012.

2. Win per Capita

In connection with population data, the Company analyzes a second critical metric: win per capita. Win per capita is the total gaming win from target markets divided by the number of residents in those markets. To determine the total gaming win, the Company uses gaming data provided by the Nevada Gaming Commission.

The Company has calculated historical win-per-capita figures back to 1998. From 1998 through 2006, the win per capita increased by an average rate of 3.7% per year. For budgeting and LBO Projections, the Company projected a 3.0% increase in win per capita for 2007 through 2012, a conservative rate compared to historical performance.

3. Market Share

Having determined win per capita, the Company compares its gaming win to the total win in its market and calculates its current market share. The Company has calculated market share data back to 1998.

From 1998 to 2006, the Company expanded its market share by an average of 1.3% per year. For budgeting and LBO Projections, the Company projected modest increases in market share, an average 0.7% per year from 2007 to 2012, despite plans for continued expansion and improvement. Using these conservatively derived data, the Company arrived at a total gaming revenue figure for its target markets.

4. Determining Property Budgets

To determine individual properties' shares of per capita revenue and thereby set the parameters of a property's budget, the Company looks at the relative maturity of each of its submarkets and uses its knowledge of markets, economic trends, development plans, and its subjective judgment. Properties in new markets with relatively little competition (e.g., Red Rock, Green Valley Ranch and Aliante) or those undergoing or forecasted to undergo significant renovations (e.g., Santa Fe) were projected grow at higher rates relative to those in more mature markets (e.g., Palace Station and Boulder Station).

b. Budgeting Process: Property Level

For each property, budget requests are drafted by department heads and submitted to the property's senior financial personnel. These senior personnel then work with the departments to determine and prioritize department needs. As part of this process, significant internal and external analyses occur, including financial analyses of various timeframes to capture both long-term and developing trends.

Once property personnel agree on the budget, the budget request is sent to the Company's corporate management team for discussions. Corporate executives review the budget request in connection with corporate-level analysis. Following such review, corporate executives send comments and revisions back to the individual properties.

If there is a difference between a property's budget and corporate personnel's view of that budget, meetings are held to review the budget and underlying assumptions. It is our understanding, based on individual interviews at both the property level and corporate level, that corporate is flexible and ultimately works through any differences with property finance teams to arrive at a budget both corporate and property personnel believe is achievable.

Once the property personnel and the relevant corporate executives agree on the properties' budgets, the budgets are submitted to a budget review committee for discussion and final determination. This budget review committee is comprised of the Company's Chief Executive Officer, President, Chief Development Officer, Chief Legal Officer, VP Operations, General Counsel, and VP Finance/Corporate Controller.

iv. Historical Financial Results

Based on Company documents, the Company has performed exceptionally well in terms of growth and profitability. From 1998 through 2006 the Company experienced eight consecutive years of growth in gross revenue, gaming revenue and earnings before interest, taxes, depreciation and amortization ("EBITDA").

Total gross revenue from the Company's large properties (the "Large Properties") grew from approximately $584mm in 1998 to $1.6bn in 2006.[2] During this same timeframe, total Large Property gaming revenue grew from approximately $417mm to $1.2bn. Similarly, Large Property EBITDA grew from approximately $159mm to $560mm over the same time period. (See Schedule 1.d for the relevant year-by-year data.)

Additionally, the Company did not sacrifice operating margins to achieve these results. The Company expanded its Large Property EBITDA margin from 1998 through 2006. In 1998 the Company achieved an approximately 27% average Large Property EBITDA margin. By 2006, the Company's average Large Property EBITDA margin reached approximately 34%. While there were fluctuations in these EBITDA margins during the years between 1998 and 2006, the lowest margin the Company achieved was 27% (1998 and 2001) and the highest margin the Company achieved, 37%, in 2005. (See id. for relevant year-by-year data.)

In comparing the Company's performance to the relevant projections, the Company met or very nearly met its yearly budget targets each year from 2002 to 2006. Specifically, the Company met or exceeded Large Property revenue projections from 2004 to 2006. The Company missed its budget in 2002 and 2003 by a margin of only 2.2% and 2.0%, respectively. Further, the Company met Large Property EBITDA projections in 2004 and 2005, and, in 2002 and 2003, the Company missed by less than 1.0%, in 2006, by less than 3.0%.

v. Conclusions Regarding Reasonableness of the Projections

In light of the Company's consistent methodology and the Company's performance during the nine years leading up to the LBO, Odyssey has concluded that the Company's methodology and assumptions were reasonable when used, and the resulting budget forecasts for 2007 through 2012 were reasonable at the time they were made.

As there was no change in procedure or methodology in the budgeting process in advance of the LBO and no pressure from the Company's corporate offices on the individual properties to budget a certain number due to the LBO, Odyssey further concludes that the assumptions and methodologies underlying the LBO Projections were reasonable when they were used, and the LBO Projections were also reasonable at the time they were made.

[2] Large Properties include Palace Station, Boulder Station, Texas Station, Sunset Station, Santa Fe Station, Green Valley Ranch, Fiesta Rancho, Fiesta Henderson, Red Rock, Aliante and Durango.

B. LBO Projections in Light of Wall Street Gaming Analysts' Reports and Economic Conditions

i. Industry Conditions: View of the Street

a. Methodology

To assess the LBO Projections' reasonableness, Odyssey reviewed various Wall Street equity analyst research reports published between September 1, 2007, and November 7, 2007 (the "Analyst Reports"). With the Analyst Reports, Odyssey sought to understand the general outlook for gaming equities and expectations for revenue and operating income.

In total, Odyssey reviewed 68 Analyst Reports. Of that total, 38 were industry reports focused on multiple gaming operators, and 30 addressed specific regional operators with characteristics similar to the Company. Among regional gaming companies, Odyssey singled out Boyd Gaming ("Boyd") as particularly comparable to the Company due to Boyd's significant presence in the Las Vegas locals market, where it generates over 40% of its EBITDA.

b. Review of Analyst Reports

In general, around the time of the LBO, the Analyst Reports reflected a positive view of the gaming sector and a positive long-term outlook on the Las Vegas Strip and locals markets. However, they also expressed concern about factors such as deterioration in credit markets, weakness in certain consumer markets, stress in national housing markets and slowing revenue and EBITDA growth rates among casino operators. Nevertheless, prior to the LBO, analysts were uncertain how these factors would affect casino gaming operators, and none anticipated the severity of financial downturn that would develop subsequent to the LBO.

Analysts Reports also expressed some concern about the gaming industry, citing a softening of the gaming market that began in late summer or early fall of 2007 when some large-cap gaming companies missed Wall Street revenue and earnings estimates. Las Vegas Sands ("LVS") announced a revenue and EBITDA miss in early November, driven mainly by misses at its Macau properties and an uncharacteristically low hold percentage in Las Vegas. The week prior, MGM Mirage ("MGM") announced a miss due primarily to lower-than-expected revenue growth in Las Vegas. Wynn Resorts ("Wynn") made Wall Street's EBITDA estimate, but only due to an unusually high table hold[3] percentage at Wynn resorts in Las Vegas. A common theme in the three operators' earnings reports was flat year-over-year same store Las Vegas EBITDA.

A few analysts anticipated weakness in regional operators in the third quarter of 2007. For example, Celeste Brown of Morgan Stanley downgraded Boyd from overweight to equal-weight in early November. She cited a lack of catalysts, project

[3] Table hold is defined as the ratio between table win and table drop.

delays and anticipated weakness in Boyd's Las Vegas locals operations. She wrote that, due to both execution risk and market headwinds, she did not expect much upside in earnings announcements over the next several quarters.[4]

Notwithstanding softening revenues and cautious remarks by a handful of analysts, the majority of Analyst Reports expected continued growth for gaming operators' revenue and EBITDA. Many analysts believed the softening in the market was transitory and that the gaming market would recover in 2008. Joshua Attie, Citigroup's gaming analyst, stated in Citigroup's comprehensive September and October 2007 Gaming Monthly Reports that he believed the Las Vegas fundamentals remained healthy.[5] Other gaming analysts pointed to favorable absorption of gaming assets brought online in 2005 and 2006, and they noted that increased construction planned for the Strip could catalyze near-term revenue growth for the Las Vegas locals gaming market.

Consistent with their views on revenue growth, Wall Street gaming equity analysts projected continued growth in gaming companies' operating earnings. For example, around the time of the LBO, Thomson First Call, which aggregates analysts' views for long-term operating earnings growth, indicated expectations of strong future growth in gaming companies' operating earnings.

Additionally, leading up to the LBO, Thomson One Analytics reported that the Wall Street equity analyst community marginally increased the bullishness of their buy/sell recommendations for the Company's peer group.[6] From January 2007 to October 2007, the aggregate broker recommendation index most closely reflected a buy recommendation and enjoyed an improvement in optimism of 1.4% for the peer group (2.1% for the peer group excluding Wynn and LVS). Furthermore, despite the softening market described above, from July 2007 to October 2007, the index for the gaming peer group improved in optimism by 0.9% and 3.2% including and excluding Wynn and LVS, respectively.

Around the time of the LBO, analysts also noted that the Las Vegas locals market—the Company's key market—remained robust. For example, in Q3 2007, Boyd's Las Vegas locals EBITDA increased 9.1% from Q3 2006, and Boyd beat the Street's revenue and EBITDA estimates due to strong Las Vegas locals market demand and improving margins.

The Company's LBO Projections contained growth estimates consistent with the estimates in Analyst Reports. For example, the October Projections' annual revenue growth forecasts of between 4.2% and 8.2% during the 2008 to 2010 period are

[4] See, Morgan Stanley, "Downgrade to Equal-weight, Lack of Catalysts," November 7, 2007.
[5] See, e.g., Citigroup, "Gaming Monthly," September, 27, 2007.
[6] The peer group includes LVS, MGM, Wynn, Ameristar Casinos, Boyd, Isle of Capri, Penn National Gaming, Great Canadian Gaming and Pinnacle Entertainment.

conservative when compared with the Wall Street consensus estimate range of 2.9% to 18.0% for Boyd and a range of 11.5% to 20.3% for the peer group including Wynn and LVS. Excluding Wynn and LVS, the peer group consensus revenue growth estimate ranged from 6.0% to 15.8%. No consensus estimates were available for revenue growth in 2011 in which the Company forecast year-over-year revenue growth of 17.7%. The accelerated growth rate in 2011 is due to the contribution made by two planned Large Properties, Aliante and Durango, as well as continued growth at existing properties.

c. Conclusion

Growth rates and profitability levels in the Company's financial forecast were consistent with those outlined by gaming analysts for similar operators at the time of the LBO. Although analysts expressed concern about a softening growth among some casino operators in fall 2007, a majority anticipated growth in line with the Company's LBO Projections.

Additionally, an overwhelming majority of analysts did not expect a significant near-term or long-term decline in either growth or profitability among gaming operators. Given the Company's strong historical growth profile and solid profitability, to forecast such declines at the time of the LBO would have been contrary to both historical precedent and the views prevalent among Wall Street equity analysts.

Based on the Analysts Reports, Odyssey believes LBO Projections were reasonable in light of Wall Street's view of the gaming sector as expressed by analysts near the time of the LBO.

ii. General Economic Conditions

a. Methodology

An understanding of economic conditions prevailing at the time of the LBO is required to assess the reasonableness of the LBO Projections. Conditions in the Las Vegas Metro area are of particular interest. To understand these conditions, Odyssey reviewed various key indicators using publicly available data from a variety of sources. Economic indicators reviewed include, among others:

- per capita gross domestic product and personal income,
- population,
- unemployment rates,
- S&P/Case-Shiller Index,
- housing permits,
- hotel room inventory and occupancy,
- average daily rate for hotel rooms,
- leading indicators index, and
- gaming wins in Nevada, Clark County and other more localized areas.

Data related to this research is provided in Schedules 3.a.i–3.i.ii.

b. GDP and Income

Data available at the time of the LBO showed a slowing in statewide per capita real gross domestic product ("GDP") growth compared to the previous three years. Despite the slowing, Nevada still experienced positive growth, even in inflation adjusted terms.

Similar to per capita real GDP, growth in statewide real per capita personal income slowed in 2006. Nevertheless, Nevada experienced positive growth, even in inflation adjusted terms.

Economic indicators regarding GDP and income suggest some slowing in the economy. They do not, however, presage the substantial downturn experienced in the years following the LBO.

c. Population

At the time of the LBO, population estimates available from the U.S. Census Bureau estimated a 4.0% growth rate in Clark County's population for 2006. This number conformed to the average 4.1% growth rate the county had seen from 2002 to 2006.

Population reports available from the Clark County Department of Comprehensive Planning estimated a 6.1% growth rate in the county's population for 2006.

Projections from others sources also showed continued growth.

In short, contemporaneously available population data indicated normal growth rates and projected continued growth. Only after the LBO did demographers revise projections and indicate not slowed growth but population decreases for the Clark County area.

d. Unemployment

At the time of the LBO, unemployment rates in Nevada and the Las Vegas Metro area were above recent averages, but only modestly so. For example, in the first ten months of 2007, the Las Vegas Metro average unemployment rate was 4.7%, approximately 0.52% higher than the 2006 average. This data did not indicate a dramatic trend and particularly not the increase to 13.1% unemployment which Las Vegas is currently experiencing. In fact, unemployment decreased five of the ten months prior to the LBO, including August and October 2007.

In conclusion, available unemployment data did not foreshadow the recent dramatic increases in unemployment levels.

e. S&P/Case-Shiller Index

"The S&P/Case-Shiller Home Price Indices measures the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States."[7] The Case-Shiller indices have been normalized to a value of 100 as of January 2000.

For August 2007, the last release available prior to the LBO, the Case-Shiller Index for the Las Vegas Metro area was 216.8, representing a month-to-month decline of 1.4% and year-over-year decline of 7.6%. August 2007 marked the eighth straight month with a year-over-year decline.

When the August 2007 report was released in October 2007, Robert J. Shiller, co-developer of the index, said, "The fall in home prices is showing no real signs of a slowdown or turnaround."[8]

Another news report from October 2007 observed, "Housing prices have been a key worry for consumers, and the effect of the slowdown alongside the summer's steep decline in credit availability, has many worried that the economy will go into recession."[9]

Among economic indicators reviewed for the Executive Summary, the Case-Shiller Index shows the most significant deterioration. However, economic indicators did not suggest that Las Vegas homes would lose, on average, more than 50% of their value and drop to levels not seen since April 2001.

f. Housing Permits

Data available from various Nevada and U.S. sources indicated that, in 2006 and 2007, housing permits issued declined. However, activity in the months immediately preceding suggested potential for renewed activity.

g. Hotel Occupancy and Room Rate

The Las Vegas Convention and Visitors Authority (the "LVCVA") publishes monthly statistics for hotel inventory, occupancy and room rates. Such data is published with approximately a two-month lag. Data through September 2007 was available at the LBO's closing.

Room inventory for the Las Vegas, Laughlin and Mesquite areas remained fairly consistent, averaging 133,131 rooms, from October 2006 to September 2007. During

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[7] Standard & Poor's, "S&P/Case-Shiller Home Price Indices – Main," <http://www2.standardandpoors.com/portal/site/sp/en/us/page.topic/indices_csmahp/0,0,0,0,0,0,0,0,0,2,1,0,0,0,0,0.html>.

[8] Dean Foust, "Latest statistics from the Shiller index," Business Week, <http://www.businessweek.com/the_thread/hotproperty/archives/2007/10/latest_statisti.html>.

[9] Quoted by Vinne Tong, "Home prices fall in August for 8th straight month," USA Today, <http://www.usatoday.com/money/economy/housing/2007-10-30-shiller-home-price_N.htm>.

this same period, occupancy averaged 90.2%, an increase of 0.8% from the preceding 12-months average.

In September 2007, the average daily room rate for a hotel ("ADR") in Las Vegas, Laughlin and Mesquite was $142.47. This represents an increase of $25.33 or 21.6% from a year earlier. From January 2006 to September 2007, year-over-year growth in monthly ADRs averaged 15.2%, without a single decline.

Around the time of the LBO, occupancy was higher than in the proceeding years, and average daily room rates continued to climb. This data indicated no downturn in lodging fundamentals—one of the Company's key revenue streams.

h. Gaming Win

The Nevada Gaming Commission publishes gaming win data, with information provided for the state, counties, and other selected areas. Data through September 2007 was available as of the time of the LBO.

Available data indicated strong gaming performance, even if the growth rate was not as robust as certain previous years. Statewide non-restricted wins totaled more than $1 billion in 11 of the previous 12 months. Nine of the previous 12 months had year-over-year increases in total win. While October data was not available at the time of the LBO, October 2007 would mark the highest statewide non-restricted win total ever with $1.2 billion. (This is still the highest mark to date.)

Clark County wins largely paralleled the statewide numbers; October 2007 would also be a record month, over $1 billion. Win per unit numbers, for the state and Clark County, were nearly as strong as the gross win numbers.

Similar to ADR and room rate occupancy numbers, gaming win indicators—data relating to the Company's core business—showed continued strong performance.

i. Conclusion

Economic data available at the time of the LBO showed some slowing in the economy, particularly in housing-related areas. However, in the aggregate, the data did not indicate the impending economic downturn, and several critical metrics suggested that gaming revenues would continue to perform well. Consequently, Odyssey has concluded that, in light of available economic indicators, the LBO Projections were reasonable at the time they were made.

C. Solvency of the Company

Odyssey was asked to determine whether the Company was insolvent at the time of the LBO or became insolvent as a result of the LBO. To accomplish this, we performed various analyses of the Company—pre-LBO, post-LBO and contemporaneous with the LBO—to determine if the fair market value of the Company's assets exceeded the value of its liabilities.

For pre-LBO analyses, Odyssey used the Company's assets and liabilities as reported in the Company's 10-Q for the quarter ending September 30, 2007. For post-LBO analyses, Odyssey used the Company's 10-K for the year ending December 31, 2007. These financial statements provide the most reliable and then-current figures for purposes of these analyses.[10]

The LBO Projections, unless otherwise indicated, were used in calculations requiring forecast numbers.

i. Company Valuation Relative to Liabilities

A common solvency analysis compares the value of a company's assets to its liabilities. In generalized terms, if assets' value exceeds liabilities' value, a company is solvent. To prepare this analysis, Odyssey used three common methods to value the Company's assets: discounted cash flow analysis, public market comparables analysis and transaction comparables analysis. Odyssey based the Company's liabilities on total liabilities presented in the 10-Q and 10-K mentioned above. These values were $4.2bn and $6.4bn pre- and post-LBO, respectively.

While the results of these valuation approaches differed somewhat from each other, all three produced asset values well in excess of the value of the Company's liabilities.

a. Discounted Cash Flow Analysis

A discounted cash flow ("DCF") analysis calculates the present value of future cash flow from relevant assets. Present value is calculated by applying a discount rate to the anticipated cash flows. This discount rate is determined by weighing the risks, costs and liquidity associated with the assets.

The Company's management team provided projected cash flows to Duff & Phelps ("D&P") in conjunction with D&P's LBO purchase price allocation analysis performed in accordance with Statement of Financial Accounting Standards 141 (the "SFAS 141 Analysis"). In its SFAS 141 Analysis, D&P calculated the Company's weighted average cost of capital (the "WACC") using industry acceptable methods and explained why an IRR driven discount rate used in its purchase price allocation differed from the Company's true WACC.

In our DCF analysis, Odyssey has used the 9.0% WACC discount rate calculated by D&P around the time of the transaction. This discount rate was also the midpoint of the WACC range used by Bear Stearns in its LBO fairness opinion.

Odyssey applied the discount rate to the October Projections of the Company's core operating assets, which included all wholly-owned operating properties in Las Vegas and all management contracts then in effect including the non-Native American contracts as well as the Thunder Valley Native American contract (the "Core

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[10] The Company did not prepare an opening balance sheet as of the date of the LBO.

Assets"). Odyssey's DCF analysis of the Core Assets yielded a value of approximately $5.3bn.

To the value of the Core Assets, Odyssey added the value of the non-core operating assets as identified by D&P in its SFAS 141 Analysis (the "Non-Core Assets").

Non-Core Assets	Valuation Methodology
Future Native American management contracts	Discounted cash flow
Joint ventures	Cost basis, discounted cash flow, market comparables
Land held for development	Appraised values
Native American investments	Cost
Construction in progress	Cost

In aggregate, the Non-Core Assets represented a value of approximately $2.1bn at the time of the LBO. When added to the DCF value of the Core Assets, the Company's total enterprise value at the time of the LBO was $7.4bn.

Prior to the LBO, the DCF-based total enterprise value of the Company exceeded the Company's total liabilities; the resulting margin of solvency was approximately $3.1bn.

Following the LBO, and accounting for the debt added to the Company's balance sheet by the LBO, the DCF-based total enterprise value still exceeded the Company's total liabilities; the resulting margin of solvency was approximately $950mm.[11]

b. Trading Comparables Valuation

The second valuation methodology used by Odyssey in determining the Company's solvency at the time of the LBO was a public market comparables valuation. According to Wall Street gaming analysts, the relevant valuation metric for casino operators at the time of the LBO was Enterprise Value to EBITDA ("EV-to-EBITDA"). Odyssey reviewed appropriate EV-to-EBITDA multiples for the Company's peers and applied those multiples to the Company's projected 2007 and 2008 EBITDA to generate a trading comparables valuation. The list of comparable companies and trading multiples is included in Schedule 8.a.i.

[11] Total liabilities increased by approximately $2.2bn. Of that amount, approximately $1.6bn was attributable to increased interest bearing debt with the balance mainly attributable to an increase in deferred tax liability.

Odyssey excluded Wynn and LVS from the peer group because of the premiums being paid by investors for large-scale development projects in Macau. Excluding Wynn and LVS from the comparables universe makes the valuation more conservative and more relevant given the Company did not have a presence in Macau.

Excluding Wynn and LVS from the comparable group yields an EV-to-EBITDA multiple of 11.6x for 2007 and 10.9x for 2008. Odyssey applied those multiples to the Company's projected 2007 and 2008 EBITDA to generate a value of $6.1bn attributable to EBITDA-generating casino assets at the time of the LBO. To that value, Odyssey added the values of the following non-EBITDA generating/other assets owned by the Company:

Non-EBITDA Generating /Other Assets	Valuation Methodology
Near-term land development	Discounted cash flow
Long-term land development	Appraised values
Native American management contracts	Discounted cash flow
Native American investments	Cost

Odyssey valued the non-EBTDA generating/other assets at $2.4bn at the time of the LBO. (See Schedule 8.a.)

Adding the value attributable to EBITDA-generating casino assets to the value of the non-EBTDA generating/other assets, Odyssey ascribes trading comparables-driven total enterprise value of $8.5bn to the Company.

Using this trading comparables valuation, the Company's total enterprise value exceeded the Company's total liabilities by $4.3bn and $2.1bn pre-LBO and post-LBO, respectively.

c. Transaction Comparables Valuation

Odyssey reviewed historical gaming merger and acquisition transactions and determined a valuation for the Company based on prices paid for gaming companies with similar characteristics to the Company. Consistent with the methodology used for the trading comparables valuation, Odyssey focused on EBITDA as a valuation driver in this analysis.

Odyssey reviewed historical gaming transactions cited by Bear Stearns in presentations given to the Company's board during the time leading up to the LBO and determined that there had not been any gaming transaction since the LBO that involved gaming operators with characteristics sufficiently similar to the Company's to warrant inclusion in the transaction comparable group. The relevant multiples for deal value to current fiscal year EBITDA and forward year EBITDA implied by comparable gaming transactions were 10.5x and 9.6x, respectively. Odyssey applied the Company's projected 2007 and 2008 EBITDA to these multiples to derive a valuation for the EBITDA-generating casino assets at the time of the LBO of $5.5bn. (See Schedule 8.a.ii.)

Odyssey added the values of the non-EBITDA generating/other assets mentioned above to the value of the multiple driven transaction comparable valuation to create a transaction comparable driven total enterprise valuation for the Company of $7.9bn.

Using this comparable transactions valuation, the Company's assets' value exceeded the Company's total liabilities by $3.7bn and $1.5bn pre-LBO and post-LBO, respectively.

d. Other Indications of Value: Underwriters' View

As lead underwriters of the LBO debt, Deutsche Bank and JPMorgan performed extensive due diligence on the LBO Projections and assessed the value of the bank group's collateral at the time of the LBO. In the June 2007 presentation prepared by the two banks, they presented a sum-of-the-parts analysis to illustrate asset coverage levels for the operating company debt holders. The total value of the Company's assets as cited in the presentation was $7.9bn. Based on asset values suggested in this presentation, there existed a margin of solvency of approximately $3.7bn and $1.5bn pre- and post-LBO, respectively.

e. Other Indications of Value: LBO Purchase Price

One of the most compelling indications of value was the purchase price paid by Purchasers for the Company. Colony Capital, LLC ("Colony"), one of the Purchasers, is a highly sophisticated buyer with deep experience in the gaming sector. It had been part of several successful casino gaming investments prior to the LBO, such as Kerzner International, Las Vegas Hilton, Resorts International, Accor S.A., Fairmont Hotels and Raffles. The firm also was among the bidders in the competitive 2006 Aztar auction process.

Colony had access to the company's financial information and was supported in its efforts to take the Company private by the Company's two largest shareholders, the Fertitta brothers, who were intimately familiar with the company's operations by virtue of their longevity with the Company and involvement in its operations as executive officers and board members. The purchase price paid for the Company was $8.9bn, suggesting a margin of solvency of $4.7bn and $2.5bn based on the value of pre-LBO and post-LBO liabilities, respectively.

ii. Discount Rate Solvency Test

Odyssey performed a stress test analysis to identify the discount rate which, if applied to the cash flow forecasts in the SFAS 141 Analysis, would cause the fair value of the Company's assets to drop below the book value of its liabilities. This analysis showed threshold discount rate of 10.4%, implying a difference of 2.9% over the base rate of 7.5% used in D&P's IRR-driven SFAS 141 Analysis and a difference of 1.4% over the actual WACC outlined in that same report.

iii. Conclusion

Based on Odyssey's valuation of the Company at the time of the LBO, Odyssey has concluded that the Company was solvent both before and after the LBO. Odyssey found no indication that the value of the Company was less that its liabilities either pre- or post-LBO. Each indication of value considered by Odyssey suggested a substantial margin of solvency.

D. Adequacy of Capital

Odyssey performed several analyses to determine if the Company had adequate capital to conduct its business following the LBO.

As with the solvency analysis in Section C, pre-LBO figures were drawn from Company's 10-Q for the quarter ending September 30, 2007; post-LBO figures from Company's 10-K for the fiscal year ending December 31, 2007.

A discussion of these analyses follows.

i. Effect of the LBO on the Capital and Debt Structure of the Company: Balance Sheet Comparison

As part of its analysis, Odyssey compared the Company's pre-LBO and post-LBO balance sheets. Included in this analysis, Odyssey compared key balance sheet ratios such as debt to total book capitalization, debt to equity, net debt to total book capitalization and net debt to equity both before and after the LBO. The resulting analysis is included in the figure below.[12]

[12] September 30, 2007 asset values were based on GAAP. December 31, 2007 asset values were based SFAS 141 purchase accounting.

Station Casinos Balance Sheet Comparison
Balance Sheet ($000s), except ratios

	9-30-07 Pre-LBO	12-31-07 Post-LBO
Total Assets	3,931,734	8,988,666
Total Liabilities	4,222,636	6,417,604
Net Assets	(290,902)	2,571,062
Interest Bearing Debt	3,626,253	5,244,424
Cash & Cash Equivalents	98,958	96,392
Net Interest Bearing Debt	3,527,295	5,148,032
Debt/Total Book Cap	1.09	0.67
Debt/Book Equity	nm	2.04
Net Debt/Total Book Cap	1.06	0.66
Net Debt/Book Equity	nm	2.00

While additional debt is inherent in a leveraged buyout, it is helpful to compare the debt load to an operating metric such as EBITDA to understand a Company's ability to sustain its debt structure. Odyssey analyzed the Company's leverage ratios using two sets of EBITDA projections, the June Projections, which were included in the proxy statement issued on July 9, 2007, and the October Projections, which contained lower EBITDA projections (approximately 10%) that reflected then-current performance.

Odyssey reviewed the EBITDA projections from these two models and both the pre- and post-LBO debt and balance sheet capitalization figures. As illustrated in Schedule 4.a, when considering the June Projections, post-LBO debt-to-EBITDA ratios increased by 2.4x, 2.2x, and 1.9x for 2007, 2008 and 2009 EBITDA forecasts respectively.

When considering the October Projections, post-LBO debt-to-EBITDA ratios increased by 2.8x, 2.4x, and 2.2x for 2007, 2008 and 2009 EBITDA forecasts respectively.

In addition, with respect to other gaming LBOs transacted around the time of the LBO, the LBO was capitalized with a substantial amount of equity, approximately 40% of the deal value. On a percentage basis, this was the highest amount of equity capitalization of any of the gaming LBOs consummated during this time. (See Schedule 6.b.)

ii. Ability to Support Post-LBO Capital Structure

a. EBITDA Stress Tests

Odyssey reviewed the LBO Projections and performed multiple analyses to understand the Company's ability to perform on its debt obligations as assumed in the LBO. Results of these analyses indicate that the Company would have been able to support its debt had the Company performed according to its LBO Projections.

b. Debt Maturity Schedule

In addition to understanding the EBITDA margins for error, Odyssey reviewed the Company's debt maturity schedule as illustrated in Schedule 5.e which indicates that the Company had very little debt maturing prior to 2012—more than three years after the LBO. Specifically, in the years 2008 to 2011, less than $20mm in debt was scheduled to mature compared to projected EBITDA[13] of nearly $2.2bn.

A review of the debt schedule in the deal model showed that the Company projected significant cash generation in excess of debt service payments in the forecast period. The LBO Projections suggest that the Company would be able to make substantial growth oriented capital expenditures while maintaining a sound credit profile. Total debt (excluding the CMBS facilities) was expected to drop from $3bn post-LBO to $2bn in 2012. The Company anticipated its total leverage, measured as non-CMBS debt to the trailing twelve months EBITDA, would drop from 7.8x following the LBO to 2.6x at the end of 2012. Interest coverage was forecast to grow from 1.6x post-LBO to 4.6x at the end of 2012.

Based on the Company's anticipated cash flow generation per the LBO Projections, the Company would have been able to meet these debt obligations as they matured. In terms of satisfying its long-term funding requirements and maturities of its longer-term debt, the Company expected that when the larger debt facilities matured in 2012 and beyond, the Company would have a strong enough credit profile to refinance its debt.

Based on the Company's projected credit statistics, which indicated a strong credit profile, Odyssey believes it was reasonable to expect that had the Company performed to plan, it would have been able to secure refinancing of its larger credit facilities as they matured and needed to be refinanced.

c. Liquidity following the LBO

Odyssey reviewed liquidity (both cash and lines of credit) and working capital levels of the gaming peer group. Based on this peer comparison, the Company had capital levels in line with industry peers and, in Odyssey's opinion, was not at a disadvantage in terms of its ability to operate given the capital top which it had access at the time of the LBO.

The Company forecast a constant cash balance of $105mm consistent with levels required to operate its business. In addition, immediately after the LBO, the Company had access to more than $450mm in liquidity on its revolver. The Company forecast a cash balance of over $500mm by 2012. The Company also could have liquidated a portion of its sizable long-term land development portfolio (valued at $1.2bn at the time of the LBO). Based on the foregoing, Odyssey believes that the Company had adequate capital to operate its business following the LBO.

[13] As defined in the Revolver Agreement.

d. Surplus EBITDA Analysis

Odyssey reviewed the financial covenants governing the indentures for the Company's outstanding senior and senior subordinated notes as well as the financial covenants related to the senior secured debt facility. Odyssey analyzed the October Projections and performed an EBITDA sensitivity analysis that demonstrated the cushion, or margin, in terms of EBITDA forecasts relative to the restrictions listed in the debt covenants. Two versions of this analysis are demonstrated in Schedules 5.a.i and 5.a.ii.

The first version of the analysis illustrated in Schedule 5.a.i demonstrates EBITDA cushion suggested when including the non-recourse land loan and excluding cash from the total debt component used to generate the total leverage credit metric.

The second version of the analysis subtracts certain debt as well as cash and cash equivalents from the debt when calculating the total leverage ratio, as permitted by the loan agreement for the revolving credit facility.

The results of this analysis show that, over the projection period, the Company had a minimum EBITDA cushion of 19.3% relative to its most restrictive covenant. The Company had never previously experienced a decline in EBITDA of the magnitude that would have caused it to miss these covenants.

e. Covenant Compliance Following the LBO

Odyssey reviewed compliance certificates related to the credit agreement executed between the Company and the senior secured lenders that provided financing for the LBO. A summary of covenant compliance and operating statistics is included in Schedule 5.c.

The three covenants included in the credit agreement were:

- Total Leverage Covenant
- Senior Secured Leverage Covenant
- Coverage Covenant

The Total Leverage Covenant contemplated all non-CMBS and non-secured debt of the Company (senior secured and senior and subordinated notes) over EBITDA. The covenant limit as of the first quarter of 2008 was 8.5x, gradually reducing by 25 basis points each quarter to 7.75x in the fourth quarter of 2008.

The Senior Secured Leverage covenant is defined as a maximum level of senior secured debt over EBITDA. The senior secured covenant is 2.25x in the first and second quarters of 2008 and adjusts downward to 2.00x in quarters three and four of 2008.

The Coverage Covenant is defined as EBITDA/cash interest and is 1.50x for the first two quarters of 2008 adjusting upward to 1.75x during the third and fourth quarter of 2008.

Consolidated EBITDA was calculated on a rolling 12-month basis. Covenants went into effect in March 2008. The first quarter contained the most liberal covenants, with all three covenants tightening over the remainder of 2008.

The Company was able to operate in compliance with the terms of the covenants for the first three quarters of 2008, but needed a waiver in the fourth quarter of 2008 for all three covenants due to deteriorating operating performance.

iii. Conclusion

While it is clear that the LBO increased the Company's debt load, Odyssey believes that, based on the LBO Projections, the Company had sufficient capital with which to conduct its operations both pre- and post-LBO. Based on the LBO Projections, the Company also would generate adequate EBITDA to service its debt load, make necessary capital expenditures and to provide an acceptable return to equity holders. In addition, the Company had significant non-core assets that could have been monetized to enhance its liquidity.

Respectfully submitted,

/s/

Odyssey Capital Group, LLC

Schedules
Report to the Special Committee to the Board of Directors
of Station Casinos, Inc.
9-Sep-09

STATION CASINOS INC.

ODYSSEY CAPITAL GROUP, LLC

Schedule of Financial Analysis for Special Committee

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Growth and Margin Analysis

Purpose: To compare the Company's historical growth rates and margins with those found in the LBO Projections.

Analysis of Historical EBITDA and Forecast Growth Rates

Compound Annual EBITDA Growth Rates	Actuals	Projections	
Large Properties wholly owned [1], [2]	'01 - '06[1]	'07 - '12[2]	Variance
Palace Station	9.9%	3.5%	-6.4%
Boulder Station	13.7%	2.2%	-11.5%
Texas Station	4.9%	2.3%	-2.5%
Sunset Station	3.0%	4.5%	1.5%
Santa Fe Station	19.2%	6.8%	-12.3%
Red Rock	nm	12.4%	nm
Fiesta Rancho	8.4%	0.1%	-8.4%
Fiesta Henderson	11.9%	12.1%	0.2%
Subtotal Large Prop Owned	10.1%	5.5%	-5.6%

Compound Annual EBITDA Growth Rates			
New Projects [2]	First Full Year Ops - '02 - '06 [7]	Forecast '06 - '12 [2],[7]	Variance
GVR [6]	27.7%	7.6%	20.1%
Projected		First Full Yr - '12	
Aliante [4]		17.1%	
Durango [5]		17.3%	

Analysis of Historical and Forecast EBITDA Margins

EBITDA Margins	Average Actuals	Average Projections	Change	
Large Properties wholly owned	'01 - '06 [7]	'07 - '12[2]	from '01 to '06	from '06 to '12
Palace Station	27.6%	28.7%	7.4%	0.3%
Boulder Station	36.1%	40.7%	12.3%	0.8%
Texas Station	25.3%	28.4%	5.2%	1.6%
Sunset Station	36.4%	38.5%	3.3%	2.1%
Santa Fe Station	41.5%	41.7%	9.7%	-1.5%
Red Rock Station [3]	24.1%	34.4%	nm	7.0%
Fiesta Rancho	19.3%	21.7%	8.5%	0.2%
Fiesta Henderson	20.0%	27.8%	5.1%	6.9%
Average	28.8%	32.7%	7.4%	2.2%

(1) October Projections and information provided by Station Casinos management.
(2) Bottom's up property forecast model provided by Station Casinos management.
(3) Red Rock change in EBITDA margin calculated from '07 to '12 due to its opening in '06 and related expenses that distorted '06 EBITDA margins.
(4) Scheduled to open in January of '09.
(5) Scheduled to open in January of '10.
(6) Opened in December '01.
(7) File 17 provided by Station Casinos management.
Completed by Odyssey based on information provided by management.

Large Property Financial Performance Relative to Budget[1,2]

Purpose: To illustrate the Company's historical performance relative to budget.

	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008
Revenues					
Table Games	$ 95,605,741	$ 106,169,125	$ 135,089,096	$ 151,809,898	$ 126,504,807
Slots	751,470,475	859,631,049	990,163,190	1,039,249,416	943,046,422
Other Gaming	44,677,835	55,455,155	69,237,649	78,699,976	70,799,278
Total Gaming	**891,754,051**	**1,021,255,330**	**1,194,489,936**	**1,269,759,290**	**1,140,350,507**
Hotel	64,395,921	83,596,281	106,724,726	138,852,582	130,720,154
Food	104,016,838	110,398,566	153,593,923	174,409,474	154,179,995
Beverage	46,762,401	51,698,527	70,778,070	78,118,994	74,798,853
Other	68,475,507	88,405,941	117,812,488	141,413,878	131,627,431
Total Revenue	**1,175,404,718**	**1,355,354,645**	**1,643,399,142**	**1,802,554,219**	**1,631,676,940**
Expenses					
Cost of Sales	78,257,453	83,179,250	113,274,329	125,227,946	106,125,404
Salary & Wages	238,030,770	260,572,613	325,662,400	363,186,819	340,598,493
Taxes & Benefits	96,377,214	95,336,951	118,970,408	146,576,573	134,254,392
Gaming Taxes	69,349,850	78,137,030	91,303,116	95,963,849	86,649,468
Table Games Marketing	10,328,481	12,712,371	16,516,235	19,116,805	19,424,184
Slot Marketing / Promotions	104,120,608	120,365,872	158,031,581	171,673,825	174,952,271
Advertising	16,445,097	18,603,409	23,048,385	25,768,265	22,476,649
Utilities	23,938,573	24,596,324	33,406,159	40,137,461	38,282,364
Other	144,472,881	159,482,123	207,323,361	242,007,560	238,866,682
Total Expenses	781,320,926	852,985,942	1,087,535,974	1,229,659,102	1,161,629,907
EBITDA	**$ 394,083,792**	**$ 502,368,703**	**$ 555,863,169**	**$ 572,895,117**	**$ 470,047,032**
Historical Analysis					
Revenue Growth (annual %)		15.3%	21.3%	9.7%	-9.5%
EBITDA Growth (annual %)		27.5%	10.6%	3.1%	-18.0%
EBITDA Margin (% of Revenues)	33.5%	37.1%	33.8%	31.8%	28.8%

	Budget 2004	Budget 2005	Budget 2006	Budget 2007	Budget 2008
Revenues					
Table Games	$ 85,761,847	$ 104,162,194	$ 127,755,890	$ 158,714,884	$ 160,424,593
Slots	680,538,580	783,610,193	999,350,472	1,114,850,082	1,093,058,356
Other Gaming	46,353,320	49,131,802	69,858,867	79,077,880	86,818,271
Total Gaming	**812,653,748**	**936,904,189**	**1,196,965,229**	**1,352,642,846**	**1,340,301,220**
Hotel	60,121,978	80,805,928	103,301,070	138,088,535	149,879,829
Food	104,298,582	111,486,538	148,021,150	189,902,283	186,243,674
Beverage	45,955,949	49,666,252	67,568,497	80,797,667	87,083,634
Other	66,058,813	84,891,074	112,196,772	139,966,752	148,970,557
Total Revenue	**1,089,089,070**	**1,263,753,981**	**1,628,052,719**	**1,901,398,083**	**1,912,478,915**
Expenses					
Cost of Sales	77,325,714	83,692,686	106,927,159	131,370,989	127,156,575
Salary & Wages	232,065,327	259,596,394	323,720,529	374,874,895	387,159,274
Taxes & Benefits	82,940,538	100,723,854	116,167,469	135,389,317	150,057,478
Gaming Taxes	65,979,951	74,718,500	93,160,100	106,195,362	102,708,327
Table Games Marketing	8,739,339	11,604,087	18,632,041	20,588,870	21,011,944
Slot Marketing / Promotions	101,829,207	108,736,936	145,202,387	164,647,972	178,167,349
Advertising	17,067,146	18,557,184	23,698,185	23,724,796	25,949,065
Utilities	24,058,454	24,705,116	32,711,742	39,618,729	42,763,804
Other	138,256,004	158,029,887	196,449,608	234,815,674	241,467,707
Total Expenses	748,261,679	840,364,644	1,056,669,220	1,231,226,604	1,276,441,523
EBITDA	**$ 340,827,391**	**$ 423,389,336**	**$ 571,383,499**	**$ 670,171,480**	**$ 636,037,392**
Historical Analysis					
Revenue Growth (annual %)		16.0%	28.8%	16.8%	0.6%
EBITDA Growth (annual %)		24.2%	35.0%	17.3%	-5.1%
EBITDA Margin (% of Revenues)	31.3%	33.5%	35.1%	35.2%	33.3%

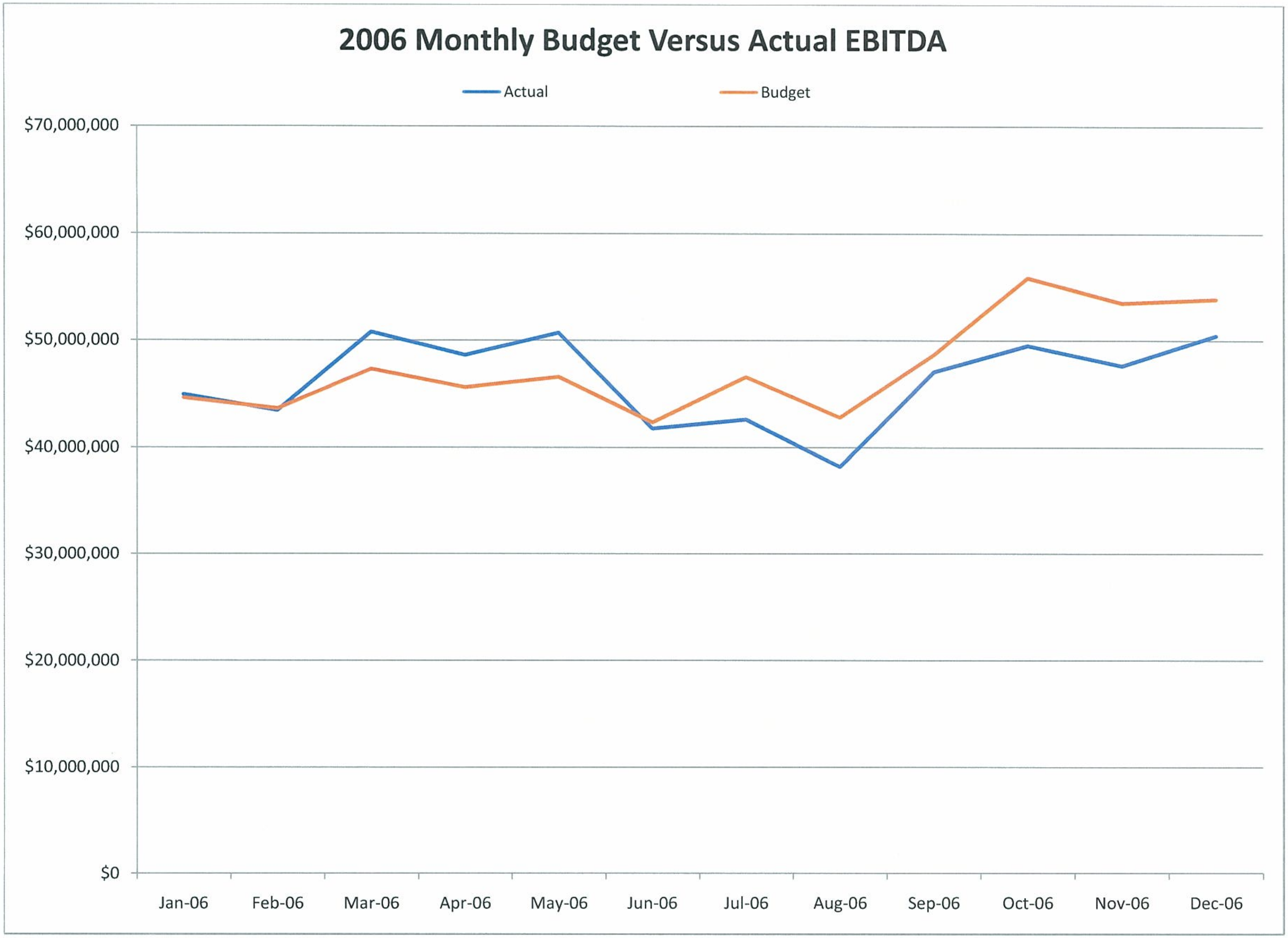
	Variance 2004	Variance 2005	Variance 2006	Variance 2007
Revenues				
Table Games	$ 9,843,894	$ 2,006,931	$ 7,333,206	$ (6,904,986)
Slots	70,931,894	76,020,856	(9,187,282)	(75,600,666)
Other Gaming	(1,675,486)	6,323,353	(621,218)	(377,904)
Total Gaming	**79,100,303**	**84,351,141**	**(2,475,293)**	**(82,883,556)**
Hotel	4,273,943	2,790,353	3,423,656	764,047
Food	(281,744)	(1,087,972)	5,572,773	(15,492,809)
Beverage	806,452	2,032,275	3,209,573	(2,678,674)
Other	2,416,694	3,514,867	5,615,716	1,447,126
Total Revenue	**86,315,648**	**91,600,664**	**15,346,424**	**(98,843,864)**
Expenses				
Cost of Sales	931,739	(513,436)	6,347,170	(6,143,043)
Salary & Wages	5,965,443	976,219	1,941,872	(11,688,076)
Taxes & Benefits	13,436,676	(5,386,903)	2,802,939	11,187,256
Gaming Taxes	3,369,899	3,418,530	(1,856,984)	(10,231,513)
Table Games Marketing	1,589,142	1,108,284	(2,115,806)	(1,472,065)
Slot Marketing / Promotions	2,291,401	11,628,936	12,829,194	7,025,854
Advertising	(622,049)	46,225	(649,800)	2,043,469
Utilities	(119,881)	(108,792)	694,417	518,732
Other	6,216,877	1,452,236	10,873,753	7,191,885
Total Expenses	33,059,247	12,621,298	30,866,754	(1,567,501)
EBITDA	**$ 53,256,401**	**$ 78,979,366**	**$ (15,520,330)**	**$ (97,276,363)**

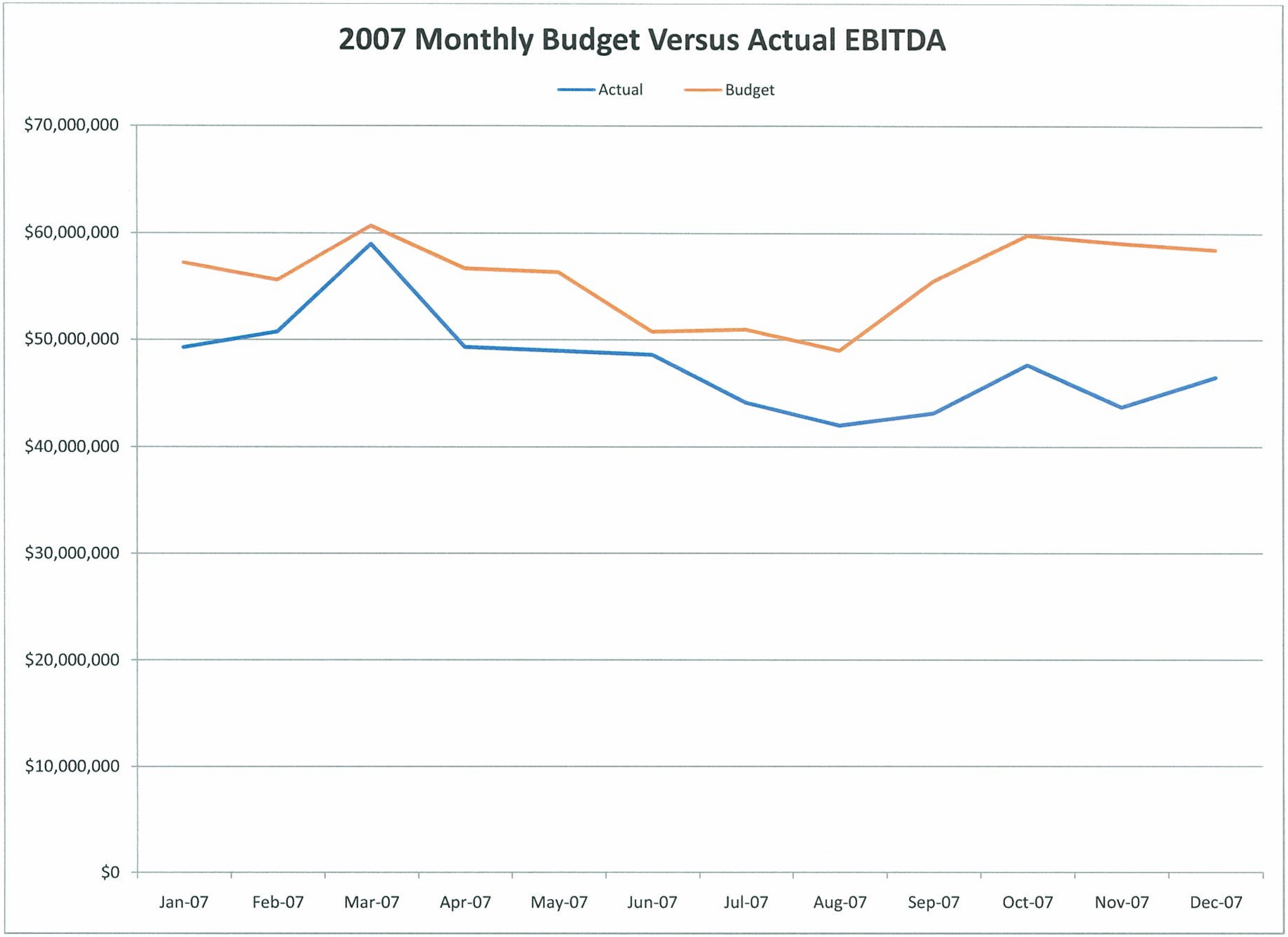
	% Variance 2004	% Variance 2005	% Variance 2006	% Variance 2007	% Variance 2008
Revenues					
Table Games	11.5%	1.9%	5.7%	-4.4%	-21.1%
Slots	10.4%	9.7%	-0.9%	-6.8%	-13.7%
Other Gaming	-3.6%	12.9%	-0.9%	-0.5%	-18.5%
Total Gaming	**9.7%**	**9.0%**	**-0.2%**	**-6.1%**	**-14.9%**
Hotel	7.1%	3.5%	3.3%	0.6%	-12.8%
Food	-0.3%	-1.0%	3.8%	-8.2%	-17.2%
Beverage	1.8%	4.1%	4.8%	-3.3%	-14.1%
Other	3.7%	4.1%	5.0%	1.0%	-11.6%
Total Revenue	**7.9%**	**7.2%**	**0.9%**	**-5.2%**	**-14.7%**
Expenses					
Cost of Sales	1.2%	-0.6%	5.9%	-4.7%	-16.5%
Salary & Wages	2.6%	0.4%	0.6%	-3.1%	-12.0%
Taxes & Benefits	16.2%	-5.3%	2.4%	8.3%	-10.5%
Gaming Taxes	5.1%	4.6%	-2.0%	-9.6%	-15.6%
Table Games Marketing	18.2%	9.6%	-11.4%	-7.1%	-7.6%
Slot Marketing / Promotions	2.3%	10.7%	8.8%	4.3%	-1.8%
Advertising	-3.6%	0.2%	-2.7%	8.6%	-13.4%
Utilities	-0.5%	-0.4%	2.1%	1.3%	-10.5%
Other	4.5%	0.9%	5.5%	3.1%	-1.1%
Total Expenses	4.4%	1.5%	2.9%	-0.1%	-9.0%
EBITDA	**15.6%**	**18.7%**	**-2.7%**	**-14.5%**	**-26.1%**

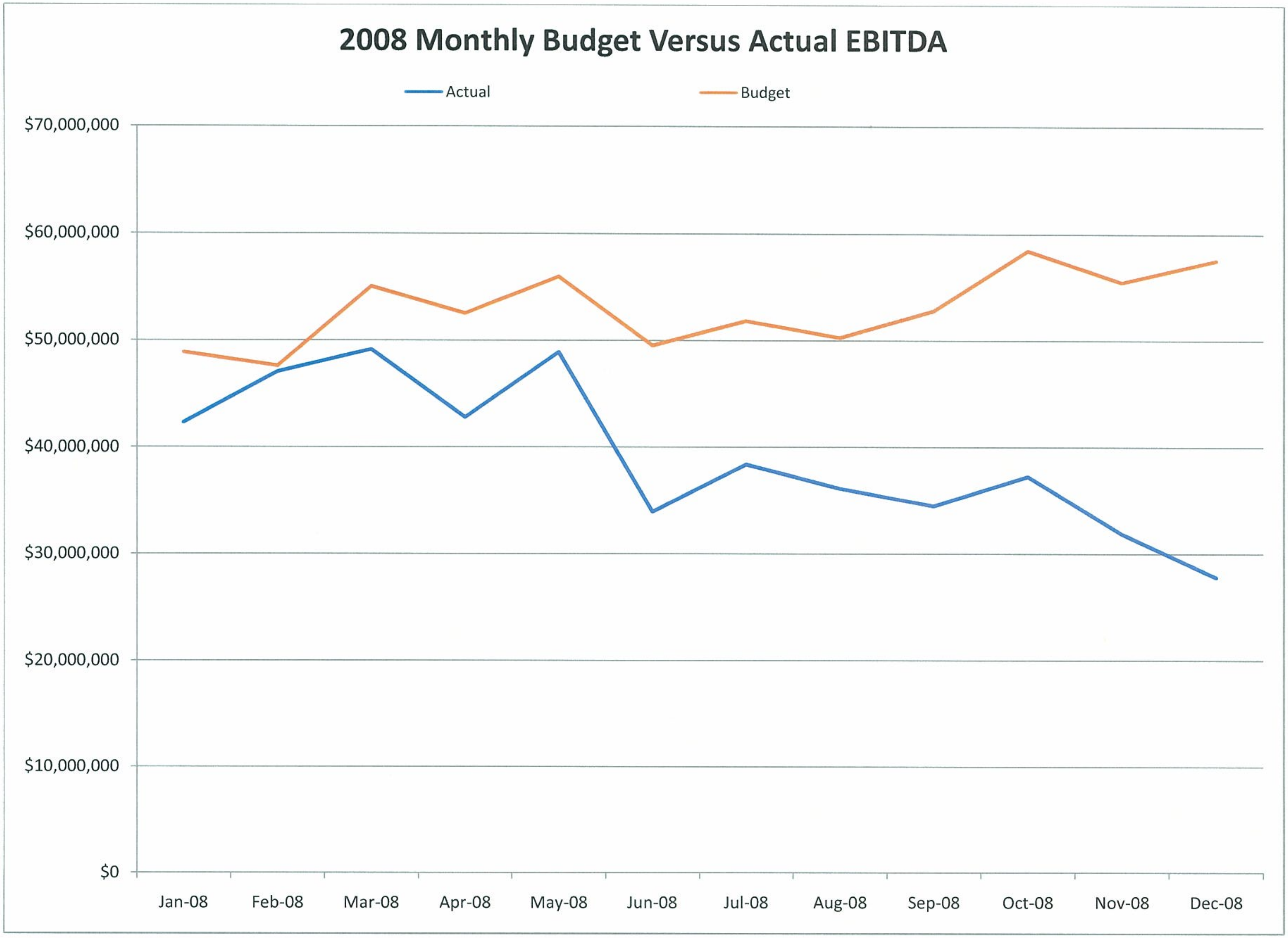
1 - Includes Palace, Boulder, Texas, Sunset, Santa Fe, Green Valley Ranch (GVR), Red Rock, Fiesta Rancho and Fiesta Henderson.

2 - Includes 100% of GVR income statement figures though Station owns 50% of GVR.

Source: Station Management


2006 Monthly Budget Versus Actual EBITDA
Actual
Budget
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
Jan-06
Feb-06
Mar-06
Apr-06
May-06
Jun-06
Jul-06
Aug-06
Sep-06
Oct-06
Nov-06
Dec-06


2007 Monthly Budget Versus Actual EBITDA
Actual
Budget
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
Jan-07
Feb-07
Mar-07
Apr-07
May-07
Jun-07
Jul-07
Aug-07
Sep-07
Oct-07
Nov-07
Dec-07


2008 Monthly Budget Versus Actual EBITDA
Actual
Budget
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
Jan-08
Feb-08
Mar-08
Apr-08
May-08
Jun-08
Jul-08
Aug-08
Sep-08
Oct-08
Nov-08
Dec-08

Summary of Historical Financial Performance - Budget vs. Actuals

Large Property Financial Performance ($000s)

Purpose: To illustrate the Company's historical performance relative to budget.

Revenue

	Budget	Actual	Variance
2002	1,027,939	1,005,584	(22,355)
2003	1,060,642	1,039,308	(21,334)
2004	1,089,089	1,175,405	86,316
2005	1,263,754	1,355,355	91,601
2006	1,628,053	1,643,399	15,346
2007	1,901,398	1,802,554	(98,844)

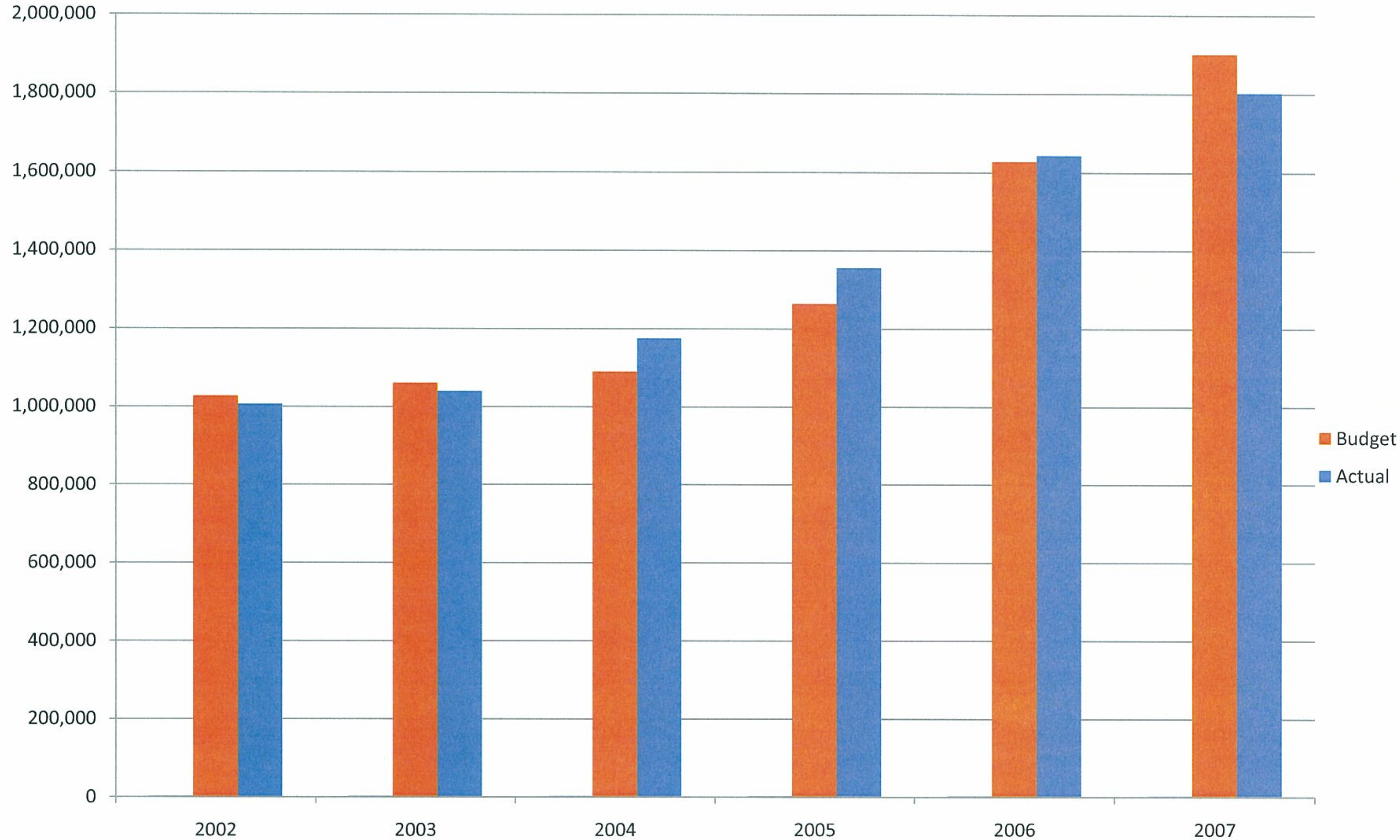
EBITDA

	Budget	Actual	Variance
2002	300,227	297,939	(2,288)
2003	318,504	315,766	(2,738)
2004	340,827	394,084	53,256
2005	423,389	502,369	78,979
2006	571,383	555,863	(15,520)
2007	670,171	572,895	(97,276)

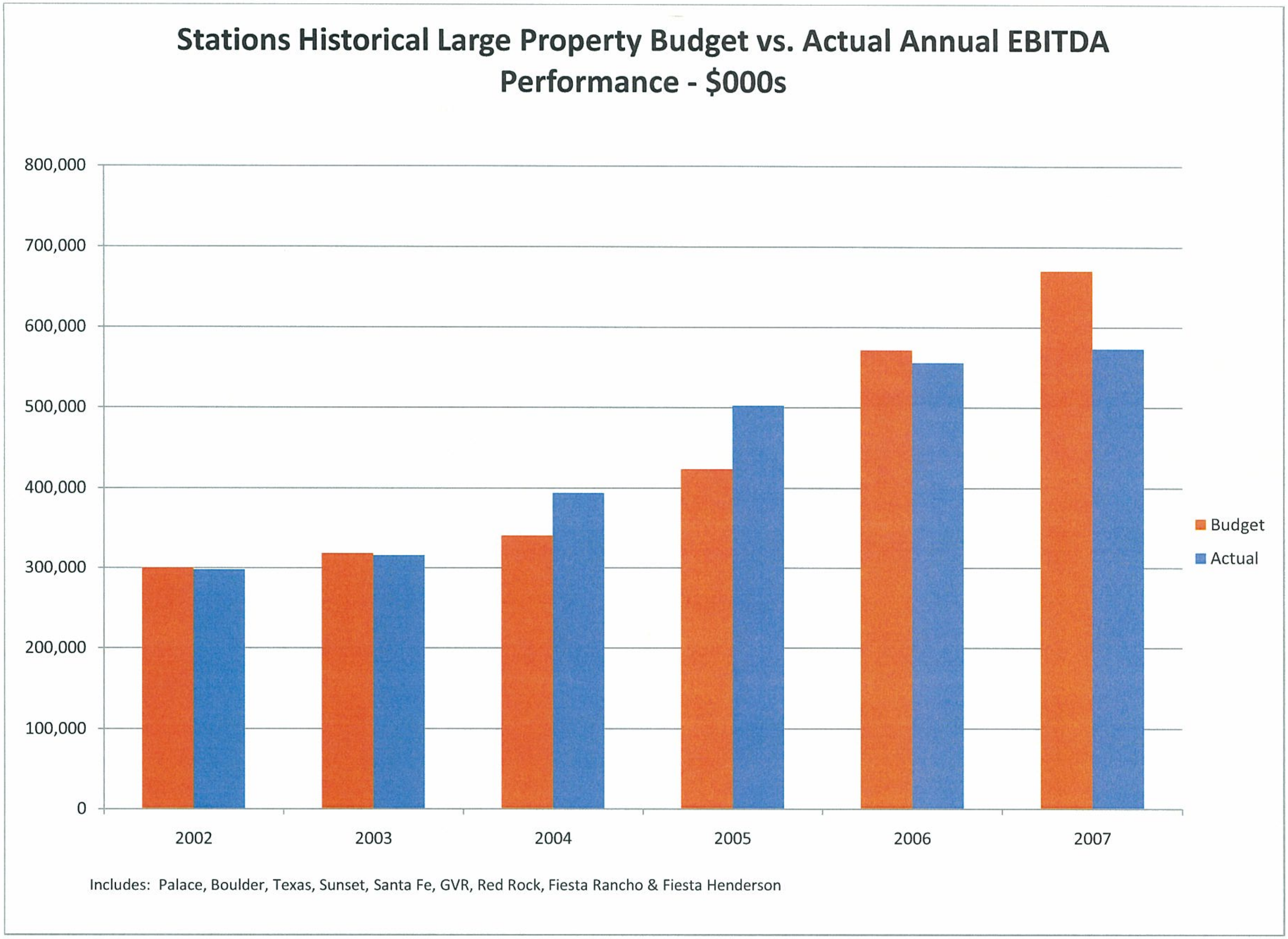
Includes: Palace, Boulder, Texas, Sunset, Santa Fe, GVR, Red Rock, Fiesta Rancho & Fiesta Henderson

Source: Station Management

Stations Historical Large Property Budget vs. Actual Annual Revenue Performance - $000s



Includes: Palace, Boulder, Texas, Sunset, Santa Fe, GVR, Red Rock, Fiesta Rancho & Fiesta Henderson


Stations Historical Large Property Budget vs. Actual Annual EBITDA Performance - $000s
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
2002
2003
2004
2005
2006
2007
Budget
Actual
Includes: Palace, Boulder, Texas, Sunset, Santa Fe, GVR, Red Rock, Fiesta Rancho & Fiesta Henderson

Schedule 1.d

Detailed Large Property Financial Performance

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Summary									
Total Gaming Revenue	**416,860**	**477,568**	**515,994**	**661,677**	**743,810**	**775,201**	**891,804**	**1,021,255**	**1,207,569**
Total Gross Revenue	**584,163**	**646,243**	**693,312**	**894,370**	**1,005,585**	**1,039,307**	**1,175,709**	**1,355,350**	**1,648,613**
Total EBITDA	**158,981**	**186,737**	**211,154**	**242,507**	**297,939**	**315,765**	**394,370**	**502,043**	**560,323**
Margin	**27.2%**	**28.9%**	**30.5%**	**27.1%**	**29.6%**	**30.4%**	**33.5%**	**37.0%**	**34.0%**
Palace									
Gaming Revenue	$95,126	$104,301	$106,578	$99,950	$101,699	$107,252	$121,658	$127,520	$126,041
Gross Revenue	147,199	151,193	155,607	146,401	148,389	153,732	171,429	177,565	176,093
EBITDA	36,704	39,047	40,108	31,903	38,538	43,054	51,534	53,923	51,415
Margin	24.9%	25.8%	25.8%	21.8%	26.0%	28.0%	30.1%	30.4%	29.2%
Boulder (Open 9/94)									
Gaming Revenue	120,471	131,662	136,684	125,647	124,934	127,819	146,631	170,357	174,652
Gross Revenue	158,321	169,715	175,713	162,838	160,335	163,501	184,396	211,070	216,897
EBITDA	50,204	56,901	59,018	46,367	54,205	55,981	69,495	88,169	88,528
Margin	31.7%	33.5%	33.6%	28.5%	33.8%	34.2%	37.7%	41.8%	40.8%
Texas (Acquired 7/95)									
Gaming Revenue	85,876	106,789	112,000	100,120	95,855	93,649	100,677	109,224	107,888
Gross Revenue	115,409	140,511	145,217	137,837	132,636	129,348	138,269	147,494	143,309
EBITDA	27,944	39,081	38,119	31,772	31,887	29,470	34,230	42,976	40,437
Margin	24.2%	27.8%	26.2%	23.1%	24.0%	22.8%	24.8%	29.1%	28.2%
Sunset (Open 6/97)									
Gaming Revenue	115,387	134,816	147,837	157,870	139,830	138,931	155,512	169,005	168,027
Gross Revenue	163,234	184,823	199,970	209,199	186,916	184,894	203,098	221,098	222,928
EBITDA	44,130	51,709	70,394	72,709	64,076	61,418	75,089	91,004	84,794
Margin	27.0%	28.0%	35.2%	34.8%	34.3%	33.2%	37.0%	41.2%	38.0%
Santa Fe (Acquired 10/00)									
Gaming Revenue			12,895	76,648	87,540	93,118	116,505	147,357	150,276
Gross Revenue			16,805	97,015	108,912	115,418	141,460	179,170	184,087
EBITDA			3,515	34,204	41,540	44,474	62,084	86,176	82,829
Margin			20.9%	35.3%	38.1%	38.5%	43.9%	48.1%	45.0%
Green Valley (Open 12/01)									
Gaming Revenue				5,391	94,800	114,668	147,141	183,420	202,851
Gross Revenue				6,870	132,138	155,561	197,511	267,838	297,879
EBITDA				2,503	42,956	58,191	77,579	103,929	114,305
Margin				36.4%	32.5%	37.4%	39.3%	38.8%	38.4%
Fiesta Rancho (Acquired 1/01)									
Gaming Revenue				54,515	55,837	54,812	54,181	58,454	58,047
Gross Revenue				73,800	73,843	72,131	69,906	74,178	73,202
EBITDA				12,065	13,700	11,392	11,013	17,939	18,205
Margin				16.3%	18.6%	15.8%	15.8%	24.2%	24.9%
Fiesta Henderson (Acquired 1/01)									
Gaming Revenue				41,537	43,314	44,952	49,498	55,918	60,953
Gross Revenue				60,411	62,415	64,722	69,640	76,938	83,887
EBITDA				10,983	11,037	11,786	13,345	17,927	19,510
Margin				18.2%	17.7%	18.2%	19.2%	23.3%	23.3%
Red Rock (Opened 4/06)									
Gaming Revenue									158,834
Gross Revenue									250,331
EBITDA									60,300
Margin									24.1%
Aliante (Projected 1/09)									
Gaming Revenue									
Gross Revenue									
EBITDA									
Margin									
Durango (Projected 1/10)									
Gaming Revenue									
Gross Revenue									
EBITDA									
Margin									

Source: Station Casino's Management.

Schedule 2.a

Comprehensive Wall Street revenue growth outlook for gaming industry

Purpose: To illustrate Wall Street's revenue growth expectations for public gaming companies.

		Year-over-Year Revenue Growth Expectations CY06 - CY07 (Quarterly "Evolution")								Change from:
Comparable Company	Ticker	1/31/06	4/30/06	7/31/06	10/31/06	1/31/07	4/30/07	7/31/07	10/31/07	1/31/06 to 10/31/07
Las Vegas Sands	LVS	71%	60%	58%	58%	56%	42%	35%	41%	-30%
Wynn Resorts	WYNN	53%	53%	52%	52%	62%	63%	72%	84%	31%
MGM	MGM	7%	7%	7%	7%	3%	3%	3%	3%	-4%
Ameristar Casinos	ASCA	5%	5%	6%	5%	4%	3%	3%	5%	-1%
Boyd Gaming	BYD	2%	-2%	-6%	-7%	-8%	-7%	-6%	-8%	-10%
Isle of Capri Casinos[1]	ISLE	12%	12%	20%	20%	24%	25%	24%	20%	8%
Penn National Gaming	PENN	2%	13%	11%	10%	10%	11%	10%	9%	8%
Great Canadian Gaming	GCG	7%	5%	6%	7%	5%	6%	4%	5%	-3%
Pinnacle Entertainment	PNK	19%	9%	22%	4%	4%	5%	6%	4%	-15%
Trump Entertainment Resorts[2]	TRMP									
Average		20%	18%	19%	17%	18%	17%	17%	18%	-2%
Average - excluding WYNN & LVS		8%	7%	9%	7%	6%	6%	6%	6%	-2%

		Year-over-Year Revenue Growth Expectations CY07 - CY08 (Quarterly "Evolution")								Change from:
Comparable Company	Ticker	1/31/06	4/30/06	7/31/06	10/31/06	1/31/07	4/30/07	7/31/07	10/31/07	1/31/06 to 10/31/07
Las Vegas Sands	LVS	30%	51%	54%	58%	69%	73%	81%	88%	58%
Wynn Resorts	WYNN	21%	26%	33%	29%	8%	7%	4%	10%	-11%
MGM	MGM	8%	4%	4%	7%	5%	6%	6%	7%	-1%
Americstar Casinos	ASCA	-5%	-5%	2%	5%	7%	10%	30%	34%	39%
Boyd Gaming	BYD	-4%	0%	10%	6%	7%	4%	4%	3%	7%
Isle of Capri Casinos[1]	ISLE	nm	nm	nm	nm	nm	0%	2%	5%	nm
Penn National Gaming	PENN	13%	10%	11%	10%	12%	10%	10%	10%	-3%
Great Canandian Gaming	GCG	-1%	10%	10%	4%	3%	2%	4%	4%	6%
Pinnacle Entertainment	PNK	14%	121%	-4%	16%	26%	27%	23%	21%	7%
Trump Entertainment Resorts[2]	TRMP									
Average		10%	27%	15%	17%	17%	15%	18%	20%	13%
Average - excluding WYNN & LVS		4%	23%	5%	8%	10%	9%	11%	12%	9%

		Year-over-Year Revenue Growth Expectations CY08 - CY09 (Quarterly "Evolution")								Change from:
Comparable Company	Ticker	1/31/06	4/30/06	7/31/06	10/31/06	1/31/07	4/30/07	7/31/07	10/31/07	1/31/06 to 10/31/07
Las Vegas Sands	LVS	17%	2%	8%	24%	30%	37%	41%	38%	21%
Wynn Resorts	WYNN	14%	17%	26%	25%	39%	33%	32%	23%	10%
MGM	MGM	4%	4%	3%	7%	12%	5%	5%	3%	-1%
Americstar Casinos	ASCA	nm	nm	nm	8%	5%	1%	8%	0%	nm
Boyd Gaming	BYD	2%	7%	11%	6%	8%	11%	10%	3%	2%
Isle of Capri Casinos[1]	ISLE	nm	nm	nm	nm	nm	nm	nm	5%	nm
Penn National Gaming	PENN	nm	2%	2%	3%	4%	8%	7%	10%	nm
Great Canandian Gaming	GCG	0%	-1%	-2%	5%	5%	0%	4%	6%	5%
Pinnacle Entertainment	PNK	nm	10%	117%	35%	26%	25%	17%	15%	nm
Trump Entertainment Resorts[2]	TRMP									
Average		7%	6%	24%	14%	16%	15%	16%	12%	7%
Average - excluding WYNN & LVS		2%	4%	26%	11%	10%	8%	9%	6%	2%

		Year-over-Year Revenue Growth Expectations CY09 - CY10 (Quarterly "Evolution")								Change from:
Comparable Company	Ticker	1/31/06	4/30/06	7/31/06	10/31/06	1/31/07	4/30/07	7/31/07	10/31/07	1/31/06 to 10/31/07
Las Vegas Sands	LVS	nm	nm	-66%	39%	29%	29%	35%	38%	nm
Wynn Resorts	WYNN	nm	19%	7%	20%	19%	14%	0%	4%	nm
MGM	MGM	nm	21%	21%	17%	17%	15%	19%	11%	nm
Americstar Casinos	ASCA	nm	nm	nm	nm	nm	0%	8%	19%	nm
Boyd Gaming	BYD	nm	36%	34%	42%	26%	32%	8%	18%	nm
Isle of Capri Casinos[1]	ISLE	nm	nm	nm	nm	nm	nm	nm	nm	nm
Penn National Gaming	PENN	nm	nm	nm	nm	nm	nm	nm	nm	nm
Great Canandian Gaming	GCG	nm	nm	nm	nm	nm	nm	nm	0%	nm
Pinnacle Entertainment	PNK	nm	3%	3%	13%	13%	14%	33%	31%	nm
Trump Entertainment Resorts[2]	TRMP									
Average			20%	0%	26%	21%	18%	17%	17%	nm
Average - excluding WYNN & LVS			20%	19%	24%	19%	15%	17%	16%	nm

[1] Isle of Capri's (ISLE) fiscal year ends in May. Estimates for ISLE are evaluated alongside the comp group's prior calendar year (i.e., Capri's FY ending May '07 are matched to the comp group's fiscal year ending in December '06.)

[2] No information available for Trump Entertainment Resorts for the periods included in the analysis.

Source: Thomson One Analytics

Historical gaming company stock price versus Street targets

Purpose: To illustrate Wall Street's revenue growth expectations for certain public gaming companies.

		Periodic Stock Price Levels (Quarterly "Evolution")								Change from:
Comparable Company	Ticker	1/31/2006	4/30/2006	7/31/2006	10/31/2006	1/31/2007	4/30/2007	7/31/2007	10/31/2007	1/31/06 to 10/31/07
Las Vegas Sands	LVS	$ 51.35	$ 64.81	$ 62.03	$ 76.20	$ 104.07	$ 85.19	$ 87.25	$ 133.08	$ 81.73
Wynn Resorts	WYNN	64.58	76.11	64.01	73.54	111.74	102.21	96.56	161.43	96.85
MGM	MGM	28.82	27.30	27.43	30.26	34.53	28.08	26.51	29.20	0.38
Ameristar Casinos	ASCA	22.49	24.61	18.85	24.61	30.52	30.36	31.68	32.55	10.06
Boyd Gaming	BYD	45.20	49.82	33.54	39.47	47.57	45.50	44.10	41.82	(3.38)
Isle of Capri Casinos	ISLE	28.45	31.20	23.63	25.10	24.87	24.44	21.44	20.25	(8.20)
Penn National Gaming	PENN	32.09	40.72	33.07	36.57	43.82	48.34	57.50	61.75	29.66
Great Canadian Gaming	GCG	15.22	14.09	10.00	11.90	12.19	13.22	13.25	14.00	(1.22)
Pinnacle Entertainment	PNK	28.82	27.30	27.43	30.26	34.53	28.08	26.51	29.20	0.38
Trump Entertainment Resorts	TRMP	19.60	19.05	18.23	20.33	17.76	16.23	6.70	7.79	(11.81)
Average		$ 33.66	$ 37.50	$ 31.82	$ 36.82	$ 46.16	$ 42.17	$ 41.15	$ 53.11	$ 19.45
Average - excluding WYNN & LVS		$ 27.59	$ 29.26	$ 24.02	$ 27.31	$ 30.72	$ 29.28	$ 28.46	$ 29.57	$ 1.98

		Wall Street Price Targets (Quarterly "Evolution")								Change from:
Comparable Company	Ticker	1/31/2006	4/30/2006	7/31/2006	10/31/2006	1/31/2007	4/30/2007	7/31/2007	10/31/2007	1/31/06 to 10/31/07
Las Vegas Sands	LVS	$ 59.00	$ 59.00	$ 77.00	$ 78.00	$ 97.50	$ 104.50	$ 100.00	$ 134.00	$ 75.00
Wynn Resorts	WYNN	79.00	82.00	84.00	80.50	91.00	104.00	105.00	146.50	67.50
MGM	MGM	nm	49.00	52.00	50.00	67.50	76.50	91.00	102.50	20.00
Americstar Casinos	ASCA	45.50	28.00	24.00	28.00	31.00	33.00	37.00	36.50	(9.00)
Boyd Gaming	BYD	52.00	61.00	52.00	46.50	51.50	55.00	54.00	51.00	(1.00)
Isle of Capri Casinos	ISLE	24.00	28.50	26.00	25.50	26.00	29.50	34.00	32.50	8.50
Penn National Gaming	PENN	37.25	46.00	42.00	44.00	47.00	52.25	67.00	67.00	29.75
Great Canandian Gaming	GCG	nm	12.95	13.00	13.50	12.55	13.25	13.75	15.13	(35.02)
Pinnacle Entertainment	PNK	21.00	33.00	37.00	36.00	38.00	37.50	37.50	36.00	15.00
Trump Entertainment Resorts	TRMP	NA	24.00	25.50	23.00	22.00	20.50	14.00	12.00	(12.00)
Average		$ 50.04	$ 42.35	$ 43.25	$ 42.50	$ 48.41	$ 52.60	$ 55.33	$ 63.31	$ 15.87
Average - excluding WYNN & LVS		$ 44.63	$ 35.31	$ 33.94	$ 33.31	$ 36.94	$ 39.69	$ 43.53	$ 44.08	$ 2.03

		Target Price less Actual Price - $								Change from:
Comparable Company	Ticker	1/31/2006	4/30/2006	7/31/2006	10/31/2006	1/31/2007	4/30/2007	7/31/2007	10/31/2007	1/31/06 to 10/31/07[1]
Las Vegas Sands	LVS	$ 7.65	$ (5.81)	$ 14.97	$ 1.80	$ (6.57)	$ 19.31	$ 12.75	$ 0.92	$ (6.73)
Wynn Resorts	WYNN	14.42	5.89	19.99	6.96	(20.74)	1.79	8.44	(14.93)	(29.35)
MGM	MGM	53.68	21.70	24.57	19.74	32.97	48.42	64.49	73.30	19.62
Americstar Casinos	ASCA	23.01	3.39	5.15	3.39	0.48	2.64	5.32	3.95	(19.06)
Boyd Gaming	BYD	6.80	11.18	18.46	7.03	3.93	9.50	9.90	9.18	2.38
Isle of Capri Casinos	ISLE	(4.45)	(2.70)	2.37	0.40	1.13	5.06	12.56	12.25	16.70
Penn National Gaming	PENN	5.16	5.28	8.93	7.43	3.18	3.91	9.50	5.25	0.09
Great Canandian Gaming	GCG	34.93	(1.14)	3.00	1.60	0.36	0.03	0.50	1.13	(33.80)
Pinnacle Entertainment	PNK	(7.82)	5.70	9.57	5.74	3.47	9.42	10.99	6.80	14.62
Trump Entertainment Resorts	TRMP	nm	4.95	7.27	2.67	4.24	4.27	7.30	4.21	nm
Average		$ 14.82	$ 4.84	$ 11.43	$ 5.68	$ 2.25	$ 10.44	$ 14.18	$ 10.21	$ (3.95)
Average - excluding WYNN & LVS		$ 15.90	$ 6.05	$ 9.92	$ 6.00	$ 6.22	$ 10.41	$ 15.07	$ 14.51	$ 0.08

[1] Negative number indicates spread narrowing while a positive number indicates spread widening.

		Target Price less Actual Price - %								
Comparable Company	Ticker	1/31/2006	4/30/2006	7/31/2006	10/31/2006	1/31/2007	4/30/2007	7/31/2007	10/31/2007	
Las Vegas Sands	LVS	15%	-9%	24%	2%	-6%	23%	15%	1%	14.2%
Wynn Resorts	WYNN	22%	8%	31%	9%	-19%	2%	9%	-9%	31.6%
MGM	MGM	186%	79%	90%	65%	95%	172%	243%	251%	-64.8%
Americstar Casinos	ASCA	102%	14%	27%	14%	2%	9%	17%	12%	90.2%
Boyd Gaming	BYD	15%	22%	55%	18%	8%	21%	22%	22%	-6.9%
Isle of Capri Casinos	ISLE	-16%	-9%	10%	2%	5%	21%	59%	60%	-76.1%
Penn National Gaming	PENN	16%	13%	27%	20%	7%	8%	17%	9%	7.6%
Great Canandian Gaming	GCG	230%	-8%	30%	13%	3%	0%	4%	8%	221.4%
Pinnacle Entertainment	PNK	-27%	21%	35%	19%	10%	34%	41%	23%	-50.4%
Trump Entertainment Resorts	TRMP	nm	26%	40%	13%	24%	26%	109%	54%	nm
Average		60%	16%	37%	18%	13%	32%	54%	43%	18.5%
Average - excluding WYNN & LVS		72%	20%	39%	21%	19%	36%	64%	55%	17.3%

Source: Thomson One Analytics

Historical Street recommendation index and long term growth estimates

Purpose: To illustrate Wall Street's buy/sell recommendations as well as long term operating income growth expectations.

		Broker Recommendation Index (Quarterly "Evolution")[1]								Change from:
Comparable Company	Ticker	1/31/2006	4/30/2006	7/31/2006	10/31/2006	1/31/2007	4/30/2007	7/31/2007	10/31/2007	1/31/06 to 10/31/07
Las Vegas Sands	LVS	2.41	2.41	2.43	2.41	2.53	2.53	2.31	2.44	(0.0)
Wynn Resorts	WYNN	2.37	2.53	2.53	2.53	2.86	2.73	2.79	3.00	(0.6)
MGM	MGM	2.24	2.33	2.35	2.29	2.40	2.35	2.15	2.19	0.1
Ameristar Casinos	ASCA	2.78	2.78	2.75	2.77	2.75	2.63	2.36	2.36	0.4
Boyd Gaming	BYD	2.35	2.27	2.24	2.57	2.42	2.48	2.57	2.48	(0.1)
Isle of Capri Casinos	ISLE	2.42	2.82	2.93	3.07	2.71	2.69	2.58	2.70	(0.3)
Penn National Gaming	PENN	2.09	2.29	1.69	1.81	1.72	2.06	2.21	2.25	(0.2)
Great Canadian Gaming	GCG	2.33	3.13	2.78	2.40	2.45	2.70	2.82	2.18	0.2
Pinnacle Entertainment	PNK	2.13	2.40	2.08	2.00	2.13	2.31	2.08	2.07	0.1
Trump Entertainment Resorts	TRMP									-
Average		2.35	2.55	2.42	2.43	2.44	2.50	2.43	2.41	(0.1)
Average - excluding WYNN & LVS		2.33	2.57	2.40	2.42	2.37	2.46	2.40	2.32	0.0

1 - Thomson Ratings Index: 1 = Strong buy, 2 = Buy, 3 = Hold, 4 = Underperform, 5 = Sell. Positive Change over period reflects bullish change in recommendation & vice versa.

		Long Term Operating Income Growth Expectation (Quarterly "Evolution")[1]								Change from:
Comparable Company	Ticker	1/31/2006	4/30/2006	7/31/2006	10/31/2006	1/31/2007	4/30/2007	7/31/2007	10/31/2007	1/31/06 to 10/31/07
Las Vegas Sands	LVS	18.3%	18.5%	28.3%	31.3%	32.8%	36.4%	40.2%	39.8%	21.4%
Wynn Resorts	WYNN	20.0%	20.0%	34.7%	47.0%	48.5%	40.0%	35.3%	28.5%	8.5%
MGM	MGM	16.3%	17.0%	17.9%	16.7%	16.6%	15.6%	17.6%	16.7%	0.4%
Americstar Casinos	ASCA	12.8%	12.9%	8.3%	10.4%	10.5%	8.8%	9.3%	9.3%	-3.5%
Boyd Gaming	BYD	16.9%	16.8%	19.2%	16.1%	15.8%	13.7%	14.2%	13.7%	-3.2%
Isle of Capri Casinos	ISLE	9.6%	9.6%	13.0%	13.7%	13.7%	18.0%	25.0%	21.3%	11.7%
Penn National Gaming	PENN	24.1%	22.3%	22.1%	19.5%	21.0%	16.0%	16.3%	16.4%	-7.7%
Great Canandian Gaming	GCG	nm	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	0.0%
Pinnacle Entertainment	PNK	17.0%	15.0%	15.8%	15.8%	16.1%	16.2%	15.2%	14.9%	-2.1%
Trump Entertainment Resorts	TRMP									0.0%
Average		16.9%	16.7%	19.7%	20.9%	21.4%	20.3%	21.2%	19.8%	2.6%
Average - excluding WYNN & LVS		16.1%	16.0%	16.3%	15.7%	15.9%	15.2%	16.5%	15.7%	-0.5%

[1] Based on analyst view of annual growth in operating income over the next 3 to 5 years.

Source: Thomson One Analytics

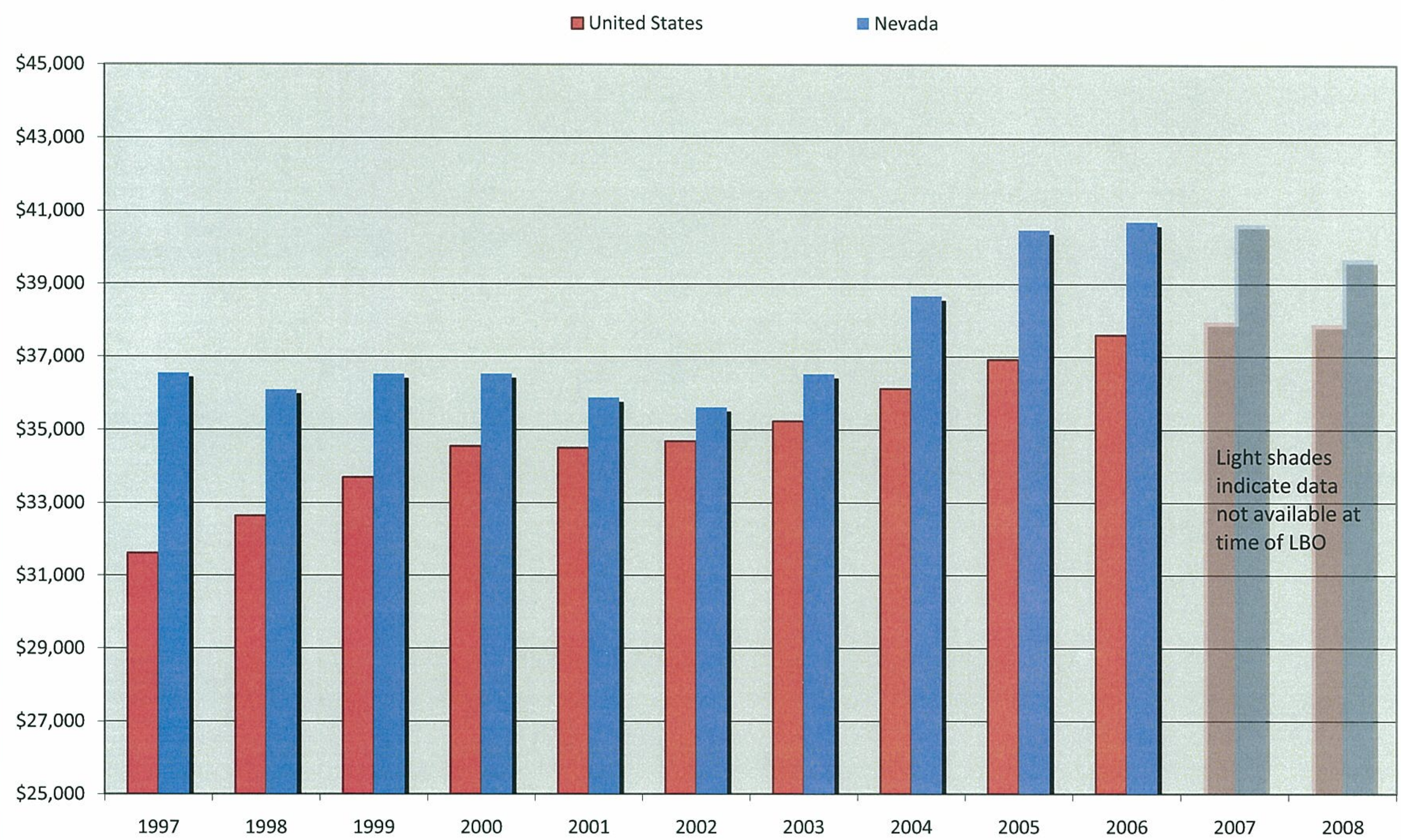
Per Capita Real GDP

(chained 2000 dollars)

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Year	United States	United States Y-o-Y Δ	Nevada	Nevada Y-o-Y Δ
1997	$31,619	-	$36,551	-
1998	32,643	3.24%	36,092	-1.26%
1999	33,702	3.24%	36,521	1.19%
2000	34,550	2.52%	36,527	0.02%
2001	34,509	-0.12%	35,880	-1.77%
2002	34,692	0.53%	35,611	-0.75%
2003	35,235	1.57%	36,521	2.56%
2004	36,123	2.52%	38,667	5.88%
2005	36,920	2.21%	40,483	4.70%
2006	37,601	1.84%	40,708	0.56%
2007	37,967	0.97%	40,657	-0.13%
2008	37,899	-0.18%	39,687	-2.39%

Per Capita Real GDP - United States and Nevada
(Chained 2000 Dollars, 1997-2008)



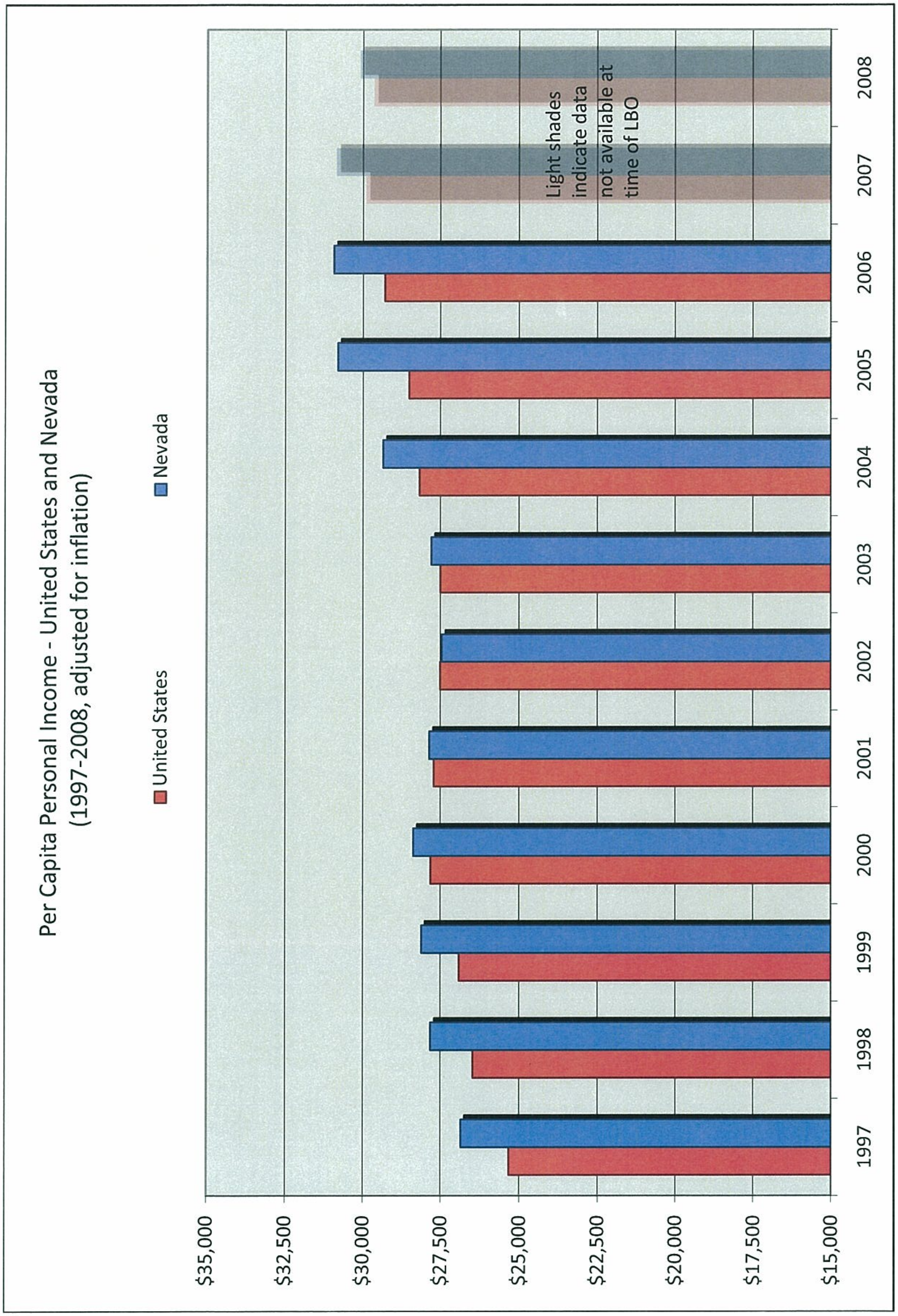
Per Capita Personal Income - annual (1997-2008)

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

Year	United States	United States Y-o-Y Δ	United States (Adjusted for Inflation)[1]	US Adjusted Y-o-Y Δ	Nevada	Nevada Y-o-Y Δ	Nevada (Adjusted for Inflation)	Nevada Adjusted Y-o-Y Δ
1997	$25,334	-	$25,334	-	$26,862	-	$26,862	-
1998	26,883	6.11%	26,471	4.49%	28,260	5.20%	27,827	3.59%
1999	27,939	3.93%	26,916	1.68%	29,184	3.27%	28,115	1.04%
2000	29,847	6.83%	27,819	3.36%	30,436	4.29%	28,368	0.90%
2001	30,582	2.46%	27,715	-0.37%	30,739	1.00%	27,858	-1.80%
2002	30,838	0.84%	27,513	-0.73%	30,784	0.15%	27,464	-1.41%
2003	31,530	2.24%	27,503	-0.03%	31,866	3.51%	27,796	1.21%
2004	33,157	5.16%	28,172	2.43%	34,533	8.37%	29,341	5.56%
2005	34,690	4.62%	28,509	1.19%	37,481	8.54%	30,802	4.98%
2006	36,794	6.07%	29,293	2.75%	38,850	3.65%	30,930	0.41%
2007	38,615	4.95%	29,891	2.04%	39,853	2.58%	30,850	-0.26%
2008	39,751	2.94%	29,633	-0.86%	40,353	1.25%	30,082	-2.49%

[1] In 1997 dollars, CPI adjusted per BLS Statistics.

Latest available data as of the LBO closing date indicated by the underline in table above - 2006


Per Capita Personal Income - United States and Nevada
(1997-2008, adjusted for inflation)
United States
Nevada
$35,000
$32,500
$30,000
$27,500
$25,000
$22,500
$20,000
$17,500
$15,000
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
Light shades
indicate data
not available at
time of LBO

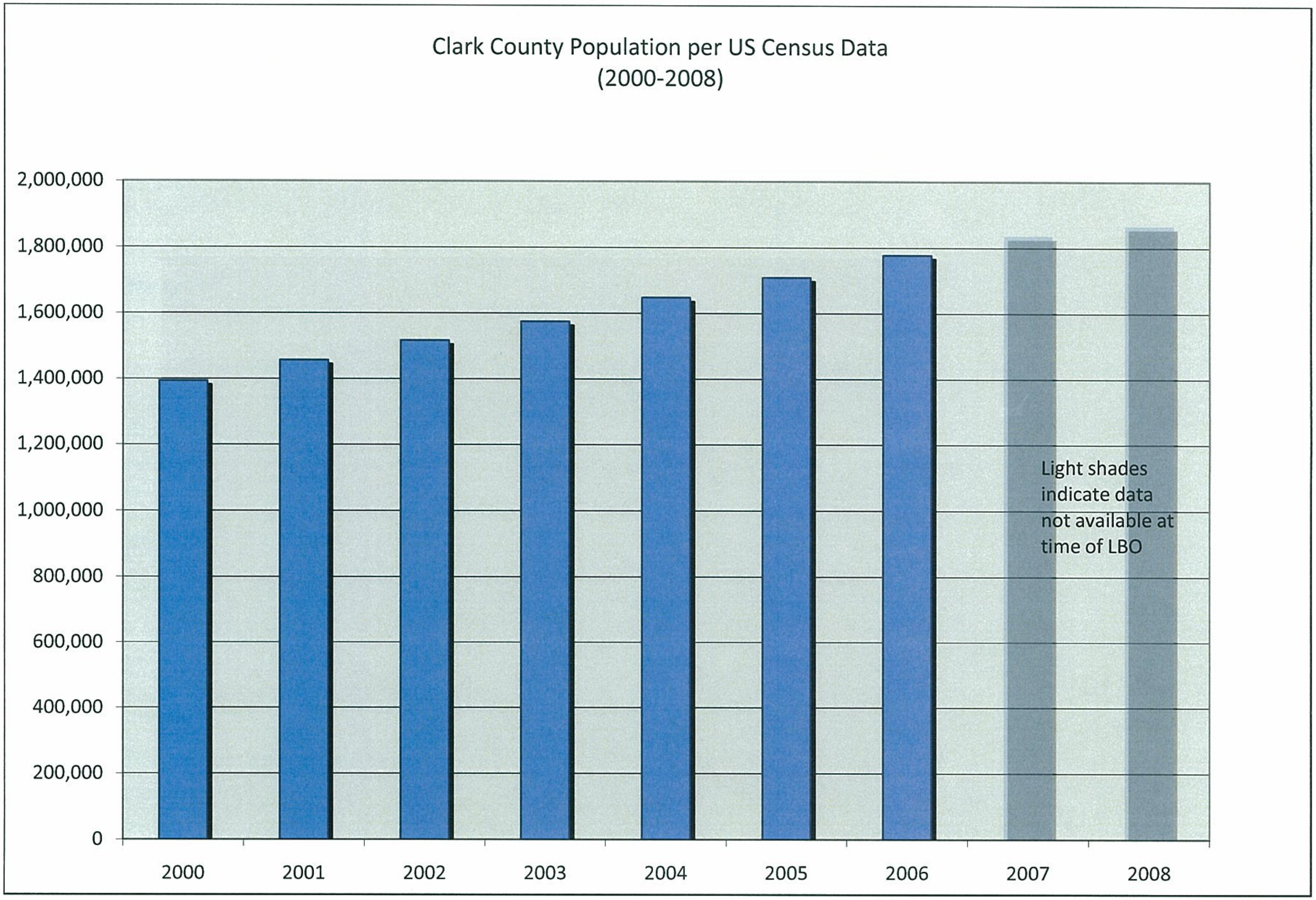
Population of Nevada Counties

Source: U.S. Census Bureau, 2006 Population Estimates

Population of Nevada Counties

								From 2008 Census Estimate	
	July 1, 2000	July 1, 2001	July 1, 2002	July 1, 2003	July 1, 2004	July 1, 2005	July 1, 2006	July 1, 2007	July 1, 2008
Nevada Population	2,018,456	2,095,820	2,169,202	2,241,127	2,332,484	2,412,301	2,495,529	2,565,382	2,600,167
%Δ from July 2000	0.00%	3.83%	7.47%	11.03%	15.56%	19.51%	23.64%	27.09%	28.82%
Annual Growth Rate	8.00%	3.83%	3.50%	3.32%	4.08%	3.42%	3.45%	2.80%	1.36%
Churchill County	24,024	24,472	24,250	24,227	24,294	24,680	25,036	24,891	24,896
Clark County	1,393,381	1,456,766	1,516,592	1,574,830	1,648,291	1,709,364	1,777,539	1,836,333	1,865,746
%Δ from July 2000	0.00%	4.55%	8.84%	13.02%	18.29%	22.68%	27.57%	31.78%	33.90%
Annual Growth Rate	8.13%	4.55%	4.11%	3.84%	4.66%	3.71%	3.99%	3.31%	1.60%
Douglas County	41,465	42,226	43,225	44,134	45,876	46,046	45,909	45,406	45,180
Elko County, Nevada	45,295	45,285	44,599	44,129	44,464	45,576	47,114	47,010	47,071
Esmeralda County, Nevada	971	953	894	845	819	805	790	695	677
Eureka County, Nevada	1,634	1,632	1,608	1,477	1,418	1,412	1,480	1,559	1,628
Humboldt County, Nevada	15,920	15,977	16,157	16,562	16,901	17,155	17,446	17,523	17,763
Lander County, Nevada	5,715	5,475	5,194	5,041	5,079	5,105	5,272	5,104	5,086
Lincoln County, Nevada	4,178	4,173	4,232	4,272	4,323	4,517	4,738	4,759	4,898
Lyon County, Nevada	34,896	36,257	38,015	40,260	43,317	47,344	51,231	52,479	53,022
Mineral County, Nevada	5,013	4,872	4,765	4,783	4,917	4,896	4,868	4,774	4,684
Nye County, Nevada	32,924	33,765	34,592	35,772	37,643	40,395	42,693	44,116	44,375
Pershing County, Nevada	6,666	6,588	6,563	6,438	6,381	6,390	6,414	6,376	6,291
Storey County, Nevada	3,393	3,423	3,421	3,536	3,726	4,045	4,132	4,193	4,341
Washoe County, Nevada	341,388	351,750	361,882	371,021	380,564	389,775	396,428	406,079	410,443
White Pine County, Nevada	9,042	8,741	8,640	8,542	8,532	8,919	9,150	9,146	9,199
Carson City, Nevada	52,551	53,465	54,573	55,258	55,939	55,877	55,289	54,939	54,867

Latest available data as of the LBO closing date indicated by the solid vertical line in table above - 2006


Clark County Population per US Census Data
(2000-2008)
2,000,000
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
Light shades indicate data not available at time of LBO

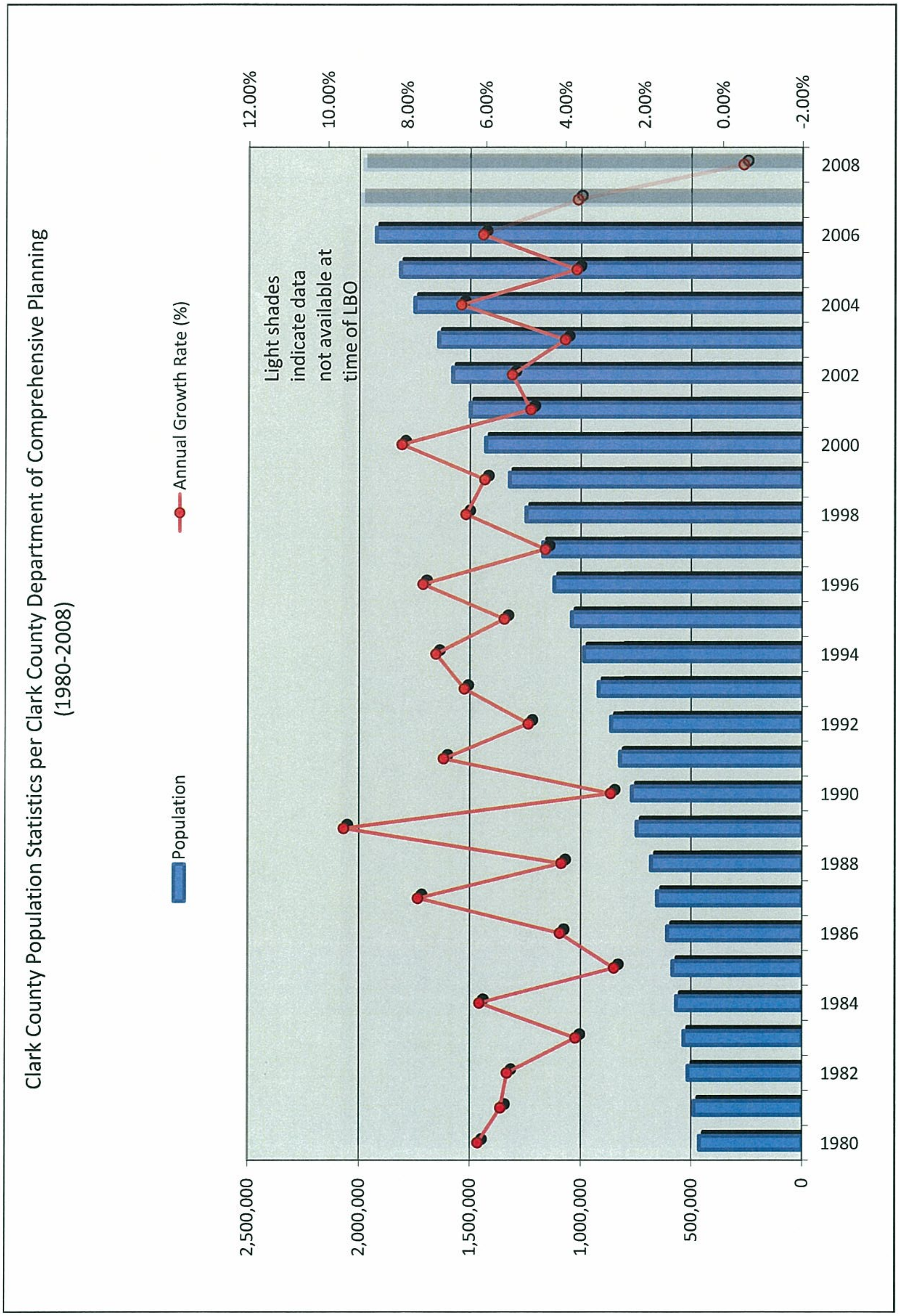
Clark County Population 1980-2008 Schedule 3.b.ii

Source: Clark County Department of Comprehensive Planning,
Demographics and Southern Nevada Regional Planning Coalition Consensus

Year[1]	Population	Annual Growth Rate (%)	%Δ from 1980
1980	463,087	6.20%	2.0%
1981	489,129	5.62%	5.6%
1982	515,836	5.46%	11.4%
1983	535,108	3.74%	15.6%
1984	568,070	6.16%	22.7%
1985	583,754	2.76%	26.1%
1986	607,884	4.13%	31.3%
1987	654,765	7.71%	41.4%
1988	681,585	4.10%	47.2%
1989	746,943	9.59%	61.3%
1990	768,203	2.85%	65.9%
1991	822,447	7.06%	77.6%
1992	862,961	4.93%	86.3%
1993	919,388	6.54%	98.5%
1994	986,152	7.26%	113.0%
1995	1,040,688	5.53%	124.7%
1996	1,119,708	7.59%	141.8%
1997	1,170,113	4.50%	152.7%
1998	1,246,193	6.50%	169.1%
1999	1,321,319	6.03%	185.3%
2000	1,428,690	8.13%	208.5%
2001	1,498,279	4.87%	223.5%
2002	1,578,332	5.34%	240.8%
2003	1,641,529	4.00%	254.5%
2004	1,750,328	6.63%	278.0%
2005	1,815,321	3.71%	292.0%
2006	1,925,654	6.08%	315.8%
2007	1,996,542	3.68%	331.1%
2008	1,986,146	-0.52%	328.9%

[1] Population data as of July 1 of each year.

Latest available data as of the LBO closing date indicated by the solid horizontal line in table above - 2007 (estimate for year ending in July '07)


Clark County Population Statistics per Clark County Department of Comprehensive Planning
(1980-2008)
Population
Annual Growth Rate (%)
Light shades indicate data not available at time of LBO
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
12.00%
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
-2.00%
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008

Las Vegas Metro Unemployment Rates, Jan 1990-May 2009 Schedule 3.c.i

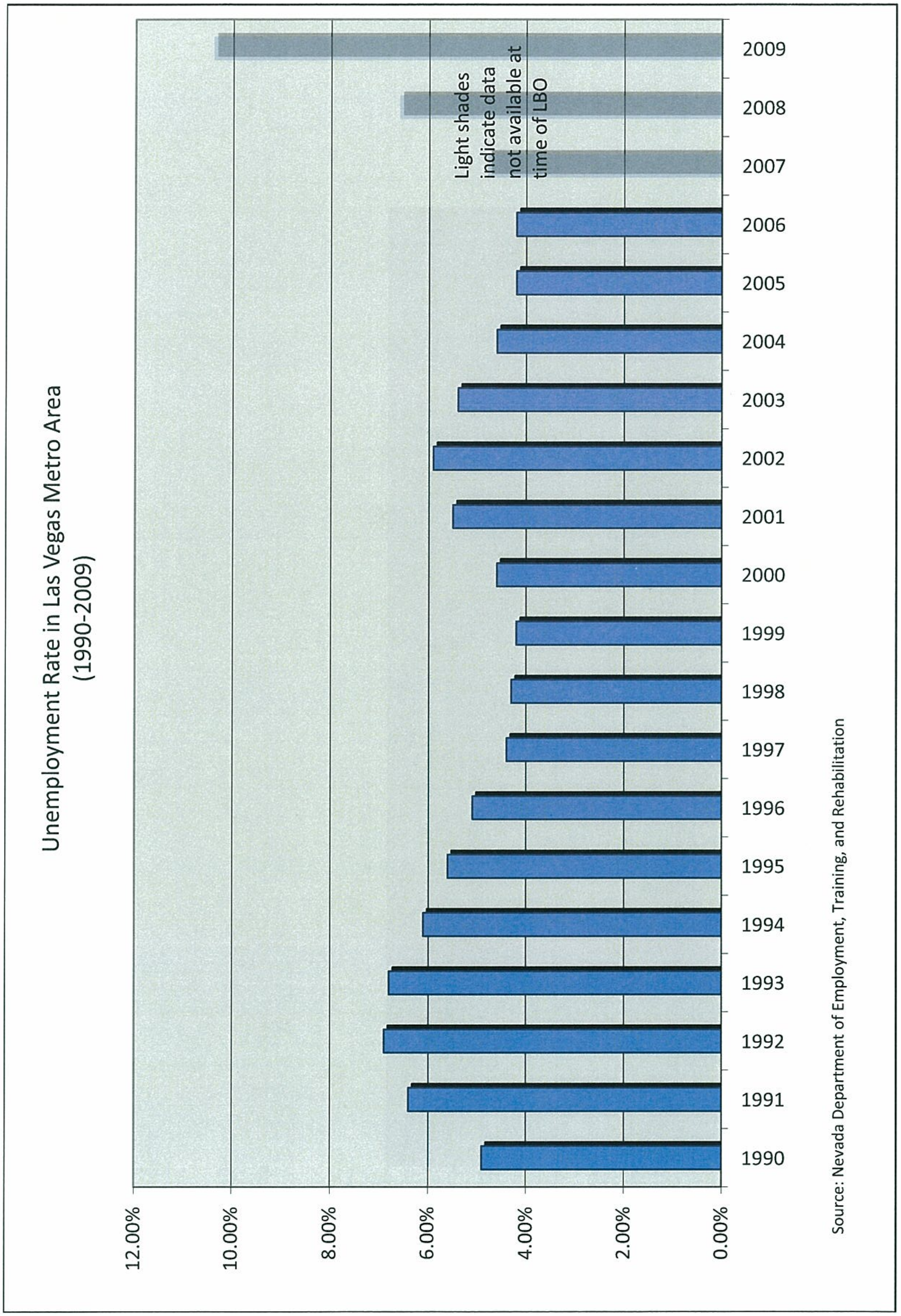
Source: Nevada Department of Employment, Training and Rehabilitation

Annual Data

Year	Labor Force	Employment	Unemployment	Unemployment Rate	%Δ in Unemployment Rate
1990	407,763	387,881	19,882	4.90%	-
1991	437,632	409,425	28,207	6.40%	30.61%
1992	458,585	426,768	31,817	6.90%	7.81%
1993	487,782	454,787	32,995	6.80%	-1.45%
1994	529,400	497,081	32,319	6.10%	-10.29%
1995	558,171	527,087	31,084	5.60%	-8.20%
1996	593,036	562,981	30,055	5.10%	-8.93%
1997	630,334	602,494	27,840	4.40%	-13.73%
1998	666,406	637,980	28,426	4.30%	-2.27%
1999	705,744	675,963	29,781	4.20%	-2.33%
2000	727,521	693,933	33,588	4.60%	9.52%
2001	759,562	717,631	41,931	5.50%	19.57%
2002	783,659	737,301	46,358	5.90%	7.27%
2003	805,571	762,172	43,399	5.40%	-8.47%
2004	836,834	798,359	38,475	4.60%	-14.81%
2005	873,406	837,022	36,384	4.20%	-8.70%
2006	917,325	878,962	38,363	4.20%	0.00%
2007	953,644	907,717	45,927	4.80%	14.29%
2008	987,998	922,878	65,120	6.60%	37.50%
2009	1,010,185	905,208	104,977	10.40%	57.58%

[1] Partial year for 2009

Latest available data as of the LBO closing date indicated by the solid horizontal line in table above - 2006



Schedule 3.c.i. Chart - Pg. 24 of 115

Las Vegas Metro Unemployment Rates, Jan 1990-May 2009 Schedule 3.c.ii

Source: Nevada Department of Employment, Training and Rehabilitation

Monthly Data

Month/Year	Labor Force	Employment	Unemployment	Unemployment Rate	Y-o-Y %Δ in Unemployment Rate	Y-o-Y Δ in Unemployment Rate
Jan-90	389,132	370,972	18,160	4.67%	-	-
Feb-90	392,675	375,865	16,810	4.28%	-	-
Mar-90	395,929	379,163	16,766	4.23%	-	-
Apr-90	396,936	378,577	18,359	4.63%	-	-
May-90	400,949	383,078	17,871	4.46%	-	-
Jun-90	406,914	386,900	20,014	4.92%	-	-
Jul-90	412,995	391,835	21,160	5.12%	-	-
Aug-90	414,128	393,452	20,676	4.99%	-	-
Sep-90	417,163	395,094	22,069	5.29%	-	-
Oct-90	420,446	399,144	21,302	5.07%	-	-
Nov-90	422,697	400,522	22,175	5.25%	-	-
Dec-90	423,189	399,968	23,221	5.49%	-	-
Jan-91	425,249	398,502	26,747	6.29%	34.78%	1.62%
Feb-91	430,009	402,812	27,197	6.32%	47.74%	2.04%
Mar-91	430,751	403,907	26,844	6.23%	47.17%	2.00%
Apr-91	432,248	405,786	26,462	6.12%	32.36%	1.50%
May-91	433,104	407,075	26,029	6.01%	34.84%	1.55%
Jun-91	440,317	410,578	29,739	6.75%	37.32%	1.84%
Jul-91	442,081	412,124	29,957	6.78%	32.26%	1.65%
Aug-91	439,677	411,390	28,287	6.43%	28.86%	1.44%
Sep-91	443,318	413,915	29,403	6.63%	25.37%	1.34%
Oct-91	444,604	415,908	28,696	6.45%	27.39%	1.39%
Nov-91	444,498	415,779	28,719	6.46%	23.16%	1.21%
Dec-91	445,726	415,322	30,404	6.82%	24.31%	1.33%
Jan-92	446,859	413,285	33,574	7.51%	19.45%	1.22%
Feb-92	450,798	417,658	33,140	7.35%	16.23%	1.03%
Mar-92	451,249	419,706	31,543	6.99%	12.17%	0.76%
Apr-92	452,979	422,116	30,863	6.81%	11.29%	0.69%
May-92	456,025	425,561	30,464	6.68%	11.16%	0.67%
Jun-92	458,646	424,506	34,140	7.44%	10.21%	0.69%
Jul-92	463,240	429,421	33,819	7.30%	7.74%	0.52%
Aug-92	461,275	429,774	31,501	6.83%	6.15%	0.40%
Sep-92	463,273	431,457	31,816	6.87%	3.55%	0.24%
Oct-92	462,948	433,099	29,849	6.45%	-0.10%	-0.01%
Nov-92	468,027	437,629	30,398	6.49%	0.53%	0.03%
Dec-92	467,696	437,002	30,694	6.56%	-3.79%	-0.26%
Jan-93	468,743	436,715	32,028	6.83%	-9.06%	-0.68%
Feb-93	473,572	441,695	31,877	6.73%	-8.44%	-0.62%
Mar-93	475,275	443,407	31,868	6.71%	-4.08%	-0.28%
Apr-93	477,570	444,673	32,897	6.89%	1.10%	0.08%
May-93	482,287	449,880	32,407	6.72%	0.59%	0.04%
Jun-93	490,248	454,507	35,741	7.29%	-2.06%	-0.15%
Jul-93	491,081	455,715	35,366	7.20%	-1.35%	-0.10%
Aug-93	492,341	458,680	33,661	6.84%	0.11%	0.01%

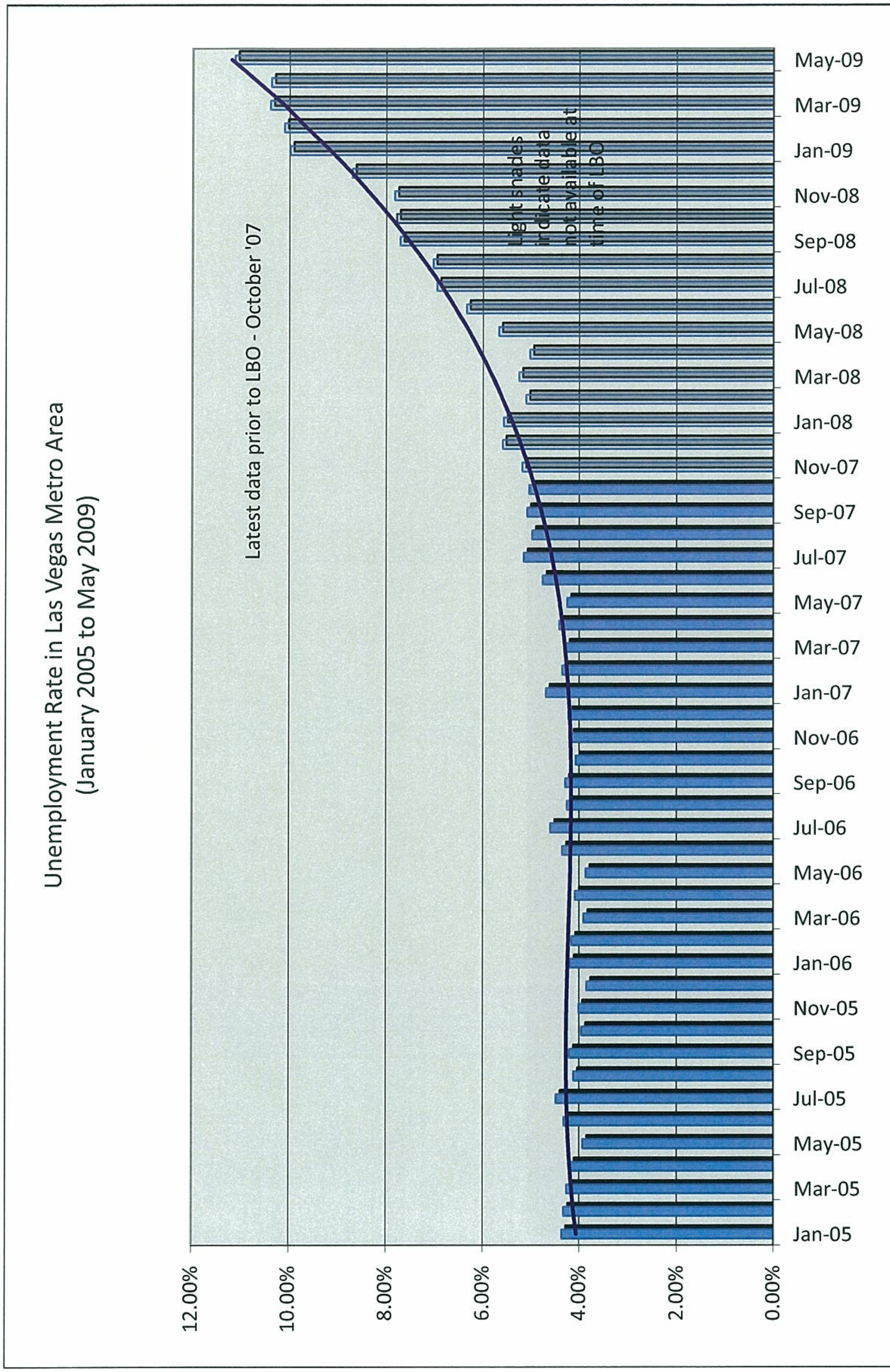
Month/Year	Labor Force	Employment	Unemployment	Unemployment Rate	Y-o-Y %Δ in Unemployment Rate	Y-o-Y Δ in Unemployment Rate
Sep-93	491,902	457,790	34,112	6.93%	0.98%	0.07%
Oct-93	499,047	466,275	32,772	6.57%	1.85%	0.12%
Nov-93	503,527	471,732	31,795	6.31%	-2.78%	-0.18%
Dec-93	507,799	476,379	31,420	6.19%	-5.72%	-0.38%
Jan-94	514,956	480,183	34,773	6.75%	-1.17%	-0.08%
Feb-94	519,546	486,833	32,713	6.30%	-6.46%	-0.43%
Mar-94	519,636	487,708	31,928	6.14%	-8.36%	-0.56%
Apr-94	521,736	489,437	32,299	6.19%	-10.13%	-0.70%
May-94	524,623	494,318	30,305	5.78%	-14.03%	-0.94%
Jun-94	526,699	492,818	33,881	6.43%	-11.76%	-0.86%
Jul-94	530,857	496,797	34,060	6.42%	-10.91%	-0.79%
Aug-94	535,680	502,221	33,459	6.25%	-8.64%	-0.59%
Sep-94	536,303	503,147	33,156	6.18%	-10.85%	-0.75%
Oct-94	539,750	507,673	32,077	5.94%	-9.50%	-0.62%
Nov-94	541,398	511,180	30,218	5.58%	-11.61%	-0.73%
Dec-94	541,615	512,652	28,963	5.35%	-13.58%	-0.84%
Jan-95	541,865	509,996	31,869	5.88%	-12.90%	-0.87%
Feb-95	546,850	516,309	30,541	5.58%	-11.30%	-0.71%
Mar-95	549,763	519,581	30,182	5.49%	-10.65%	-0.65%
Apr-95	552,236	520,902	31,334	5.67%	-8.35%	-0.52%
May-95	552,494	523,298	29,196	5.28%	-8.52%	-0.49%
Jun-95	556,870	524,438	32,432	5.82%	-9.46%	-0.61%
Jul-95	562,496	528,082	34,414	6.12%	-4.64%	-0.30%
Aug-95	560,646	528,931	31,715	5.66%	-9.43%	-0.59%
Sep-95	564,544	532,328	32,216	5.71%	-7.70%	-0.48%
Oct-95	568,804	538,512	30,292	5.33%	-10.39%	-0.62%
Nov-95	571,823	542,238	29,585	5.17%	-7.30%	-0.41%
Dec-95	569,664	540,431	29,233	5.13%	-4.04%	-0.22%
Jan-96	571,775	539,150	32,625	5.71%	-2.98%	-0.18%
Feb-96	578,838	549,902	28,936	5.00%	-10.49%	-0.59%
Mar-96	579,761	552,841	26,920	4.64%	-15.42%	-0.85%
Apr-96	581,582	554,145	27,437	4.72%	-16.86%	-0.96%
May-96	587,859	557,162	30,697	5.22%	-1.18%	-0.06%
Jun-96	590,663	559,020	31,643	5.36%	-8.01%	-0.47%
Jul-96	597,791	563,553	34,238	5.73%	-6.39%	-0.39%
Aug-96	597,756	566,582	31,174	5.22%	-7.81%	-0.44%
Sep-96	602,206	571,136	31,070	5.16%	-9.59%	-0.55%
Oct-96	605,715	576,482	29,233	4.83%	-9.38%	-0.50%
Nov-96	610,796	582,490	28,306	4.63%	-10.43%	-0.54%
Dec-96	611,683	583,307	28,376	4.64%	-9.60%	-0.49%
Jan-97	612,497	583,578	28,919	4.72%	-17.25%	-0.98%
Feb-97	618,726	590,554	28,172	4.55%	-8.92%	-0.45%
Mar-97	622,283	593,777	28,506	4.58%	-1.34%	-0.06%
Apr-97	621,129	594,165	26,964	4.34%	-7.98%	-0.38%
May-97	624,917	598,554	26,363	4.22%	-19.21%	-1.00%
Jun-97	629,644	600,203	29,441	4.68%	-12.72%	-0.68%
Jul-97	633,428	604,225	29,203	4.61%	-19.50%	-1.12%
Aug-97	634,379	606,606	27,773	4.38%	-16.05%	-0.84%
Sep-97	636,926	608,318	28,608	4.49%	-12.94%	-0.67%

Month/Year	Labor Force	Employment	Unemployment	Unemployment Rate	Y-o-Y %Δ in Unemployment Rate	Y-o-Y Δ in Unemployment Rate
Oct-97	640,188	613,312	26,876	4.20%	-13.01%	-0.63%
Nov-97	644,279	618,095	26,184	4.06%	-12.30%	-0.57%
Dec-97	645,618	618,546	27,072	4.19%	-9.61%	-0.45%
Jan-98	647,304	616,397	30,907	4.77%	1.13%	0.05%
Feb-98	653,766	625,091	28,675	4.39%	-3.67%	-0.17%
Mar-98	654,803	625,332	29,471	4.50%	-1.75%	-0.08%
Apr-98	656,185	628,979	27,206	4.15%	-4.49%	-0.20%
May-98	659,749	633,580	26,169	3.97%	-5.98%	-0.25%
Jun-98	665,799	635,461	30,338	4.56%	-2.55%	-0.12%
Jul-98	668,909	637,832	31,077	4.65%	0.77%	0.04%
Aug-98	669,070	639,918	29,152	4.36%	-0.48%	-0.02%
Sep-98	674,078	644,722	29,356	4.35%	-3.04%	-0.14%
Oct-98	679,601	651,920	27,681	4.07%	-2.98%	-0.13%
Nov-98	682,973	657,166	25,807	3.78%	-7.02%	-0.29%
Dec-98	684,628	659,360	25,268	3.69%	-11.98%	-0.50%
Jan-99	688,949	660,655	28,294	4.11%	-13.99%	-0.67%
Feb-99	693,090	667,015	26,075	3.76%	-14.23%	-0.62%
Mar-99	694,259	667,962	26,297	3.79%	-15.84%	-0.71%
Apr-99	697,063	668,927	28,136	4.04%	-2.65%	-0.11%
May-99	700,577	673,055	27,522	3.93%	-0.96%	-0.04%
Jun-99	704,864	672,327	32,537	4.62%	1.30%	0.06%
Jul-99	706,748	673,215	33,533	4.74%	2.13%	0.10%
Aug-99	707,737	676,219	31,518	4.45%	2.21%	0.10%
Sep-99	711,796	679,175	32,621	4.58%	5.23%	0.23%
Oct-99	717,985	686,803	31,182	4.34%	6.63%	0.27%
Nov-99	721,817	692,029	29,788	4.13%	9.21%	0.35%
Dec-99	724,046	694,178	29,868	4.13%	11.77%	0.43%
Jan-00	718,795	685,334	33,461	4.66%	13.35%	0.55%
Feb-00	720,171	688,051	32,120	4.46%	18.55%	0.70%
Mar-00	723,032	690,988	32,044	4.43%	17.01%	0.64%
Apr-00	720,738	689,943	30,795	4.27%	5.86%	0.24%
May-00	721,238	690,749	30,489	4.23%	7.61%	0.30%
Jun-00	724,107	690,392	33,715	4.66%	0.87%	0.04%
Jul-00	722,182	686,967	35,215	4.88%	2.77%	0.13%
Aug-00	723,986	688,382	35,604	4.92%	10.43%	0.46%
Sep-00	733,660	698,651	35,009	4.77%	4.12%	0.19%
Oct-00	735,431	700,942	34,489	4.69%	7.98%	0.35%
Nov-00	742,644	707,853	34,791	4.68%	13.52%	0.56%
Dec-00	744,263	708,945	35,318	4.75%	15.03%	0.62%
Jan-01	754,935	713,906	41,029	5.43%	16.75%	0.78%
Feb-01	756,816	718,372	38,444	5.08%	13.89%	0.62%
Mar-01	756,787	717,632	39,155	5.17%	16.74%	0.74%
Apr-01	759,014	719,371	39,643	5.22%	22.24%	0.95%
May-01	754,228	718,103	36,125	4.79%	13.30%	0.56%
Jun-01	757,908	717,488	40,420	5.33%	14.54%	0.68%
Jul-01	762,321	720,783	41,538	5.45%	11.74%	0.57%
Aug-01	753,378	710,174	43,204	5.73%	16.61%	0.82%
Sep-01	762,398	719,066	43,332	5.68%	19.11%	0.91%
Oct-01	764,029	717,254	46,775	6.12%	30.55%	1.43%

Month/Year	Labor Force	Employment	Unemployment	Unemployment Rate	Y-o-Y %Δ in Unemployment Rate	Y-o-Y Δ in Unemployment Rate
Nov-01	764,630	718,143	46,487	6.08%	29.78%	1.39%
Dec-01	768,299	721,280	47,019	6.12%	28.97%	1.37%
Jan-02	769,110	717,354	51,756	6.73%	23.82%	1.29%
Feb-02	783,725	735,363	48,362	6.17%	21.48%	1.09%
Mar-02	783,576	736,189	47,387	6.05%	16.89%	0.87%
Apr-02	779,275	731,751	47,524	6.10%	16.76%	0.88%
May-02	782,057	738,415	43,642	5.58%	16.51%	0.79%
Jun-02	781,797	734,117	47,680	6.10%	14.36%	0.77%
Jul-02	780,109	731,956	48,153	6.17%	13.28%	0.72%
Aug-02	787,954	742,685	45,269	5.75%	0.18%	0.01%
Sep-02	788,198	744,138	44,060	5.59%	-1.65%	-0.09%
Oct-02	791,659	748,571	43,088	5.44%	-11.10%	-0.68%
Nov-02	786,593	742,386	44,207	5.62%	-7.56%	-0.46%
Dec-02	789,849	744,686	45,163	5.72%	-6.57%	-0.40%
Jan-03	794,884	748,026	46,858	5.89%	-12.40%	-0.83%
Feb-03	800,750	755,899	44,851	5.60%	-9.23%	-0.57%
Mar-03	796,871	752,997	43,874	5.51%	-8.96%	-0.54%
Apr-03	802,038	758,641	43,397	5.41%	-11.28%	-0.69%
May-03	805,596	764,964	40,632	5.04%	-9.62%	-0.54%
Jun-03	805,301	758,582	46,719	5.80%	-4.88%	-0.30%
Jul-03	800,588	754,690	45,898	5.73%	-7.12%	-0.44%
Aug-03	808,199	764,477	43,722	5.41%	-5.84%	-0.34%
Sep-03	808,905	765,602	43,303	5.35%	-4.23%	-0.24%
Oct-03	812,904	771,746	41,158	5.06%	-6.98%	-0.38%
Nov-03	814,866	773,692	41,174	5.05%	-10.09%	-0.57%
Dec-03	815,953	776,752	39,201	4.80%	-15.98%	-0.91%
Jan-04	822,769	778,790	43,979	5.35%	-9.33%	-0.55%
Feb-04	828,736	788,559	40,177	4.85%	-13.45%	-0.75%
Mar-04	826,725	786,075	40,650	4.92%	-10.69%	-0.59%
Apr-04	829,590	790,274	39,316	4.74%	-12.41%	-0.67%
May-04	831,553	795,525	36,028	4.33%	-14.10%	-0.71%
Jun-04	834,233	794,112	40,121	4.81%	-17.10%	-0.99%
Jul-04	838,855	798,968	39,887	4.75%	-17.06%	-0.98%
Aug-04	839,718	802,694	37,024	4.41%	-18.50%	-1.00%
Sep-04	840,377	803,014	37,363	4.45%	-16.95%	-0.91%
Oct-04	851,466	815,320	36,146	4.25%	-16.15%	-0.82%
Nov-04	849,645	813,822	35,823	4.22%	-16.56%	-0.84%
Dec-04	848,336	813,151	35,185	4.15%	-13.67%	-0.66%
Jan-05	854,479	817,208	37,271	4.36%	-18.40%	-0.98%
Feb-05	862,965	825,648	37,317	4.32%	-10.80%	-0.52%
Mar-05	860,148	823,449	36,699	4.27%	-13.23%	-0.65%
Apr-05	871,023	834,520	36,503	4.19%	-11.57%	-0.55%
May-05	867,663	833,561	34,102	3.93%	-9.29%	-0.40%
Jun-05	875,713	837,891	37,822	4.32%	-10.20%	-0.49%
Jul-05	870,450	831,444	39,006	4.48%	-5.76%	-0.27%
Aug-05	874,316	838,313	36,003	4.12%	-6.61%	-0.29%
Sep-05	877,005	840,144	36,861	4.20%	-5.46%	-0.24%
Oct-05	885,166	850,169	34,997	3.95%	-6.86%	-0.29%
Nov-05	889,205	853,529	35,676	4.01%	-4.84%	-0.20%

Month/Year	Labor Force	Employment	Unemployment	Unemployment Rate	Y-o-Y %Δ in Unemployment Rate	Y-o-Y Δ in Unemployment Rate
Dec-05	892,736	858,391	34,345	3.85%	-7.24%	-0.30%
Jan-06	893,929	856,479	37,450	4.19%	-3.95%	-0.17%
Feb-06	902,318	864,792	37,526	4.16%	-3.83%	-0.17%
Mar-06	902,704	867,414	35,290	3.91%	-8.37%	-0.36%
Apr-06	907,694	870,621	37,073	4.08%	-2.54%	-0.11%
May-06	910,708	875,533	35,175	3.86%	-1.73%	-0.07%
Jun-06	915,442	875,635	39,807	4.35%	0.68%	0.03%
Jul-06	920,774	878,482	42,292	4.59%	2.50%	0.11%
Aug-06	921,423	882,207	39,216	4.26%	3.36%	0.14%
Sep-06	926,349	886,618	39,731	4.29%	2.04%	0.09%
Oct-06	933,321	895,340	37,981	4.07%	2.93%	0.12%
Nov-06	936,080	896,807	39,273	4.20%	4.57%	0.18%
Dec-06	937,158	897,612	39,546	4.22%	9.69%	0.37%
Jan-07	941,636	897,466	44,170	4.69%	11.97%	0.50%
Feb-07	944,998	903,903	41,095	4.35%	4.56%	0.19%
Mar-07	945,874	905,415	40,459	4.28%	9.41%	0.37%
Apr-07	946,144	904,376	41,768	4.41%	8.09%	0.33%
May-07	947,775	907,519	40,256	4.25%	9.97%	0.39%
Jun-07	952,544	907,239	45,305	4.76%	9.38%	0.41%
Jul-07	954,704	905,544	49,160	5.15%	12.11%	0.56%
Aug-07	950,865	903,548	47,317	4.98%	16.92%	0.72%
Sep-07	958,147	909,451	48,696	5.08%	18.50%	0.79%
Oct-07	960,719	912,281	48,438	5.04%	23.90%	0.97%
Nov-07	969,155	918,958	50,197	5.18%	23.45%	0.98%
Dec-07	971,170	916,906	54,264	5.59%	32.41%	1.37%
Jan-08	972,089	918,021	54,068	5.56%	18.57%	0.87%
Feb-08	971,825	922,267	49,558	5.10%	17.26%	0.75%
Mar-08	974,961	923,831	51,130	5.24%	22.60%	0.97%
Apr-08	976,882	927,820	49,062	5.02%	13.77%	0.61%
May-08	982,594	926,912	55,682	5.67%	33.42%	1.42%
Jun-08	986,829	924,301	62,528	6.34%	33.22%	1.58%
Jul-08	989,717	920,932	68,785	6.95%	34.97%	1.80%
Aug-08	988,780	919,301	69,479	7.03%	41.21%	2.05%
Sep-08	999,906	922,825	77,081	7.71%	51.68%	2.63%
Oct-08	1,003,189	925,095	78,094	7.78%	54.40%	2.74%
Nov-08	1,003,079	924,611	78,468	7.82%	51.03%	2.64%
Dec-08	1,006,120	918,617	87,503	8.70%	55.65%	3.11%
Jan-09	1,015,643	914,270	101,373	9.98%	79.45%	4.42%
Feb-09	1,012,966	910,683	102,283	10.10%	98.01%	5.00%
Mar-09	1,002,950	898,746	104,204	10.39%	98.11%	5.15%
Apr-09	1,006,534	902,171	104,363	10.37%	106.45%	5.35%
May-09	1,012,833	900,171	112,662	11.12%	96.29%	5.46%

Latest available data as of the LBO closing date indicated by the solid horizontal line in table above - October '07



Note: Light shaded bars represent information not yet available at the time of the LBO

Case-Shiller Home Price Index Schedule 3.d

Source: Standard and Poors

Las Vegas Annual Data

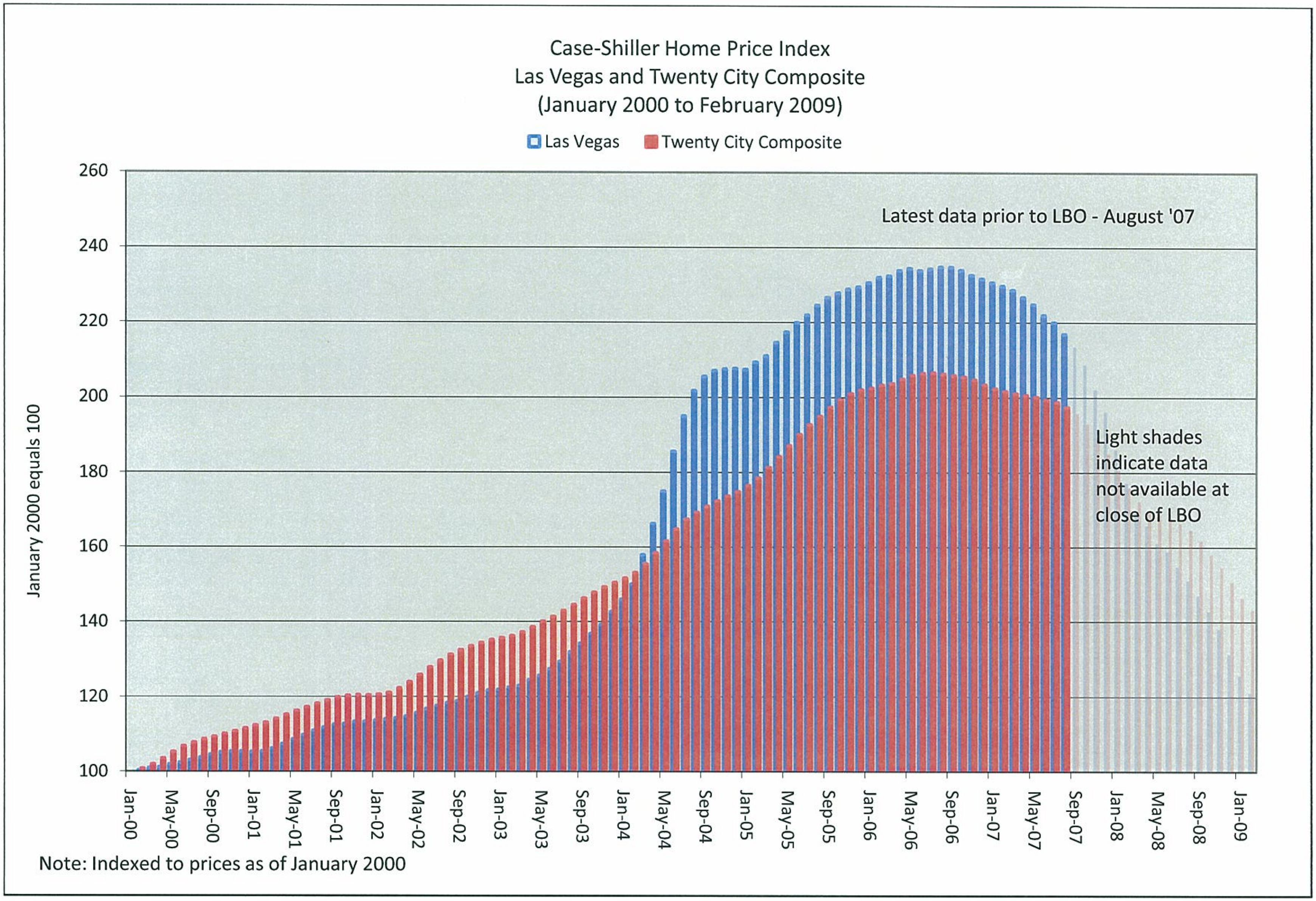
Year	Las Vegas Average (End of Year)	Δ from Jan-00	Year-over-Year Change
2000	102.84	2.8%	-
2001	109.76	9.8%	6.7%
2002	117.21	17.2%	6.8%
2003	129.90	29.9%	10.8%
2004	183.75	83.8%	41.5%
2005	219.86	119.9%	19.7%
2006	233.20	133.2%	6.1%
2007	218.24	118.2%	-6.4%
2008	156.90	56.9%	-28.1%

Las Vegas, 10-City Composite, 20-City Composite, Monthly

Date	Las Vegas	Δ from Jan-06	Year-over-Year Change	Composite-10 CSXR	Δ from Jan-06	Twenty City Composite	Δ from Jan-06	Year-over-Year Change
Jan-00	100.00	-	-	100.00	-	100.00	-	-
Feb-00	100.33	0.3%	-	100.81	0.8%	100.76	0.8%	-
Mar-00	100.90	0.9%	-	102.24	2.2%	101.95	2.0%	-
Apr-00	101.20	1.2%	-	104.01	4.0%	103.50	3.5%	-
May-00	101.93	1.9%	-	105.98	6.0%	105.20	5.2%	-
Jun-00	102.44	2.4%	-	107.83	7.8%	106.76	6.8%	-
Jul-00	103.14	3.1%	-	109.02	9.0%	107.77	7.8%	-
Aug-00	103.73	3.7%	-	110.07	10.1%	108.64	8.6%	-
Sep-00	104.51	4.5%	-	110.90	10.9%	109.35	9.3%	-
Oct-00	105.16	5.2%	-	111.75	11.8%	110.04	10.0%	-
Nov-00	105.34	5.3%	-	112.60	12.6%	110.81	10.8%	-
Dec-00	105.36	5.4%	-	113.56	13.6%	111.58	11.6%	-
Jan-01	105.23	5.2%	5.2%	114.58	14.6%	112.39	12.4%	12.4%
Feb-01	105.39	5.4%	5.0%	115.45	15.5%	113.07	13.1%	12.2%
Mar-01	106.21	6.2%	5.3%	116.69	16.7%	114.14	14.1%	12.0%
Apr-01	107.40	7.4%	6.1%	117.94	17.9%	115.29	15.3%	11.4%
May-01	108.56	8.6%	6.5%	118.94	18.9%	116.24	16.2%	10.5%
Jun-01	109.76	9.8%	7.1%	120.03	20.0%	117.29	17.3%	9.9%
Jul-01	110.93	10.9%	7.6%	121.01	21.0%	118.20	18.2%	9.7%
Aug-01	111.74	11.7%	7.7%	121.99	22.0%	119.09	19.1%	9.6%
Sep-01	112.54	12.5%	7.7%	122.89	22.9%	119.84	19.8%	9.6%
Oct-01	112.73	12.7%	7.2%	123.46	23.5%	120.31	20.3%	9.3%
Nov-01	113.30	13.3%	7.6%	123.78	23.8%	120.53	20.5%	8.8%
Dec-01	113.32	13.3%	7.6%	123.64	23.6%	120.43	20.4%	7.9%
Jan-02	113.70	13.7%	8.0%	123.93	23.9%	120.64	20.6%	7.3%
Feb-02	113.96	14.0%	8.1%	124.45	24.5%	121.06	21.1%	7.1%
Mar-02	114.32	14.3%	7.6%	125.92	25.9%	122.30	22.3%	7.1%
Apr-02	114.72	14.7%	6.8%	127.95	28.0%	123.92	23.9%	7.5%
May-02	115.63	15.6%	6.5%	130.33	30.3%	125.86	25.9%	8.3%
Jun-02	116.70	16.7%	6.3%	132.76	32.8%	127.82	27.8%	9.0%
Jul-02	117.61	17.6%	6.0%	135.04	35.0%	129.66	29.7%	9.7%
Aug-02	118.34	18.3%	5.9%	137.04	37.0%	131.22	31.2%	10.2%
Sep-02	118.91	18.9%	5.7%	138.62	38.6%	132.43	32.4%	10.5%
Oct-02	119.98	20.0%	6.4%	140.12	40.1%	133.55	33.6%	11.0%
Nov-02	120.93	20.9%	6.7%	141.26	41.3%	134.41	34.4%	11.5%
Dec-02	121.73	21.7%	7.4%	142.18	42.2%	135.15	35.2%	12.2%
Jan-03	121.94	21.9%	7.2%	142.86	42.9%	135.64	35.6%	12.4%
Feb-03	122.46	22.5%	7.5%	143.59	43.6%	136.19	36.2%	12.5%
Mar-03	122.94	22.9%	7.5%	144.84	44.8%	137.20	37.2%	12.2%
Apr-03	124.46	24.5%	8.5%	146.45	46.5%	138.56	38.6%	11.8%
May-03	125.68	25.7%	8.7%	148.17	48.2%	140.06	40.1%	11.3%
Jun-03	127.38	27.4%	9.2%	149.70	49.7%	141.39	41.4%	10.6%
Jul-03	129.30	29.3%	9.9%	151.65	51.7%	142.99	43.0%	10.3%
Aug-03	131.85	31.9%	11.4%	153.61	53.6%	144.56	44.6%	10.2%
Sep-03	134.16	34.2%	12.8%	155.77	55.8%	146.28	46.3%	10.5%
Oct-03	136.77	36.8%	14.0%	157.71	57.7%	147.82	47.8%	10.7%
Nov-03	139.16	39.2%	15.1%	159.55	59.6%	149.22	49.2%	11.0%
Dec-03	142.69	42.7%	17.2%	161.27	61.3%	150.49	50.5%	11.4%
Jan-04	145.95	46.0%	19.7%	162.90	62.9%	151.69	51.7%	11.8%

Date	Las Vegas	Δ from Jan-06	Year-over-Year Change	Composite-10 CSXR	Δ from Jan-06	Twenty City Composite	Δ from Jan-06	Year-over-Year Change
Feb-04	149.93	49.9%	22.4%	164.82	64.8%	153.10	53.1%	12.4%
Mar-04	157.87	57.9%	28.4%	167.91	67.9%	155.49	55.5%	13.3%
Apr-04	166.32	66.3%	33.6%	171.58	71.6%	158.47	58.5%	14.4%
May-04	174.98	75.0%	39.2%	175.43	75.4%	161.60	61.6%	15.4%
Jun-04	185.55	85.6%	45.7%	179.45	79.5%	164.82	64.8%	16.6%
Jul-04	195.03	95.0%	50.8%	182.69	82.7%	167.43	67.4%	17.1%
Aug-04	201.71	101.7%	53.0%	184.95	85.0%	169.31	69.3%	17.1%
Sep-04	205.49	105.5%	53.2%	186.91	86.9%	170.96	71.0%	16.9%
Oct-04	207.07	107.1%	51.4%	188.65	88.7%	172.41	72.4%	16.6%
Nov-04	207.48	107.5%	49.1%	190.08	90.1%	173.65	73.7%	16.4%
Dec-04	207.62	107.6%	45.5%	191.42	91.4%	174.83	74.8%	16.2%
Jan-05	207.35	107.4%	42.1%	193.35	93.4%	176.44	76.4%	16.3%
Feb-05	209.31	109.3%	39.6%	195.87	95.9%	178.50	78.5%	16.6%
Mar-05	210.98	111.0%	33.6%	199.21	99.2%	181.30	81.3%	16.6%
Apr-05	214.52	114.5%	29.0%	202.51	102.5%	184.24	84.2%	16.3%
May-05	217.28	117.3%	24.2%	205.76	105.8%	187.21	87.2%	15.8%
Jun-05	219.87	119.9%	18.5%	208.86	108.9%	190.10	90.1%	15.3%
Jul-05	221.93	121.9%	13.8%	211.65	111.7%	192.67	92.7%	15.1%
Aug-05	224.51	124.5%	11.3%	214.13	114.1%	194.98	95.0%	15.2%
Sep-05	226.59	126.6%	10.3%	216.77	116.8%	197.36	97.4%	15.4%
Oct-05	227.81	127.8%	10.0%	219.07	119.1%	199.40	99.4%	15.7%
Nov-05	228.77	128.8%	10.3%	220.81	120.8%	200.97	101.0%	15.7%
Dec-05	229.42	129.4%	10.5%	221.91	121.9%	201.97	102.0%	15.5%
Jan-06	230.48	130.5%	11.2%	222.46	122.5%	202.44	102.4%	14.7%
Feb-06	231.94	131.9%	10.8%	223.38	123.4%	203.19	103.2%	13.8%
Mar-06	232.38	132.4%	10.1%	223.75	123.8%	203.65	103.7%	12.3%
Apr-06	233.78	133.8%	9.0%	224.99	125.0%	204.82	104.8%	11.2%
May-06	234.39	134.4%	7.9%	225.99	126.0%	205.86	105.9%	10.0%
Jun-06	233.75	133.8%	6.3%	226.29	126.3%	206.38	106.4%	8.6%
Jul-06	234.29	134.3%	5.6%	226.17	126.2%	206.52	106.5%	7.2%
Aug-06	234.78	134.8%	4.6%	225.54	125.5%	206.18	106.2%	5.7%
Sep-06	234.71	134.7%	3.6%	225.09	125.1%	205.80	105.8%	4.3%
Oct-06	233.80	133.8%	2.6%	224.74	124.7%	205.41	105.4%	3.0%
Nov-06	232.56	132.6%	1.7%	223.94	123.9%	204.65	104.7%	1.8%
Dec-06	231.57	131.6%	0.9%	222.39	122.4%	203.33	103.3%	0.7%
Jan-07	230.52	130.5%	0.0%	221.31	121.3%	202.31	102.3%	-0.1%
Feb-07	229.64	129.6%	-1.0%	220.46	120.5%	201.57	101.6%	-0.8%
Mar-07	228.55	128.6%	-1.6%	219.67	119.7%	201.01	101.0%	-1.3%
Apr-07	226.65	126.7%	-3.0%	218.94	118.9%	200.54	100.5%	-2.1%
May-07	224.79	124.8%	-4.1%	218.34	118.3%	200.12	100.1%	-2.8%
Jun-07	221.86	121.9%	-5.1%	217.37	117.4%	199.44	99.4%	-3.4%
Jul-07	219.91	119.9%	-6.1%	216.30	116.3%	198.72	98.7%	-3.8%
Aug-07	216.83	116.8%	-7.6%	214.63	114.6%	197.37	97.4%	-4.3%
Sep-07	213.47	113.5%	-9.0%	212.72	112.7%	195.69	95.7%	-4.9%
Oct-07	208.68	108.7%	-10.7%	209.76	109.8%	192.98	93.0%	-6.1%
Nov-07	201.95	102.0%	-13.2%	205.25	105.3%	188.94	88.9%	-7.7%
Dec-07	196.05	96.1%	-15.3%	200.67	100.7%	184.96	85.0%	-9.0%
Jan-08	186.05	86.1%	-19.3%	196.07	96.1%	180.68	80.7%	-10.7%
Feb-08	177.18	77.2%	-22.8%	190.60	90.6%	175.96	76.0%	-12.7%
Mar-08	169.31	69.3%	-25.9%	186.12	86.1%	172.20	72.2%	-14.3%
Apr-08	165.71	65.7%	-26.9%	183.36	83.4%	169.98	70.0%	-15.2%
May-08	161.10	61.1%	-28.3%	181.56	81.6%	168.60	68.6%	-15.8%
Jun-08	158.80	58.8%	-28.4%	180.52	80.5%	167.77	67.8%	-15.9%
Jul-08	154.64	54.6%	-29.7%	178.67	78.7%	166.36	66.4%	-16.3%
Aug-08	150.93	50.9%	-30.4%	176.71	76.7%	164.64	64.6%	-16.6%
Sep-08	146.86	46.9%	-31.2%	173.35	73.4%	161.64	61.6%	-17.4%
Oct-08	142.74	42.7%	-31.6%	169.68	69.7%	158.09	58.1%	-18.1%
Nov-08	138.04	38.0%	-31.6%	165.96	66.0%	154.51	54.5%	-18.2%
Dec-08	131.40	31.4%	-33.0%	162.12	62.1%	150.57	50.6%	-18.6%
Jan-09	125.64	25.6%	-32.5%	157.98	58.0%	146.35	46.4%	-19.0%
Feb-09	121.06	21.1%	-31.7%	154.70	54.7%	143.17	43.2%	-18.6%

Latest available data as of the LBO closing date indicated by the solid horizontal line in table above - August '07. Latest annual data as of 2006.


Case-Shiller Home Price Index
Las Vegas and Twenty City Composite
(January 2000 to February 2009)
Las Vegas
Twenty City Composite
January 2000 equals 100
260
240
220
200
180
160
140
120
100
Latest data prior to LBO - August '07
Light shades indicate data not available at close of LBO
Jan-00
May-00
Sep-00
Jan-01
May-01
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Jan-02
May-02
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May-08
Sep-08
Jan-09
Note: Indexed to prices as of January 2000

Annual Historical Economic Data for Metropolitan Las Vegas

Schedule 3.e

Source: Center for Business and Economic Research, UNLV (see below).

Year	Population	Employment	Total Personal Income (Millions)	Year-over-Year %Δ in Personal Income	Housing Units Permitted	Year-over-Year %Δ in House Units Permitted	Visitor Volume (000s)	Gaming Revenue (Millions $)
1980	463,087	215,911	$5,244.30	-	8,193	-	11,941.50	$1,617.20
1981	489,129	224,142	$6,042.10	15.21%	7,597	-7.3%	11,820.80	$1,676.40
1982	515,836	219,083	$6,518.50	7.88%	6,667	-12.2%	11,633.70	$1,751.50
1983	535,108	221,367	$6,962.30	6.81%	13,180	97.7%	12,348.30	$1,932.10
1984	568,070	233,425	$7,615.50	9.38%	9,561	-27.5%	12,843.40	$2,067.60
1985	583,754	246,633	$8,330.70	9.39%	9,646	0.9%	14,194.20	$2,276.30
1986	607,884	262,183	$9,077.90	8.97%	11,781	22.1%	15,196.30	$2,431.20
1987	654,765	284,600	$9,942.20	9.52%	12,452	5.7%	16,216.10	$2,789.90
1988	681,585	307,600	$11,328.10	13.94%	26,448	112.4%	17,199.80	$3,137.90
1989	746,943	340,233	$13,008.70	14.84%	24,365	-7.9%	18,129.70	$3,440.20
1990	797,142	374,642	$14,954.60	14.96%	20,704	-15.0%	20,954.40	$4,104.00
1991	834,907	381,875	$16,346.70	9.31%	17,960	-13.3%	21,315.10	$4,153.00
1992	870,692	388,825	$18,278.20	11.82%	13,358	-25.6%	21,886.90	$4,379.10
1993	919,388	414,050	$20,048.20	9.68%	19,108	43.0%	23,522.60	$4,729.00
1994	985,827	465,225	$22,483.50	12.15%	25,307	32.4%	28,214.40	$5,431.80
1995	1,040,688	500,900	$25,053.60	11.43%	27,239	7.6%	29,002.10	$5,720.40
1996	1,119,705	546,808	$28,071.10	12.04%	30,339	11.4%	29,636.40	$5,783.40
1997	1,188,110	584,633	$30,941.50	10.23%	28,814	-5.0%	30,464.60	$6,152.30
1998	1,246,196	614,583	$34,713.80	12.19%	30,391	5.5%	30,605.10	$6,348.00
1999	1,321,317	661,917	$37,747.70	8.74%	26,624	-12.4%	33,809.10	$7,211.70
2000	1,428,690	698,433	$41,239.30	9.25%	26,811	0.7%	35,849.70	$7,671.10
2001	1,498,274	725,942	$43,179.70	4.71%	29,668	10.7%	35,017.30	$7,636.00
2002	1,578,332	730,000	$45,202.60	4.68%	29,427	-0.8%	35,071.50	$7,630.00
2003	1,641,529	760,208	$48,600.90	7.52%	36,771	25.0%	35,540.10	$7,831.30
2004	1,747,025	812,667	$54,976.20	13.12%	36,434	-0.9%	37,388.80	$8,712.00
2005	1,815,700	871,608	$63,040.60	14.67%	39,012	7.1%	38,566.70	$9,717.40
2006	1,912,654	917,292	$68,031.60	7.92%	33,942	-13.0%	38,914.90	$10,630.50
2007	1,996,542	926,783	$72,411.60	6.44%	24,069	-29.1%	39,196.80	$10,868.50
2008	1,986,146	926,362	$77,278.60	6.72%	14,482	-39.8%	37,485.30	$9,953.50

2008 figures forecasted

Data Sources: Clark County Comprehensive Planning, Nevada State Demographer, US Bureau of Economic Analysis, Local Building Permitting Agencies, Las Vegas Convention and Visitors Authority, State of Nevada Gaming Control Board.

Latest information available as of the LBO date was as of 2006

Las Vegas Year-to-Date Executive Summary

Source: LVCVA

	Total Visitor Volume	Total Room Visitor Volume Year-over-Year %Δ	Room Inventory	Room Inventory Year-over-Year %Δ	Room Tax - LVCVA's Portion	Convention Attendance	Convention Attendance Year-over-Year %Δ	Number of Conventions Held
Jan-05	3,048,045	-	131,331	-	$15,528,665	931,769	-	1,769
Feb-05	2,950,007	-	131,119	-	$15,181,731	528,320	-	2,162
Mar-05	3,396,600	-	131,119	-	$18,911,008	705,795	-	2,254
Apr-05	3,290,313	-	133,835	-	$17,785,209	517,955	-	2,346
May-05	3,370,380	-	133,835	-	$18,408,032	660,604	-	1,969
Jun-05	3,222,784	-	132,663	-	$15,595,582	420,625	-	1,969
Jul-05	3,388,437	-	132,655	-	$15,064,459	353,264	-	1,254
Aug-05	3,252,148	-	133,604	-	$14,533,474	395,747	-	1,146
Sep-05	3,173,326	-	133,604	-	$16,195,912	573,571	-	1,915
Oct-05	3,303,177	-	133,608	-	$17,323,156	316,867	-	2,408
Nov-05	3,097,701	-	133,608	-	$15,468,984	568,582	-	1,754
Dec-05	3,073,799	-	133,186	-	$13,140,578	193,095	-	1,208
Jan-06	3,175,528	4.18%	132,372	0.79%	$17,401,657	738,289	-20.76%	1,577
Feb-06	2,977,418	0.93%	131,617	0.38%	$15,938,126	809,658	53.25%	1,923
Mar-06	3,408,421	0.35%	131,762	0.49%	$20,065,921	653,502	-7.41%	2,462
Apr-06	3,301,734	0.35%	132,176	-1.24%	$21,016,905	545,856	5.39%	2,331
May-06	3,341,156	-0.87%	132,887	-0.71%	$18,342,074	424,922	-35.68%	2,169
Jun-06	3,157,228	-2.03%	133,347	0.52%	$15,651,131	497,902	18.37%	1,931
Jul-06	3,369,877	-0.55%	133,347	0.52%	$15,202,748	392,338	11.06%	1,531
Aug-06	3,341,005	2.73%	133,347	-0.19%	$15,688,852	606,595	53.28%	1,408
Sep-06	3,278,884	3.33%	133,491	-0.08%	$17,671,172	398,836	-30.46%	2,208
Oct-06	3,384,978	2.48%	133,708	0.07%	$19,447,628	493,207	55.65%	3,023
Nov-06	3,124,369	0.86%	131,769	-1.38%	$18,207,318	585,047	2.90%	1,854
Dec-06	3,054,291	-0.63%	132,605	-0.44%	$12,656,401	161,809	-16.20%	1,408
Jan-07	3,156,419	-0.60%	133,262	0.67%	$17,969,287	780,542	5.72%	1,785
Feb-07	3,015,850	1.29%	133,372	1.33%	$17,716,401	771,985	-4.65%	2,377
Mar-07	3,456,738	1.42%	132,943	0.90%	$23,323,992	682,824	4.49%	2,700

Las Vegas Year-to-Date Executive Summary

Source: LVCVA

	Total Visitor Volume	Total Room Visitor Volume Year-over-Year %Δ	Room Inventory	Room Inventory Year-over-Year %Δ	Room Tax - LVCVA's Portion	Convention Attendance	Convention Attendance Year-over-Year %Δ	Number of Conventions Held
Apr-07	3,314,448	0.39%	133,082	0.69%	$19,502,035	518,065	-5.09%	2,046
May-07	3,380,791	1.19%	133,082	0.15%	$20,176,675	506,165	19.12%	2,231
Jun-07	3,282,315	3.96%	133,205	-0.11%	$17,313,678	429,804	-13.68%	1,915
Jul-07	3,378,193	0.25%	133,781	0.33%	$17,181,824	262,560	-33.08%	1,208
Aug-07	3,353,997	0.39%	133,328	-0.01%	$16,392,143	739,215	21.86%	1,438
Sep-07	3,268,125	-0.33%	133,434	-0.04%	$18,241,274	397,349	-0.37%	2,185
Oct-07	3,384,546	-0.01%	133,690	-0.01%	$21,087,534	388,475	-21.23%	2,623
Nov-07	3,129,508	0.16%	133,690	1.46%	$16,706,517	602,605	3.00%	2,054
Dec-07	3,075,831	0.71%	132,947	0.26%	$14,102,551	129,664	-19.87%	1,285
Jan-08	3,138,312	-0.57%	133,011	-0.19%	$19,176,181	677,978	-13.14%	1,700
Feb-08	3,107,997	3.06%	135,383	1.51%	$17,986,609	893,982	15.80%	2,031
Mar-08	3,423,765	-0.95%	136,506	2.68%	$21,597,387	637,755	-6.60%	2,269
Apr-08	3,265,251	-1.48%	136,586	2.63%	$20,356,327	538,316	3.91%	2,623
May-08	3,395,991	0.45%	136,733	2.74%	$20,601,672	509,482	0.66%	2,208
Jun-08	3,179,472	-3.13%	136,583	2.54%	$16,529,606	438,044	1.92%	1,862
Jul-08	3,222,456	-4.61%	136,990	2.40%	$15,253,432	264,197	0.62%	1,316
Aug-08	3,211,209	-4.26%	137,690	3.27%	$16,387,850	574,184	-22.33%	1,335
Sep-08	2,936,499	-10.15%	137,690	3.19%	$17,040,604	357,525	-10.02%	1,794
Oct-08	3,039,272	-10.20%	137,690	2.99%	$17,069,676	381,129	-1.89%	2,471
Nov-08	2,821,629	-9.84%	137,892	3.14%	$14,094,823	503,545	-16.44%	1,774
Dec-08	2,739,699	-10.93%	140,529	5.70%	$11,023,651	123,588	-4.69%	1,071

	Number of Conventions Year-over-Year %Δ	Economic Impact of Conventions	Total Average Room Occupancy	Total Average Room Occupancy Year-over-Year %Δ	Hotel Occupancy	Hotel Room Occupancy Rate Year-over-Year %Δ	Motel Occupancy	Motel Room Occupancy Rate Year-over-Year %Δ
Jan-05	-	$1,167,704,005	83.20%	-	86.60%	-	62.10%	-
Feb-05	-	$646,780,570	89.70%	-	91.50%	-	78.50%	-
Mar-05	-	$882,527,613	94.50%	-	95.80%	-	86.30%	-
Apr-05	-	$645,108,259	93.30%	-	95.60%	-	79.10%	-
May-05	-	$825,643,160	91.30%	-	93.60%	-	76.70%	-
Jun-05	-	$491,922,983	91.20%	-	94.10%	-	72.00%	-
Jul-05	-	$433,630,540	91.90%	-	94.50%	-	74.10%	-
Aug-05	-	$480,715,765	88.70%	-	91.70%	-	68.10%	-
Sep-05	-	$719,512,223	88.30%	-	91.00%	-	69.90%	-
Oct-05	-	$373,176,251	89.50%	-	91.90%	-	73.20%	-
Nov-05	-	$709,245,572	86.30%	-	89.20%	-	66.80%	-
Dec-05	-	$232,184,115	82.50%	-	86.10%	-	57.30%	-
Jan-06	-10.85%	$982,472,093	86.10%	3.49%	90.30%	4.27%	56.60%	-8.86%
Feb-06	-11.05%	$1,068,321,281	90.20%	0.56%	92.50%	1.09%	74.40%	-5.22%
Mar-06	9.23%	$850,430,654	94.10%	-0.42%	96.50%	0.73%	77.50%	-10.20%
Apr-06	-0.64%	$704,132,203	93.90%	0.64%	96.60%	1.05%	75.20%	-4.93%
May-06	10.16%	$546,775,544	90.10%	-1.31%	93.90%	0.32%	63.90%	-16.69%
Jun-06	-1.93%	$627,215,124	88.60%	-2.85%	93.50%	-0.64%	54.70%	-24.03%
Jul-06	22.09%	$499,548,281	91.10%	-0.87%	95.00%	0.53%	63.80%	-13.90%
Aug-06	22.86%	$794,704,489	90.70%	2.25%	94.20%	2.73%	65.90%	-3.23%
Sep-06	15.30%	$512,188,463	90.60%	2.60%	93.90%	3.19%	67.10%	-4.01%
Oct-06	25.54%	$624,323,045	91.70%	2.46%	94.90%	3.26%	69.50%	-5.05%
Nov-06	5.70%	$770,165,700	87.80%	1.74%	91.50%	2.58%	60.80%	-8.98%
Dec-06	16.56%	$202,541,463	81.30%	-1.45%	85.20%	-1.05%	53.00%	-7.50%
Jan-07	13.19%	$1,081,412,549	85.40%	-0.81%	90.10%	-0.22%	51.90%	-8.30%
Feb-07	23.61%	$1,066,830,301	90.30%	0.11%	94.00%	1.62%	63.90%	-14.11%
Mar-07	9.67%	$932,685,104	93.90%	-0.21%	96.90%	0.41%	72.60%	-6.32%

	Number of Conventions Year-over-Year %Δ	Economic Impact of Conventions	Total Average Room Occupancy	Total Average Room Occupancy Year-over-Year %Δ	Hotel Occupancy	Hotel Room Occupancy Rate Year-over-Year %Δ	Motel Occupancy	Motel Room Occupancy Rate Year-over-Year %Δ
Apr-07	-12.23%	$695,776,754	93.80%	-0.11%	97.20%	0.62%	69.50%	-7.58%
May-07	2.86%	$687,095,420	92.10%	2.22%	95.80%	2.02%	66.00%	3.29%
Jun-07	-0.83%	$583,683,771	91.90%	3.72%	95.70%	2.35%	64.60%	18.10%
Jul-07	-21.10%	$358,157,340	92.00%	0.99%	96.00%	1.05%	63.50%	-0.47%
Aug-07	2.13%	$1,017,638,836	91.20%	0.55%	94.90%	0.74%	65.10%	-1.21%
Sep-07	-1.04%	$518,958,998	91.30%	0.77%	94.20%	0.32%	70.30%	4.77%
Oct-07	-13.23%	$505,081,908	92.30%	0.65%	95.10%	0.21%	72.80%	4.75%
Nov-07	10.79%	$829,572,668	86.90%	-1.03%	90.70%	-0.87%	60.10%	-1.15%
Dec-07	-8.74%	$172,315,119	83.20%	2.34%	87.40%	2.58%	53.40%	0.75%
Jan-08	-4.76%	N/A	84.90%	-0.59%	88.50%	-1.78%	59.30%	14.26%
Feb-08	-14.56%	N/A	89.40%	-1.00%	92.70%	-1.38%	65.90%	3.13%
Mar-08	-15.96%	N/A	92.20%	-1.81%	95.00%	-1.96%	72.00%	-0.83%
Apr-08	28.20%	N/A	90.00%	-4.05%	93.60%	-3.70%	63.20%	-9.06%
May-08	-1.03%	N/A	89.70%	-2.61%	94.00%	-1.88%	58.20%	-11.82%
Jun-08	-2.77%	N/A	89.40%	-2.72%	93.40%	-2.40%	59.90%	-7.28%
Jul-08	8.94%	N/A	87.20%	-5.22%	91.30%	-4.90%	56.60%	-10.87%
Aug-08	-7.16%	N/A	88.30%	-3.18%	92.50%	-2.53%	57.20%	-12.14%
Sep-08	-17.89%	N/A	84.30%	-7.67%	88.60%	-5.94%	52.10%	-25.89%
Oct-08	-5.79%	N/A	83.80%	-9.21%	87.90%	-7.57%	53.10%	-27.06%
Nov-08	-13.63%	N/A	79.20%	-8.86%	83.10%	-8.38%	50.10%	-16.64%
Dec-08	-16.65%	N/A	73.30%	-11.90%	76.70%	-12.24%	45.40%	-14.98%

Schedule 3.f

	Weekend Room Occupancy	Midweek Room Occupancy	Average Daily Room Rate	Average Daily Room Rate Year-over-Year %Δ	Total Room Nights	Total Tourist Room Nights	Convention Room Nights	Clark County Gaming Revenue
Jan-05	91.20%	79.30%	$106.15	-	3,386,191	1,303,413	2,082,778	$793,104,000
Feb-05	96.70%	86.40%	$101.96	-	3,292,382	2,111,431	1,180,951	$765,801,000
Mar-05	97.30%	93.50%	$113.01	-	3,839,877	2,262,218	1,577,659	$864,988,000
Apr-05	98.20%	90.90%	$107.26	-	3,677,350	2,519,568	1,157,782	$723,516,000
May-05	96.80%	89.00%	$104.86	-	3,787,119	2,310,475	1,476,644	$860,380,000
Jun-05	96.60%	89.30%	$92.58	-	3,631,648	2,691,427	940,221	$797,153,000
Jul-05	95.10%	90.10%	$94.76	-	3,777,991	2,988,342	789,649	$765,630,000
Aug-05	95.10%	86.40%	$93.22	-	3,663,247	2,748,153	915,094	$808,361,000
Sep-05	93.60%	85.70%	$107.65	-	3,539,120	2,257,020	1,282,100	$837,103,000
Oct-05	96.40%	86.70%	$105.17	-	3,705,419	2,997,128	708,291	$884,083,000
Nov-05	95.50%	82.40%	$111.29	-	3,460,428	2,189,480	1,270,948	$846,688,000
Dec-05	87.80%	79.50%	$99.60	-	3,405,400	2,973,776	431,624	$762,601,000
Jan-06	91.90%	83.20%	$120.32	13.35%	3,546,317	1,924,642	1,621,675	$987,699,000
Feb-06	96.40%	87.30%	$120.28	17.97%	3,332,418	1,553,978	1,778,440	$869,984,000
Mar-06	97.60%	92.60%	$125.25	10.83%	3,843,043	2,407,605	1,435,438	$908,666,000
Apr-06	97.50%	92.30%	$127.53	18.90%	3,717,795	2,518,805	1,198,990	$824,199,000
May-06	95.70%	89.90%	$121.12	15.51%	3,762,270	2,828,915	933,355	$962,616,000
Jun-06	92.50%	87.00%	$116.66	26.01%	3,546,048	2,452,390	1,093,658	$757,741,000
Jul-06	94.40%	89.80%	$104.19	9.95%	3,766,221	2,904,438	861,783	$850,255,000
Aug-06	94.40%	89.40%	$116.57	25.05%	3,748,100	2,415,695	1,332,405	$886,019,000
Sep-06	94.10%	88.50%	$117.14	8.82%	3,626,733	2,750,677	876,056	$807,848,000
Oct-06	98.00%	89.60%	$134.78	28.15%	3,796,838	2,713,493	1,083,345	$889,908,000
Nov-06	95.80%	84.30%	$123.13	10.64%	3,470,121	2,185,047	1,285,074	$989,645,000
Dec-06	87.40%	77.40%	$107.51	7.94%	3,340,332	2,984,913	355,419	$908,626,000
Jan-07	85.80%	85.30%	$134.37	11.68%	3,539,505	1,866,915	1,672,590	$967,777,000
Feb-07	95.70%	87.80%	$135.67	12.80%	3,372,023	1,717,769	1,654,254	$901,821,000
Mar-07	96.80%	92.50%	$136.15	8.70%	3,877,125	2,413,931	1,463,194	$889,674,000

Schedule 3.f

	Weekend Room Occupancy	Midweek Room Occupancy	Average Daily Room Rate	Average Daily Room Rate Year-over-Year %Δ	Total Room Nights	Total Tourist Room Nights	Convention Room Nights	Clark County Gaming Revenue
Apr-07	97.70%	92.40%	$146.53	14.90%	3,742,668	2,632,529	1,110,139	$892,760,000
May-07	96.40%	90.40%	$143.01	18.07%	3,801,554	2,716,915	1,084,639	$968,442,000
Jun-07	95.30%	90.20%	$135.12	15.82%	3,670,940	2,749,931	921,009	$789,656,000
Jul-07	96.10%	90.60%	$117.76	13.02%	3,815,703	3,253,074	562,629	$964,725,000
Aug-07	94.80%	89.80%	$126.38	8.42%	3,770,525	2,186,493	1,584,032	$838,033,000
Sep-07	95.30%	89.30%	$142.47	21.62%	3,652,990	2,801,528	851,462	$879,142,000
Oct-07	97.20%	90.70%	$135.00	0.16%	3,822,366	2,989,920	832,446	#############
Nov-07	93.00%	83.80%	$118.45	-3.80%	3,484,710	2,193,414	1,291,296	$828,725,000
Dec-07	87.50%	81.20%	$112.36	4.51%	3,428,624	3,150,773	277,851	$945,956,000
Jan-08	82.90%	85.70%	$130.96	-2.54%	3,523,212	N/A	N/A	$928,651,000
Feb-08	92.90%	87.60%	$128.80	-5.06%	3,471,884	N/A	N/A	$865,968,000
Mar-08	94.30%	91.40%	$135.11	-0.76%	3,859,542	N/A	N/A	$871,896,000
Apr-08	94.50%	88.30%	$135.67	-7.41%	3,685,632	N/A	N/A	$849,974,000
May-08	92.70%	88.10%	$135.17	-5.48%	3,791,067	N/A	N/A	$810,059,000
Jun-08	92.50%	88.30%	$113.48	-16.02%	3,664,674	N/A	N/A	$806,097,000
Jul-08	90.90%	85.70%	$105.97	-10.01%	3,689,394	N/A	N/A	$819,683,000
Aug-08	90.50%	87.20%	$107.01	-15.33%	3,753,657	N/A	N/A	$759,258,000
Sep-08	88.40%	82.80%	$112.58	-20.98%	3,482,882	N/A	N/A	$853,511,000
Oct-08	90.60%	81.00%	$115.68	-14.31%	3,577,623	N/A	N/A	$757,510,000
Nov-08	85.90%	75.90%	$108.80	-8.15%	3,276,040	N/A	N/A	$702,587,000
Dec-08	81.60%	69.90%	$96.39	-14.21%	3,191,645	N/A	N/A	$771,776,000

	Las Vesas MSA Gaming Revenue	Strip Gaming Revenue	Downtown Gaming Revenue	Boulder Strip Gaming Revenue	Total En/Deplaned Passengers	Total En/Deplaned Passengers Year-over-Year %Δ	Passengers - Domestic Sched.	Passengers – Chartered and International
Jan-05	$610,432,000	$484,549,000	$49,675,000	$76,208,000	3,271,627	-	2,911,340	233,774
Feb-05	$591,297,000	$462,675,000	$57,981,000	$70,641,000	3,166,083	-	2,801,559	226,186
Mar-05	$662,672,000	$514,433,000	$63,135,000	$85,104,000	3,919,248	-	3,463,680	269,061
Apr-05	$561,350,000	$447,595,000	$51,989,000	$61,766,000	3,707,051	-	3,303,481	229,073
May-05	$674,238,000	$538,751,000	$58,076,000	$77,411,000	3,903,950	-	3,468,359	240,472
Jun-05	$618,297,000	$489,594,000	$51,382,000	$77,321,000	3,810,918	-	3,378,512	231,096
Jul-05	$599,993,000	$483,496,000	$51,758,000	$64,739,000	3,991,950	-	3,530,925	245,896
Aug-05	$624,052,000	$486,648,000	$53,540,000	$83,864,000	3,882,775	-	3,463,420	207,467
Sep-05	$664,037,000	$541,222,000	$51,750,000	$71,065,000	3,634,361	-	3,207,858	214,289
Oct-05	$702,078,000	$563,540,000	$60,713,000	$77,825,000	3,839,120	-	3,413,247	231,924
Nov-05	$662,913,000	$524,680,000	$54,589,000	$83,644,000	3,617,565	-	3,209,902	222,941
Dec-05	$599,996,000	$494,068,000	$49,527,000	$56,401,000	3,522,714	-	3,163,924	205,414
Jan-06	$778,535,000	$627,506,000	$57,327,000	$93,702,000	3,465,017	5.91%	3,124,252	200,593
Feb-06	$680,243,000	$551,050,000	$53,940,000	$75,253,000	3,363,985	6.25%	3,029,068	212,979
Mar-06	$692,515,000	$546,098,000	$59,467,000	$86,950,000	4,040,167	3.09%	3,644,660	242,954
Apr-06	$641,110,000	$516,414,000	$52,298,000	$72,398,000	3,884,824	4.80%	3,492,792	238,571
May-06	$745,114,000	$603,753,000	$58,321,000	$83,040,000	3,904,912	0.02%	3,533,153	218,119
Jun-06	$566,390,000	$454,805,000	$44,622,000	$66,963,000	3,889,068	2.05%	3,523,980	206,141
Jul-06	$655,865,000	$531,651,000	$49,024,000	$75,190,000	4,086,437	2.37%	3,718,688	213,180
Aug-06	$680,866,000	$556,296,000	$45,868,000	$78,702,000	4,042,218	4.11%	3,666,131	213,276
Sep-06	$622,940,000	$516,346,000	$47,415,000	$59,179,000	3,778,118	3.96%	3,424,961	208,084
Oct-06	$680,268,000	$532,192,000	$59,697,000	$88,379,000	4,054,868	5.62%	3,683,571	234,625
Nov-06	$778,292,000	$642,430,000	$53,681,000	$82,181,000	3,882,310	7.32%	3,497,928	236,182
Dec-06	$726,365,000	$609,976,000	$48,630,000	$67,759,000	3,801,405	7.91%	3,433,760	214,980
Jan-07	$748,008,000	$605,386,000	$54,008,000	$88,614,000	3,678,835	6.17%	3,321,494	213,838
Feb-07	$697,963,000	$574,698,000	$50,715,000	$72,550,000	3,461,946	2.91%	3,127,847	200,902
Mar-07	$671,700,000	$543,675,000	$55,330,000	$72,695,000	4,189,828	3.70%	3,778,517	244,510

	Las Vesas MSA Gaming Revenue	Strip Gaming Revenue	Downtown Gaming Revenue	Boulder Strip Gaming Revenue	Total En/Deplaned Passengers	Total En/Deplaned Passengers Year-over-Year %Δ	Passengers - Domestic Sched.	Passengers – Chartered and International
Apr-07	$668,698,000	$529,195,000	$56,468,000	$83,035,000	3,996,072	2.86%	3,582,038	248,626
May-07	$753,802,000	$612,017,000	$58,477,000	$83,308,000	4,187,046	7.23%	3,763,818	245,356
Jun-07	$608,866,000	$500,024,000	$43,795,000	$65,047,000	4,171,645	7.27%	3,772,837	224,540
Jul-07	$745,638,000	$606,797,000	$53,719,000	$85,122,000	4,293,467	5.07%	3,862,729	237,022
Aug-07	$646,552,000	$531,551,000	$48,217,000	$66,784,000	4,301,058	6.40%	3,876,097	237,461
Sep-07	$681,309,000	$551,926,000	$53,360,000	$76,023,000	3,891,436	3.00%	3,505,177	231,551
Oct-07	$784,521,000	$637,776,000	$60,127,000	$86,618,000	4,080,910	0.64%	3,678,698	241,581
Nov-07	$633,389,000	$519,707,000	$48,690,000	$64,992,000	3,793,482	-2.29%	3,406,253	233,519
Dec-07	$747,794,000	$614,861,000	$50,023,000	$82,910,000	3,682,689	-3.12%	3,325,605	222,289
Jan-08	N/A	$597,305,000	$50,387,000	$74,139,000	3,577,097	-2.77%	N/A	N/A
Feb-08	N/A	$556,625,000	$50,566,000	$62,315,000	3,579,425	3.39%	N/A	N/A
Mar-08	N/A	$517,474,000	$56,697,000	$80,978,000	4,120,581	-1.65%	N/A	N/A
Apr-08	N/A	$524,114,000	$52,726,000	$74,530,000	3,788,603	-5.19%	N/A	N/A
May-08	N/A	$513,456,000	$48,425,000	$58,418,000	3,992,104	-4.66%	N/A	N/A
Jun-08	N/A	$486,396,000	$48,271,000	$81,823,000	3,881,337	-6.96%	N/A	N/A
Jul-08	N/A	$519,175,000	$44,995,000	$70,507,000	3,923,469	-8.62%	N/A	N/A
Aug-08	N/A	$494,016,000	$43,669,000	$52,169,000	3,877,058	-9.86%	N/A	N/A
Sep-08	N/A	$525,170,000	$49,040,000	$87,576,000	3,377,238	-13.21%	N/A	N/A
Oct-08	N/A	$475,005,000	$48,357,000	$62,907,000	3,560,497	-12.75%	N/A	N/A
Nov-08	N/A	$437,689,000	$47,998,000	$54,899,000	3,232,985	-14.78%	N/A	N/A
Dec-08	N/A	$474,228,000	$41,330,000	$76,335,000	3,164,313	-14.08%	N/A	N/A

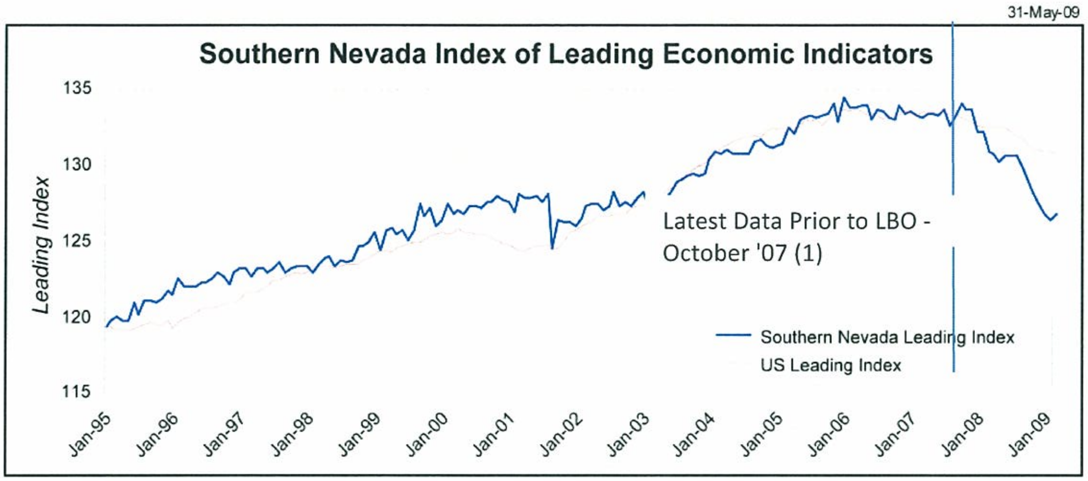
	Average Daily Auto Traffic - All Major Highways	Average Daily Traffic - All Year-over-Year %Δ	Average Daily Auto Traffic - I-15 at NV/CA Border
Jan-05	71,216	-	31,972
Feb-05	76,007	-	34,788
Mar-05	89,417	-	39,254
Apr-05	85,872	-	38,310
May-05	87,252	-	40,431
Jun-05	92,047	-	42,377
Jul-05	96,946	-	46,997
Aug-05	95,092	-	45,767
Sep-05	82,692	-	37,707
Oct-05	80,999	-	35,697
Nov-05	84,506	-	40,759
Dec-05	84,481	-	41,729
Jan-06	78,256	9.89%	36,150
Feb-06	80,288	5.63%	36,656
Mar-06	85,167	-4.75%	37,241
Apr-06	91,717	6.81%	42,037
May-06	86,729	-0.60%	40,288
Jun-06	90,074	-2.14%	41,982
Jul-06	95,437	-1.56%	46,302
Aug-06	95,503	0.43%	46,684
Sep-06	87,168	5.41%	39,970
Oct-06	82,296	1.60%	35,894
Nov-06	85,732	1.45%	40,657
Dec-06	85,163	0.81%	40,736
Jan-07	76,514	-2.23%	34,672
Feb-07	80,951	0.83%	37,473
Mar-07	86,336	1.37%	37,781

Schedule 3.f

	Average Daily Auto Traffic - All Major Highways	Average Daily Traffic - All Year-over-Year %Δ	Average Daily Auto Traffic - I-15 at NV/CA Border
Apr-07	89,757	-2.14%	40,027
May-07	87,887	1.34%	39,934
Jun-07	91,154	1.20%	41,706
Jul-07	95,853	0.44%	46,156
Aug-07	95,954	0.47%	46,319
Sep-07	85,284	-2.16%	38,571
Oct-07	83,200	1.10%	36,128
Nov-07	84,752	-1.14%	39,824
Dec-07	82,768	-2.81%	39,107
Jan-08	74,399	-2.76%	33,064
Feb-08	77,156	-4.69%	34,192
Mar-08	86,756	0.49%	38,516
Apr-08	83,253	-7.25%	36,921
May-08	82,302	-6.35%	37,715
Jun-08	84,949	-6.81%	39,204
Jul-08	89,717	-6.40%	43,106
Aug-08	90,349	-5.84%	43,774
Sep-08	78,384	-8.09%	35,194
Oct-08	77,095	-7.34%	33,866
Nov-08	80,019	-5.58%	38,089
Dec-08	80,736	-2.46%	38,586

Schedule 3.g

UNLV Leading Indicators Index



CLARK COUNTY SERIES	DATE	UNITS	LATEST PERIOD	CHANGE PREVIOUS PERIOD	CHANGE YEAR AGO	CONTRIBUTION TO INDEX*
Residential Building Units Permitted	Mar-09	# Units Permitted	759	389.68%	31.54%	-0.031%
Residential Building Permit Valuation	Mar-09	Dollars	$59,428,650	221.83%	-7.52%	-0.045%
Commercial Building Permits	Mar-09	# Units Permitted	27	-10.00%	-58.46%	-0.026%
Commercial Building Permit Valuation	Mar-09	Dollars	$9,860,406	-71.56%	-78.95%	-0.055%
Taxable Sales	Mar-09	Dollars	$2,758,267,543	24.47%	-14.50%	0.237%
McCarran Airport	Mar-09	Passengers Enplaned/ Deplaned	3,633,269	19.64%	-11.83%	0.092%
Gallons of Gasoline	Mar-09	Thousand Gallons	65,699,798	13.95%	-3.25%	0.018%
Gross Gaming Revenue	Mar-09	Dollars	$786,457,648	10.67%	-9.80%	0.234%
Visitor Volume	Mar-09	People	3,202,344	12.03%	-6.47%	-0.071%
Conventions Held Attendance	Mar-09	People	446,588	-23.42%	-29.97%	-0.013%
Overall Change in Leading Indicator**	May-09		126.83	0.34%	-3.19%	0.34%

*The contribution to the Index is a net-weighted average of each series after adjustment for seasonal variation.

**The Index is a six-month forecast (09/01/2009) from the month of the data (03/01/2009) and four months from the month of the series (05/01/2009).

Sources: Local Building Permitting Agencies; Nevada Department of Taxation; McCarran International Airport; Nevada State Gaming Control Board; Las Vegas Convention and Visitors Authority.

The Southern Nevada Index of Leading Economic Indicators turned up for May. Seven of the ten series contributed positively to this month's index. Still, the index has trended down since early 2007, and this month's index is 3.19 percent below the value for May 2008. The evidence at best suggests some improvement ahead, though the evidence is meager at this point. Nevada's worst recession since the 1930s is not over, but perhaps it is coming to an end. The index should reach a clearly defined bottom and turn up for one to have some assurance that things are on the road to recovery.

R. Keith Schwer

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1 - Odyssey estimate

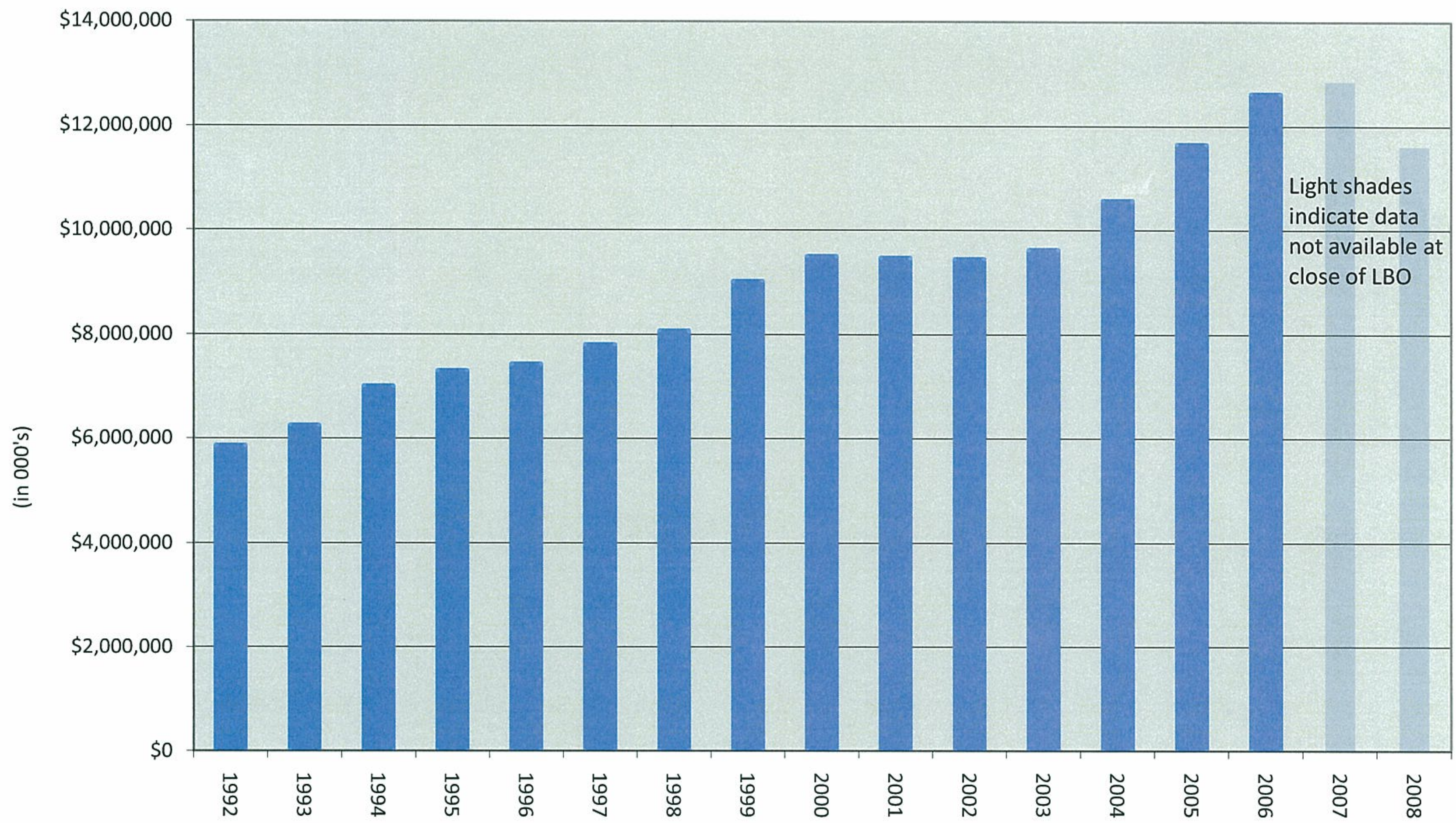
Statewide Non-Restricted Gaming Win by Year

(in thousands)

Source: Nevada Gaming Comission Data

Month	Statewide All Non-Restricted Games and Tables	Y-O-Y Δ	Statewide All Non-Restricted Slots	Y-O-Y Δ	Statewide All Non-Restricted Total	Y-O-Y Δ
1992	$2,072,734		$3,716,784		$5,864,228	
1993	$2,232,653	7.7%	$3,944,042	6.1%	$6,247,508	6.5%
1994	$2,628,192	17.7%	$4,207,727	6.7%	$7,007,586	12.2%
1995	$2,774,146	5.6%	$4,459,699	6.0%	$7,299,975	4.2%
1996	$2,695,599	-2.8%	$4,666,109	4.6%	$7,426,192	1.7%
1997	$2,849,518	5.7%	$4,890,893	4.8%	$7,801,920	5.1%
1998	$2,739,410	-3.9%	$5,266,688	7.7%	$8,064,970	3.4%
1999	$3,174,362	15.9%	$5,783,964	9.8%	$9,021,570	11.9%
2000	$3,348,503	5.5%	$6,191,018	7.0%	$9,502,586	5.3%
2001	$3,210,226	-4.1%	$6,198,699	0.1%	$9,468,599	-0.4%
2002	$3,116,339	-2.9%	$6,273,531	1.2%	$9,447,660	-0.2%
2003	$3,080,169	-1.2%	$6,476,859	3.2%	$9,625,304	1.9%
2004	$3,364,861	9.2%	$7,098,524	9.6%	$10,562,247	9.7%
2005	$3,741,287	11.2%	$7,767,528	9.4%	$11,649,040	10.3%
2006	$4,155,012	11.1%	$8,306,103	6.9%	$12,622,044	8.4%
2007	$4,230,254	1.8%	$8,450,908	1.7%	$12,849,137	1.8%
2008	$3,707,372	-12.4%	$7,736,005	-8.5%	$11,599,124	-9.7%
Average:		4.0%		4.8%		4.5%

Statewide Non-Restricted Gaming Win by Year
(1992-2008)



Source: Nevada Gaming Commission

Total Statewide Non-Restricted Gaming Win by Month Schedule 3.h.ii

(in thousands)

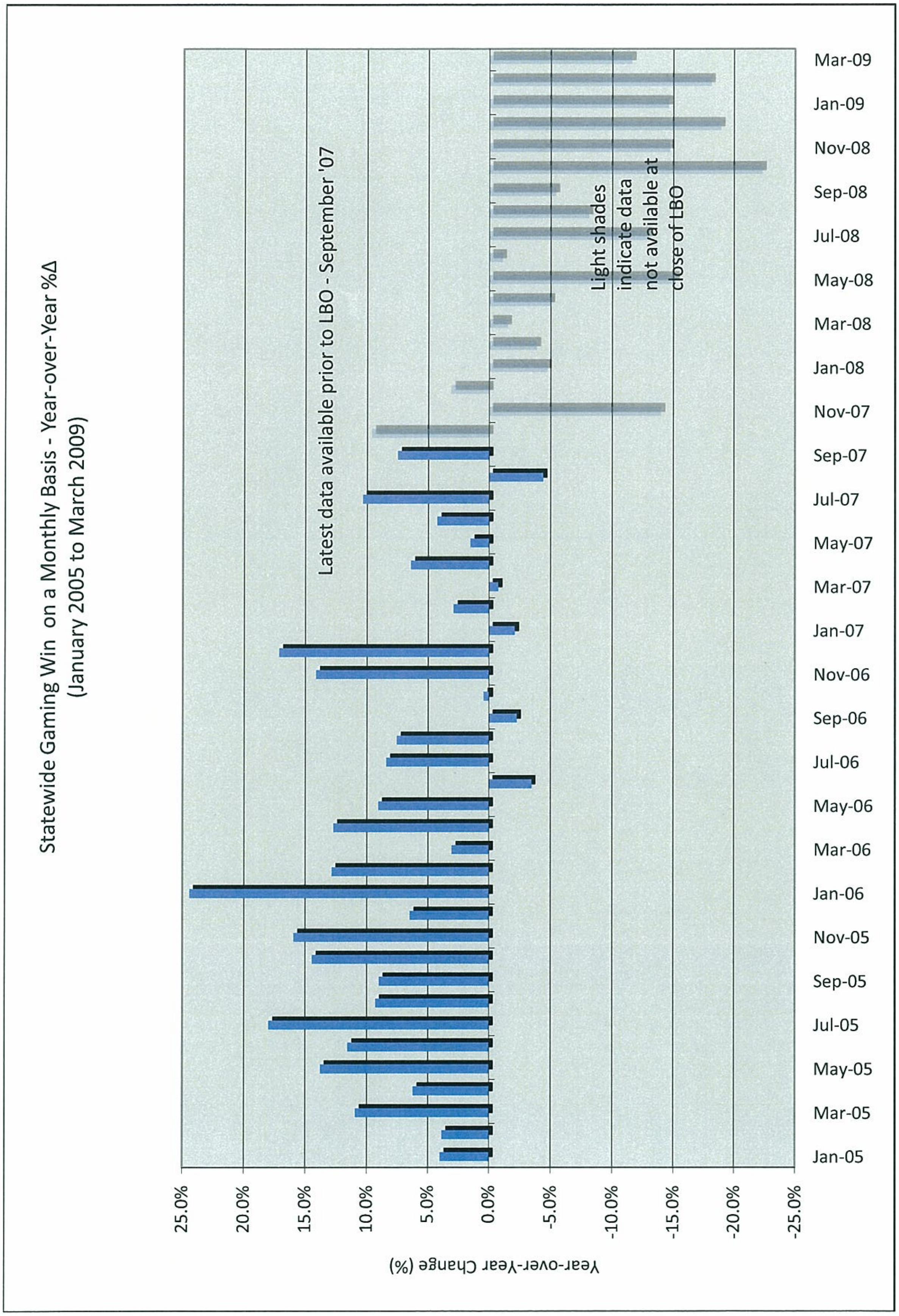
Source: Nevada Gaming Comission Data

Month	Statewide All Non-Restricted Games and Tables	Y-O-Y Δ	Statewide All Non-Restricted Slots	Y-O-Y Δ	Statewide All Non-Restricted Total	Y-O-Y Δ	Δ from peak	Δ from 2006 Average
Jan-04	$343,338	-	$531,700	-	$882,081	-	-24.3%	-16.1%
Feb-04	$299,760	-	$569,450	-	$875,956	-	-24.8%	-16.7%
Mar-04	$274,046	-	$648,519	-	$930,332	-	-20.1%	-11.5%
Apr-04	$251,866	-	$567,513	-	$826,933	-	-29.0%	-21.4%
May-04	$306,970	-	$592,456	-	$908,242	-	-22.0%	-13.6%
Jun-04	$246,672	-	$601,661	-	$855,462	-	-26.6%	-18.7%
Jul-04	$239,166	-	$564,782	-	$812,455	-	-30.3%	-22.8%
Aug-04	$255,007	-	$641,319	-	$905,101	-	-22.3%	-13.9%
Sep-04	$276,727	-	$639,463	-	$924,781	-	-20.6%	-12.1%
Oct-04	$327,470	-	$588,204	-	$924,863	-	-20.6%	-12.1%
Nov-04	$237,801	-	$615,502	-	$862,149	-	-26.0%	-18.0%
Dec-04	$306,050	-	$536,528	-	$852,477	-	-26.8%	-18.9%
Jan-05	$309,009	-10.0%	$597,939	12.5%	$917,137	4.0%	-21.3%	-12.8%
Feb-05	$317,315	5.9%	$582,360	2.3%	$909,547	3.8%	-21.9%	-13.5%
Mar-05	$300,998	9.8%	$719,640	11.0%	$1,031,855	10.9%	-11.4%	-1.9%
Apr-05	$272,943	8.4%	$594,598	4.8%	$878,217	6.2%	-24.6%	-16.5%
May-05	$326,624	6.4%	$694,734	17.3%	$1,033,193	13.8%	-11.3%	-1.8%
Jun-05	$285,181	15.6%	$656,914	9.2%	$954,218	11.5%	-18.1%	-9.3%
Jul-05	$312,211	30.5%	$632,614	12.0%	$958,418	18.0%	-17.7%	-8.9%
Aug-05	$276,397	8.4%	$700,925	9.3%	$989,039	9.3%	-15.1%	-6.0%
Sep-05	$356,322	28.8%	$640,157	0.1%	$1,007,794	9.0%	-13.5%	-4.2%
Oct-05	$353,705	8.0%	$692,599	17.7%	$1,058,418	14.4%	-9.1%	0.6%
Nov-05	$287,456	20.9%	$700,119	13.7%	$999,615	15.9%	-14.2%	-5.0%
Dec-05	$340,416	11.2%	$553,441	3.2%	$907,422	6.4%	-22.1%	-13.7%
Jan-06	$387,303	25.3%	$740,659	23.9%	$1,141,176	24.4%	-2.0%	8.5%
Feb-06	$336,393	6.0%	$647,471	11.2%	$1,026,293	12.8%	-11.9%	-2.4%
Mar-06	$318,459	5.8%	$730,415	1.5%	$1,062,940	3.0%	-8.8%	1.1%
Apr-06	$315,915	15.7%	$661,125	11.2%	$989,739	12.7%	-15.0%	-5.9%
May-06	$370,754	13.5%	$742,564	6.9%	$1,126,598	9.0%	-3.3%	7.1%
Jun-06	$255,981	-10.2%	$652,679	-0.6%	$921,150	-3.5%	-20.9%	-12.4%
Jul-06	$323,968	3.8%	$697,886	10.3%	$1,038,761	8.4%	-10.8%	-1.2%
Aug-06	$323,392	17.0%	$726,146	3.6%	$1,063,326	7.5%	-8.7%	1.1%
Sep-06	$331,696	-6.9%	$640,683	0.1%	$984,970	-2.3%	-15.4%	-6.4%
Oct-06	$307,498	-13.1%	$743,014	7.3%	$1,062,981	0.4%	-8.7%	1.1%
Nov-06	$415,975	44.7%	$712,227	1.7%	$1,140,738	14.1%	-2.1%	8.5%
Dec-06	$438,100	28.7%	$610,247	10.3%	$1,062,753	17.1%	-8.8%	1.0%
Jan-07	$326,576	-15.7%	$740,616	0.0%	$1,117,053	-2.1%	-4.1%	6.2%
Feb-07	$408,370	21.4%	$634,135	-2.1%	$1,055,715	2.9%	-9.4%	0.4%
Mar-07	$330,545	3.8%	$709,048	-2.9%	$1,054,767	-0.8%	-9.5%	0.3%
Apr-07	$303,057	-4.1%	$736,438	11.4%	$1,052,864	6.4%	-9.6%	0.1%
May-07	$367,494	-0.9%	$762,048	2.6%	$1,143,679	1.5%	-1.8%	8.7%
Jun-07	$311,991	21.9%	$630,165	-3.4%	$959,816	4.2%	-17.6%	-8.7%
Jul-07	$368,380	13.7%	$761,756	9.2%	$1,146,006	10.3%	-1.6%	9.0%
Aug-07	$321,177	-0.7%	$682,318	-6.0%	$1,016,466	-4.4%	-12.7%	-3.4%

Month	Statewide All Non-Restricted Games and Tables	Y-O-Y Δ	Statewide All Non-Restricted Slots	Y-O-Y Δ	Statewide All Non-Restricted Total	Y-O-Y Δ	Δ from peak	Δ from 2006 Average
Sep-07	$336,500	1.4%	$709,339	10.7%	$1,058,349	7.4%	-9.1%	0.6%
Oct-07	$373,270	21.4%	$779,157	4.9%	$1,164,875	9.6%	0.0%	10.8%
Nov-07	$311,070	-25.2%	$756,341	6.2%	$981,124	-14.0%	-15.8%	-6.7%
Dec-07	$435,790	-0.5%	$645,566	5.8%	$1,095,422	3.1%	-6.0%	4.1%
Jan-08	$348,952	6.9%	$702,374	-5.2%	$1,064,090	-4.7%	-8.7%	1.2%
Feb-08	$380,282	-6.9%	$621,323	-2.0%	$1,014,824	-3.9%	-12.9%	-3.5%
Mar-08	$299,295	-9.5%	$725,749	2.4%	$1,038,751	-1.5%	-10.8%	-1.2%
Apr-08	$316,380	4.4%	$671,489	-8.8%	$1,000,113	-5.0%	-14.1%	-4.9%
May-08	$309,658	-15.7%	$646,959	-15.1%	$969,944	-15.2%	-16.7%	-7.8%
Jun-08	$268,545	-13.9%	$664,588	5.5%	$949,317	-1.1%	-18.5%	-9.7%
Jul-08	$304,780	-17.3%	$678,136	-11.0%	$997,344	-13.0%	-14.4%	-5.2%
Aug-08	$322,492	0.4%	$598,557	-12.3%	$934,120	-8.1%	-19.8%	-11.2%
Sep-08	$306,159	-9.0%	$684,058	-3.6%	$1,001,073	-5.4%	-14.1%	-4.8%
Oct-08	$282,271	-24.4%	$610,921	-21.6%	$904,960	-22.3%	-22.3%	-14.0%
Nov-08	$266,681	-14.3%	$558,114	-26.2%	$836,787	-14.7%	-28.2%	-20.4%
Dec-08	$301,867	-30.7%	$573,973	-11.1%	$887,998	-18.9%	-23.8%	-15.6%
Jan-09	$316,734	-9.2%	$579,169	-17.5%	$908,574	-14.6%	-22.0%	-13.6%
Feb-09	$260,026	-31.6%	$559,582	-9.9%	$830,946	-18.1%	-28.7%	-21.0%
Mar-09	$257,831	-13.9%	$647,326	-10.8%	$918,242	-11.6%	-21.2%	-12.7%

Average		2.5%		1.7%		1.8%		

Latest information available as of the LBO date was as of Sept. '07.


Statewide Gaming Win on a Monthly Basis - Year-over-Year %Δ
(January 2005 to March 2009)
Latest data available prior to LBO - September '07
Light shades indicate data not available at close of LBO
Year-over-Year Change (%)
25.0%
20.0%
15.0%
10.0%
5.0%
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-5.0%
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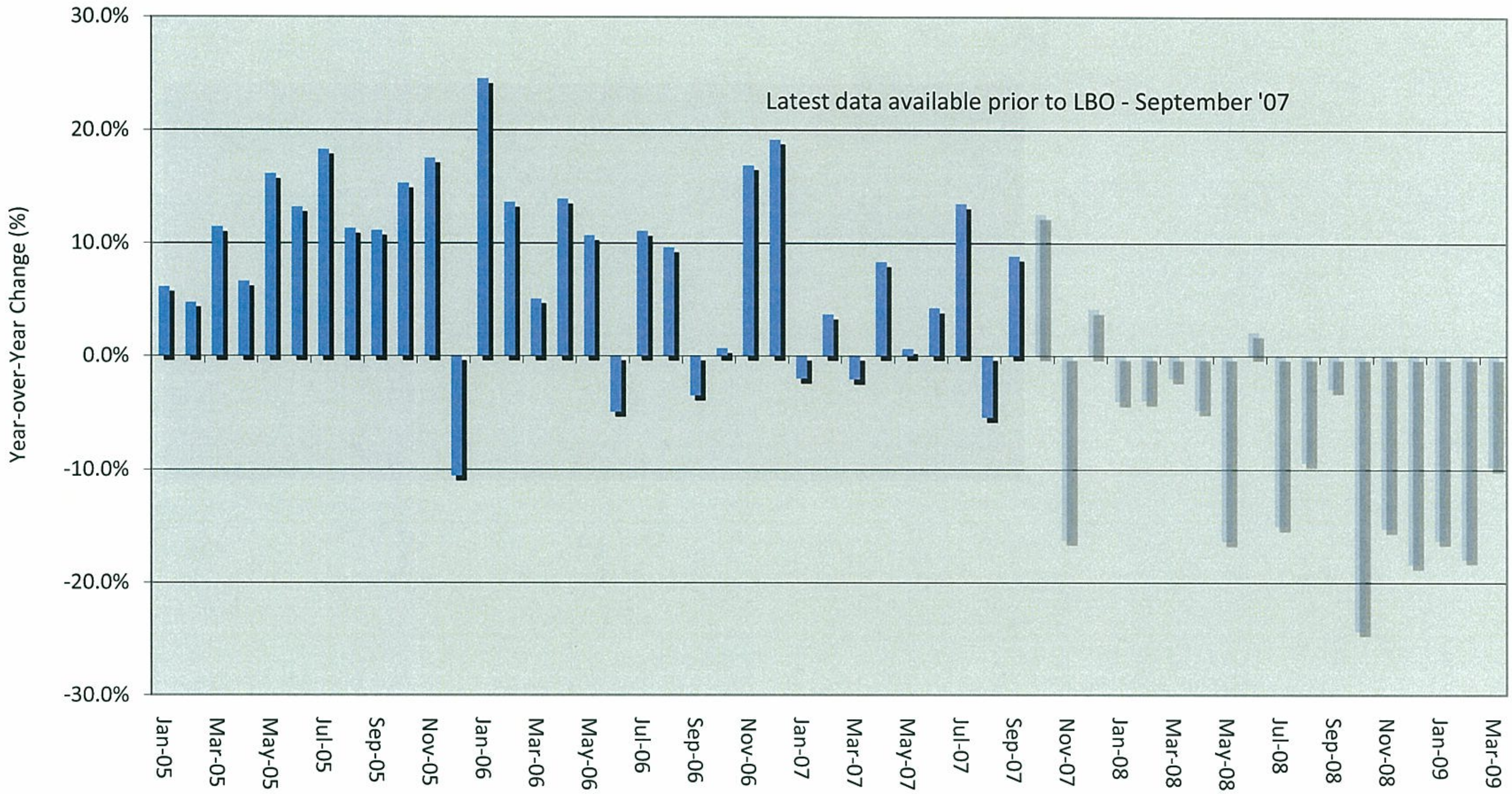
Clark County Non Restricted Gaming Win by Month Schedule 3.h.iii

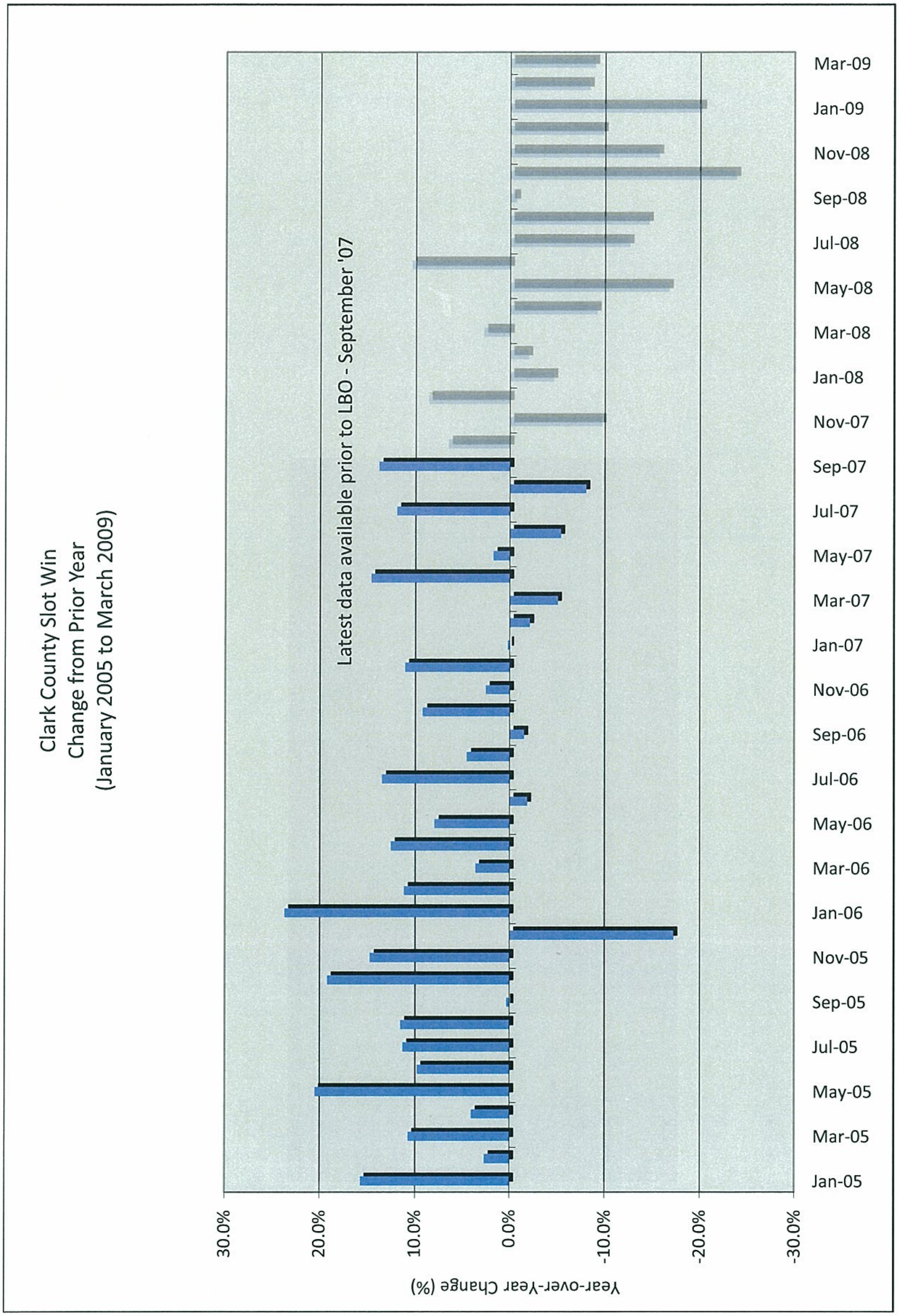
Gaming Win by Month (in thousands), All Non-Restricted Locations

Source: Nevada Gaming Comission Data

Month	Clark County All Non-Restricted Games and Tables	Y-O-Y Δ	Clark Country All Non-Restricted Slots	Y-O-Y Δ	Clark County All Non-Restricted Total	Y-O-Y Δ	Δ from peak	Δ from 2006 Average
Jan-04	$307,409	-	$434,397	-	$747,397	-	-25.4%	-15.7%
Feb-04	$264,239	-	$461,420	-	$731,176	-	-27.0%	-17.6%
Mar-04	$239,497	-	$530,567	-	$776,290	-	-22.5%	-12.5%
Apr-04	$221,013	-	$451,276	-	$678,719	-	-32.2%	-23.5%
May-04	$273,605	-	$467,736	-	$748,976	-	-25.2%	-15.6%
Jun-04	$214,865	-	$483,631	-	$704,328	-	-29.7%	-20.6%
Jul-04	$202,951	-	$437,258	-	$647,233	-	-35.4%	-27.0%
Aug-04	$219,877	-	$499,134	-	$726,318	-	-27.5%	-18.1%
Sep-04	$240,974	-	$505,093	-	$753,269	-	-24.8%	-15.1%
Oct-04	$293,272	-	$465,804	-	$766,715	-	-23.4%	-13.6%
Nov-04	$208,496	-	$504,375	-	$720,404	-	-28.1%	-18.8%
Dec-04	$306,050	-	$536,528	-	$852,477	-	-14.9%	-3.9%
Jan-05	$281,660	-8.4%	$502,715	15.7%	$793,104	6.1%	-20.8%	-10.6%
Feb-05	$283,708	7.4%	$473,755	2.7%	$765,801	4.7%	-23.5%	-13.7%
Mar-05	$268,016	11.9%	$587,528	10.7%	$864,988	11.4%	-13.6%	-2.5%
Apr-05	$244,832	10.8%	$469,529	4.0%	$723,516	6.6%	-27.7%	-18.4%
May-05	$295,837	8.1%	$563,669	20.5%	$869,739	16.1%	-13.1%	-1.9%
Jun-05	$255,510	18.9%	$530,957	9.8%	$797,153	13.2%	-20.4%	-10.1%
Jul-05	$267,286	31.7%	$486,581	11.3%	$765,630	18.3%	-23.5%	-13.7%
Aug-05	$241,754	9.9%	$556,623	11.5%	$808,361	11.3%	-19.3%	-8.9%
Sep-05	$320,722	33.1%	$506,668	0.3%	$837,103	11.1%	-16.4%	-5.6%
Oct-05	$318,459	8.6%	$555,187	19.2%	$884,083	15.3%	-11.7%	-0.3%
Nov-05	$257,693	23.6%	$578,563	14.7%	$846,688	17.5%	-15.4%	-4.5%
Dec-05	$306,782	0.2%	$444,041	-17.2%	$762,601	-10.5%	-23.8%	-14.0%
Jan-06	$354,320	25.8%	$621,849	23.7%	$987,699	24.5%	-1.4%	11.4%
Feb-06	$332,656	17.3%	$526,621	11.2%	$869,984	13.6%	-13.1%	-1.9%
Mar-06	$287,809	7.4%	$608,741	3.6%	$908,666	5.0%	-9.3%	2.5%
Apr-06	$284,611	16.2%	$528,387	12.5%	$824,199	13.9%	-17.7%	-7.1%
May-06	$342,640	15.8%	$608,278	7.9%	$962,616	10.7%	-3.9%	8.5%
Jun-06	$225,893	-11.6%	$521,035	-1.9%	$757,741	-4.9%	-24.3%	-14.6%
Jul-06	$283,085	5.9%	$552,126	13.5%	$850,255	11.1%	-15.1%	-4.1%
Aug-06	$292,329	20.9%	$581,675	4.5%	$886,019	9.6%	-11.5%	-0.1%
Sep-06	$298,237	-7.0%	$498,864	-1.5%	$807,848	-3.5%	-19.3%	-8.9%
Oct-06	$272,921	-14.3%	$606,129	9.2%	$889,908	0.7%	-11.1%	0.3%
Nov-06	$385,478	49.6%	$593,242	2.5%	$989,645	16.9%	-1.2%	11.6%
Dec-06	$402,878	31.3%	$493,147	11.1%	$908,626	19.1%	-9.3%	2.4%
Jan-07	$332,553	-6.1%	$623,071	0.2%	$967,777	-2.0%	-3.3%	9.1%
Feb-07	$375,034	12.7%	$515,361	-2.1%	$901,821	3.7%	-9.9%	1.7%
Mar-07	$298,636	3.8%	$577,906	-5.1%	$889,674	-2.1%	-11.1%	0.3%
Apr-07	$275,341	-3.3%	$605,712	14.6%	$892,760	8.3%	-10.8%	0.7%
May-07	$337,218	-1.6%	$618,838	1.7%	$968,442	0.6%	-3.3%	9.2%
Jun-07	$280,679	24.3%	$493,045	-5.4%	$789,656	4.2%	-21.1%	-11.0%
Jul-07	$332,833	17.6%	$617,937	11.9%	$964,725	13.5%	-3.7%	8.8%
Aug-07	$291,942	-0.1%	$534,969	-8.0%	$838,033	-5.4%	-16.3%	-5.5%
Sep-07	$300,759	0.8%	$567,719	13.8%	$879,142	8.8%	-12.2%	-0.9%
Oct-07	$345,011	26.4%	$645,542	6.5%	$1,001,318	12.5%	0.0%	12.9%
Nov-07	$282,184	-26.8%	$535,576	-9.7%	$828,725	-16.3%	-17.2%	-6.6%
Dec-07	$398,024	-1.2%	$535,663	8.6%	$945,956	4.1%	-5.5%	6.7%
Jan-08	$323,117	-2.8%	$594,340	-4.6%	$928,651	-4.0%	-7.3%	4.7%
Feb-08	$349,226	-6.9%	$505,235	-2.0%	$865,968	-4.0%	-13.5%	-2.4%
Mar-08	$266,126	-10.9%	$593,986	2.8%	$871,896	-2.0%	-12.9%	-1.7%
Apr-08	$289,067	5.0%	$550,125	-9.2%	$849,974	-4.8%	-15.1%	-4.2%
May-08	$283,224	-16.0%	$515,188	-16.7%	$810,059	-16.4%	-19.1%	-8.7%
Jun-08	$247,152	-11.9%	$544,188	10.4%	$806,097	2.1%	-19.5%	-9.1%
Jul-08	$266,956	-19.8%	$540,116	-12.6%	$819,683	-15.0%	-18.1%	-7.6%
Aug-08	$291,251	-0.2%	$456,822	-14.6%	$759,258	-9.4%	-24.2%	-14.4%
Sep-08	$280,163	-6.8%	$564,006	-0.7%	$853,511	-2.9%	-14.8%	-3.8%
Oct-08	$255,658	-25.9%	$491,605	-23.8%	$757,510	-24.3%	-24.3%	-14.6%
Nov-08	$240,674	-14.7%	$451,545	-15.7%	$702,587	-15.2%	-29.8%	-20.8%
Dec-08	$278,286	-30.1%	$482,809	-9.9%	$771,776	-18.4%	-22.9%	-13.0%
Jan-09	$292,332	-9.5%	$474,185	-20.2%	$777,531	-16.3%	-22.3%	-12.3%
Feb-09	$237,896	-31.9%	$462,869	-8.4%	$710,601	-17.9%	-29.0%	-19.9%
Mar-09	$234,069	-12.0%	$540,900	-8.9%	$786,456	-9.8%	-21.5%	-11.3%

Clark County Gaming Win
Year-over-Year Comparison
(January 2005 to March 2009)



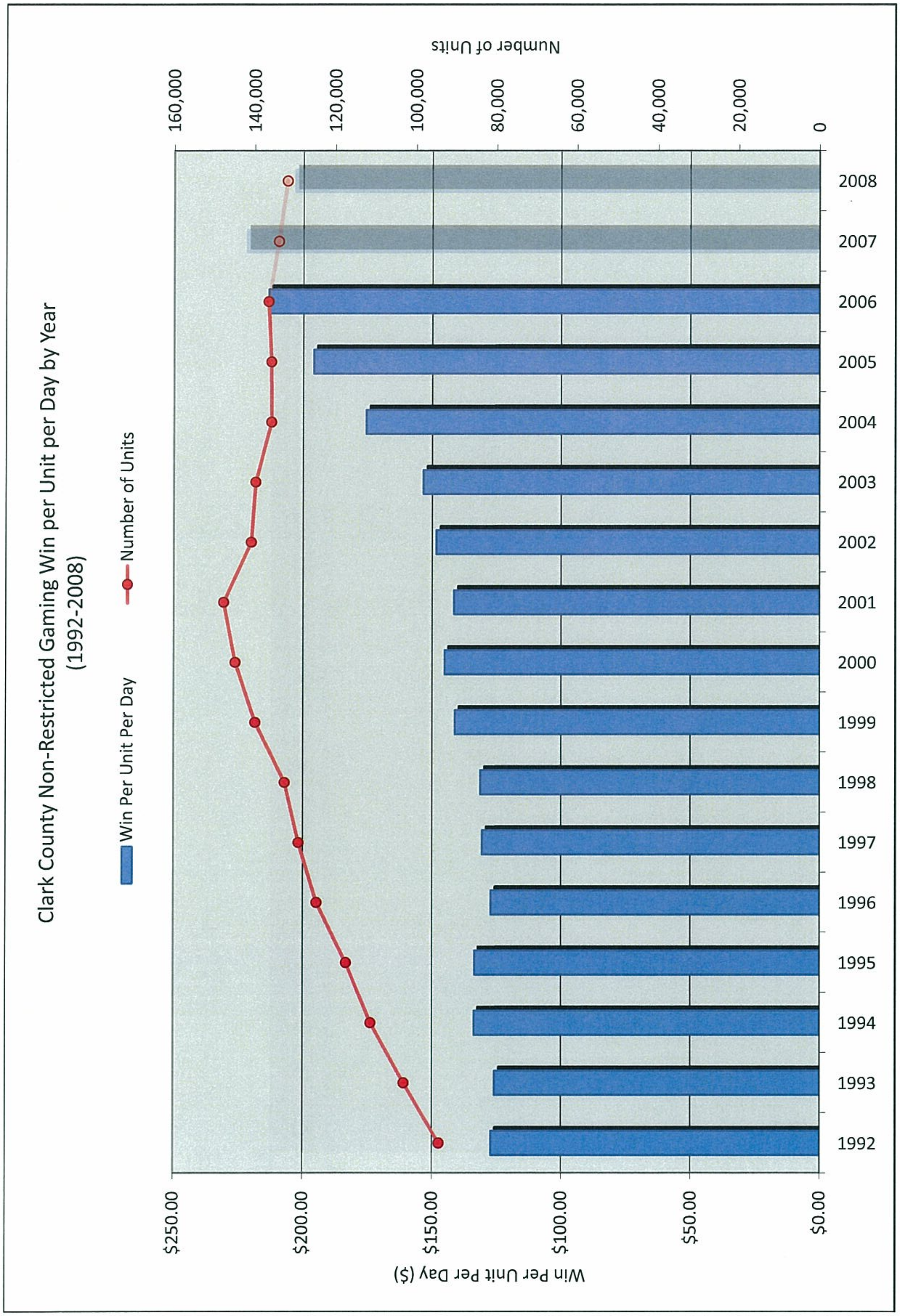


Schedule 3.h.iii. Chart 2

Clark County Non-Restricted WPU by Year

Source: Nevada Gaming Comission Data

Month	Clark County All Non-Restricted Games and Tables (in thousands)	Number of Units	Win Per Unit Per Day	Games & Tables Y-O-Y Δ Total	Games and Tables Y-O-Y Δ W/U/D	Clark County All Non-Restricted Slots (in thousands)	Number of Units	Win Per Unit Per Day	Y-O-Y Δ	Slots Y-O-Y Δ W/U/D	Clark County All Non-Restricted Total (in thousands)	Number of Units	Win Per Unit Per Day	Y-O-Y Δ Total	Y-O-Y Δ W/U/D
1992	$1,615,811	3,039	$1,456.69	-	-	$2,704,192	90,914	$81.49	-	-	$4,381,116	94,358	$127.21	-	-
1993	$1,773,274	2,275	$2,135.51	9.7%	46.6%	$2,897,814	100,372	$79.10	7.2%	-2.9%	$4,729,093	103,073	$125.70	7.9%	-1.2%
1994	$2,127,719	3,470	$1,679.93	20.0%	-21.3%	$3,244,356	106,944	$83.11	12.0%	5.1%	$5,431,475	111,264	$133.74	14.9%	6.4%
1995	$2,297,989	3,607	$1,745.46	8.0%	3.9%	$3,368,048	113,271	$81.46	3.8%	-2.0%	$5,720,391	117,322	$133.58	5.3%	-0.1%
1996	$2,212,664	3,830	$1,582.79	-3.7%	-9.3%	$3,517,893	120,367	$80.07	4.4%	-1.7%	$5,783,610	124,617	$127.15	1.1%	-4.8%
1997	$2,407,931	3,952	$1,669.30	8.8%	5.5%	$3,692,916	124,755	$81.10	5.0%	1.3%	$6,151,904	129,085	$130.57	6.4%	2.7%
1998	$2,287,523	4,030	$1,555.13	-5.0%	-6.8%	$4,011,432	128,110	$85.79	8.6%	5.8%	$6,347,697	132,546	$131.21	3.2%	0.5%
1999	$2,710,055	4,335	$1,712.76	18.5%	10.1%	$4,447,371	135,106	$90.19	10.9%	5.1%	$7,210,086	139,878	$141.22	13.6%	7.6%
2000	$2,859,775	4,530	$1,729.58	5.5%	1.0%	$4,750,808	139,911	$93.03	6.8%	3.2%	$7,673,134	144,802	$145.18	6.4%	2.8%
2001	$2,770,361	4,523	$1,678.10	-3.1%	-3.0%	$4,812,005	142,810	$92.32	1.3%	-0.8%	$7,632,022	147,706	$141.56	-0.5%	-2.5%
2002	$2,679,190	4,320	$1,699.13	-3.3%	1.3%	$4,902,723	136,222	$98.60	1.9%	6.8%	$7,630,273	140,840	$148.43	0.0%	4.9%
2003	$2,666,892	4,358	$1,676.58	-0.5%	-1.3%	$5,106,363	135,127	$103.53	4.2%	5.0%	$7,830,676	139,776	$153.49	2.6%	3.4%
2004	$2,959,634	4,347	$1,865.33	11.0%	11.3%	$5,668,962	131,197	$118.38	11.0%	14.3%	$8,711,244	135,902	$175.61	11.2%	14.4%
2005	$3,342,369	4,450	$2,057.79	12.9%	10.3%	$6,253,798	130,945	$130.85	10.3%	10.5%	$9,716,860	135,927	$195.85	11.5%	11.5%
2006	$3,762,803	4,511	$2,285.31	12.6%	11.1%	$6,740,763	131,430	$140.51	7.8%	7.4%	$10,643,824	136,646	$213.41	9.5%	9.0%
2007	$3,850,197	4,458	$2,366.19	2.3%	3.5%	$6,871,895	128,904	$146.06	1.9%	3.9%	$10,868,554	134,080	$222.08	2.1%	4.1%
2008	$3,370,938	4,454	$2,073.52	-12.4%	-12.4%	$6,289,677	126,789	$135.91	-8.5%	-6.9%	$9,796,723	131,967	$203.39	-9.9%	-8.4%
Average				5.1%	3.1%				5.5%	3.4%				5.3%	3.1%


Clark County Non-Restricted Gaming Win per Unit per Day by Year
(1992-2008)
Win Per Unit Per Day
Number of Units
Number of Units
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
2008
2007
2006
2005
2004
2003
2002
2001
2000
1999
1998
1997
1996
1995
1994
1993
1992
$250.00
$200.00
$150.00
$100.00
$50.00
$0.00
Win Per Unit Per Day ($)

Clark County Non-Restricted WPU by Month

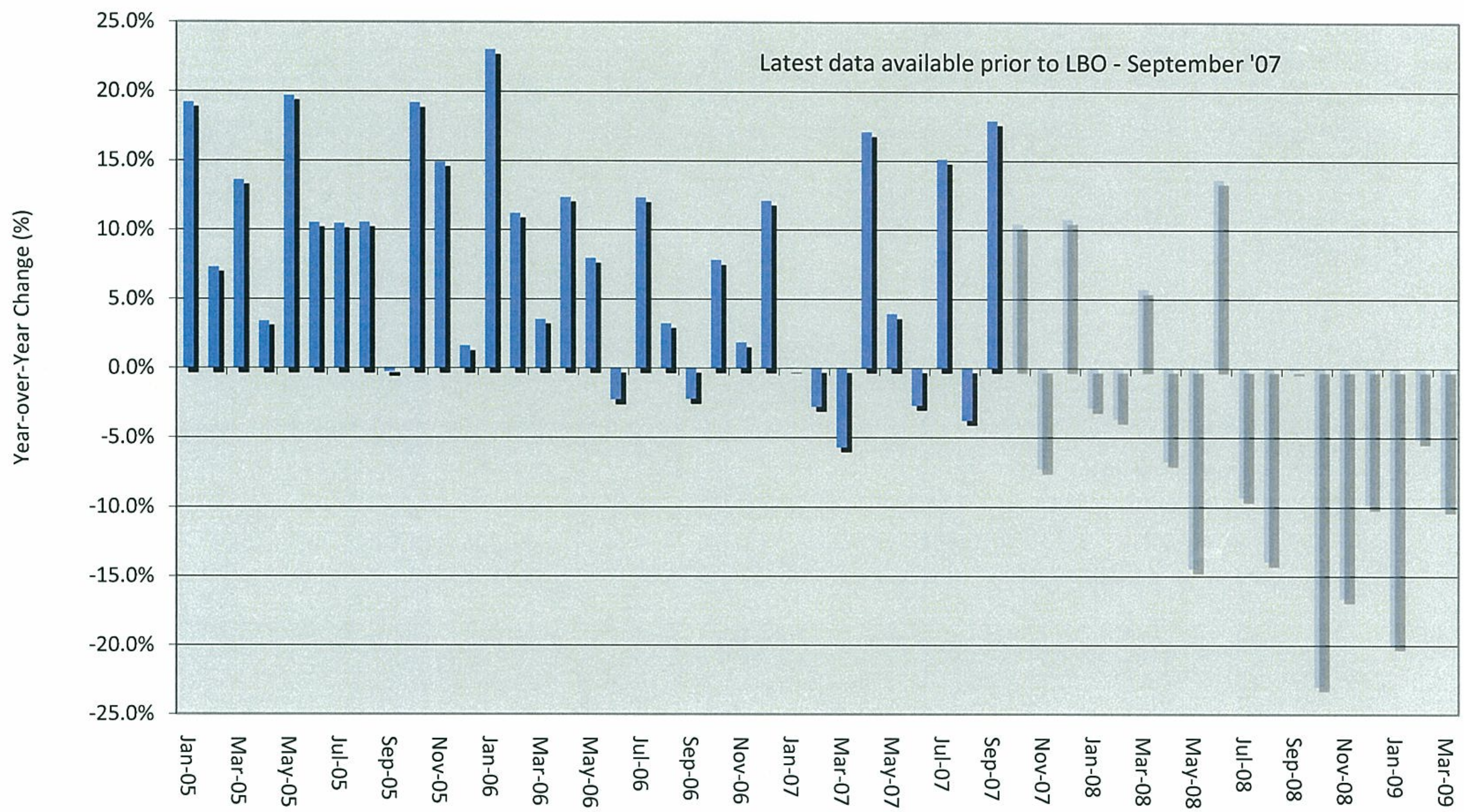
Schedule 3.i.ii

Gaming Wins by Month

Source: Nevada Gaming Comission Data

Month	Clark County All Non-Restricted Games and Tables (in thousands)	Number of Units	Clark County All Non-Restricted Games and Tables Win Per Unit Per Day	Y-O-Y Δ	Clark Country All Non-Restricted Slots (in thousands)	Number of Units	Clark Country All Non-Restricted Slots Win Per Unit Per Day	Y-O-Y Δ	Clark County All Non-Restricted Total (in thousands)	Number of Units	Clark County All Non-Restricted Total Win Per Unit Per Day	Y-O-Y Δ	Δ from peak	Δ from 2006 Average
Jan-04	$307,409	4,369	$2,269.72	-	$434,397	133,716	$104.80	-	$747,397	138,390	$174.21	-	-28.7%	-18.3%
Feb-04	$264,239	4,312	$2,113.10	-	$461,420	130,514	$121.91	-	$731,176	135,104	$186.62	-	-23.6%	-12.5%
Mar-04	$239,497	4,373	$1,766.68	-	$530,567	132,857	$128.82	-	$776,290	137,522	$182.09	-	-25.4%	-14.6%
Apr-04	$211,013	4,322	$1,627.43	-	$451,276	131,190	$114.66	-	$678,719	135,865	$166.52	-	-31.8%	-21.9%
May-04	$273,605	4,362	$2,023.38	-	$467,736	131,231	$114.97	-	$748,976	135,954	$177.71	-	-27.2%	-16.7%
Jun-04	$214,865	4,394	$1,629.99	-	$483,631	132,809	$121.39	-	$704,328	137,568	$170.66	-	-30.1%	-20.0%
Jul-04	$202,951	4,323	$1,514.41	-	$437,258	130,770	$107.86	-	$647,233	135,477	$154.11	-	-36.9%	-27.8%
Aug-04	$219,877	4,329	$1,638.44	-	$499,134	130,907	$123.00	-	$726,318	135,603	$172.78	-	-29.2%	-19.0%
Sep-04	$240,974	4,354	$1,844.85	-	$505,093	130,317	$129.20	-	$753,269	135,079	$185.88	-	-23.9%	-12.9%
Oct-04	$293,272	4,363	$2,168.32	-	$465,804	130,201	$115.41	-	$766,715	134,950	$183.27	-	-24.9%	-14.1%
Nov-04	$208,496	4,359	$1,594.37	-	$504,375	130,006	$129.32	-	$720,404	134,759	$178.20	-	-27.0%	-16.5%
Dec-04	$273,433	4,385	$2,011.50	-	$428,007	129,726	$106.43	-	$709,899	134,518	$170.24	-	-30.3%	-20.2%
Jan-05	$281,660	4,362	$2,082.95	-8.2%	$502,715	129,804	$124.93	19.2%	$793,104	134,584	$190.10	9.1%	-22.2%	-10.9%
Feb-05	$283,708	4,311	$2,350.37	11.2%	$473,755	129,334	$130.82	7.3%	$765,801	134,069	$204.00	9.3%	-16.5%	-4.4%
Mar-05	$268,016	4,320	$2,001.31	13.3%	$587,528	129,489	$146.36	13.6%	$864,988	134,278	$207.80	14.1%	-14.9%	-2.6%
Apr-05	$244,832	4,455	$1,831.89	12.6%	$469,529	131,996	$118.57	3.4%	$723,516	136,958	$176.09	5.7%	-27.9%	-17.5%
May-05	$295,837	4,507	$2,117.40	4.6%	$563,669	132,117	$137.63	19.7%	$869,739	137,143	$204.58	15.1%	-16.2%	-4.1%
Jun-05	$255,510	4,507	$1,889.73	15.9%	$530,957	131,903	$134.18	10.5%	$797,153	136,973	$193.99	13.7%	-20.6%	-9.1%
Jul-05	$267,286	4,487	$1,921.58	26.9%	$486,581	131,729	$119.15	10.5%	$765,630	136,744	$180.61	17.2%	-26.0%	-15.3%
Aug-05	$241,754	4,520	$1,725.34	5.3%	$556,623	132,044	$135.98	10.6%	$808,361	137,103	$190.19	10.1%	-22.1%	-10.9%
Sep-05	$320,722	4,511	$2,369.93	28.5%	$506,668	131,044	$128.88	-0.2%	$837,103	136,133	$204.97	10.3%	-16.1%	-3.9%
Oct-05	$318,459	4,495	$2,285.40	5.4%	$555,187	130,212	$137.54	19.2%	$884,083	135,313	$210.76	15.0%	-13.7%	-1.2%
Nov-05	$257,693	4,466	$1,923.37	20.6%	$578,563	129,790	$148.59	14.9%	$846,688	134,873	$209.26	17.4%	-14.3%	-1.9%
Dec-05	$306,782	4,620	$2,142.03	6.5%	$444,041	132,474	$108.13	1.6%	$762,601	137,707	$178.64	4.9%	-26.8%	-16.3%
Jan-06	$354,320	4,537	$2,519.21	20.9%	$621,849	130,537	$153.67	23.0%	$987,699	135,700	$234.79	23.5%	-3.9%	10.1%
Feb-06	$332,656	4,512	$2,633.11	12.0%	$526,621	129,282	$145.48	11.2%	$869,984	134,427	$231.14	13.3%	-5.3%	8.3%
Mar-06	$287,809	4,496	$2,064.98	3.2%	$608,741	129,587	$151.53	3.5%	$908,666	134,715	$217.58	4.7%	-10.9%	2.0%
Apr-06	$284,611	4,566	$2,077.76	13.4%	$528,387	132,204	$133.23	12.4%	$824,199	137,468	$199.85	13.5%	-18.2%	-6.3%
May-06	$342,640	4,572	$2,417.52	14.2%	$608,278	132,064	$148.58	8.0%	$962,616	137,370	$226.05	10.5%	-7.4%	6.0%
Jun-06	$225,893	4,550	$1,654.89	-12.4%	$521,035	132,452	$131.13	-2.3%	$757,741	137,778	$183.32	-5.5%	-24.9%	-14.1%
Jul-06	$283,085	4,519	$2,020.75	5.2%	$552,126	133,068	$133.85	12.3%	$850,255	138,359	$198.23	9.8%	-18.8%	-7.1%
Aug-06	$292,329	4,507	$2,092.29	21.3%	$581,675	133,678	$140.36	3.2%	$886,019	138,912	$205.75	8.2%	-15.7%	-3.6%
Sep-06	$298,237	4,492	$2,213.10	-6.6%	$498,864	131,981	$125.99	-2.2%	$807,848	137,192	$196.28	-4.2%	-19.6%	-8.0%
Oct-06	$272,921	4,488	$1,961.65	-14.2%	$606,129	131,848	$148.30	7.8%	$889,908	137,061	$209.44	-0.6%	-14.2%	-1.8%
Nov-06	$385,478	4,431	$2,899.86	50.8%	$593,242	130,686	$151.31	1.8%	$989,645	135,829	$242.87	16.1%	-0.5%	13.8%
Dec-06	$402,878	4,477	$2,902.85	35.5%	$493,147	131,244	$121.21	12.1%	$908,626	136,424	$214.85	20.3%	-12.0%	0.7%
Jan-07	$332,553	4,475	$2,397.21	-4.8%	$623,071	130,788	$153.68	0.0%	$967,777	135,968	$229.60	-2.2%	-6.0%	7.6%
Feb-07	$375,034	4,463	$3,001.14	14.0%	$515,361	130,142	$141.43	-2.8%	$901,821	135,315	$238.02	3.0%	-2.5%	11.6%
Mar-07	$298,636	4,477	$2,151.76	4.2%	$577,906	130,476	$142.88	-5.7%	$889,674	135,668	$211.54	-2.8%	-13.4%	-0.8%
Apr-07	$275,341	4,467	$2,054.63	-1.1%	$605,712	129,447	$155.97	17.1%	$892,760	134,626	$221.05	10.6%	-9.5%	3.6%
May-07	$337,218	4,525	$2,403.98	-0.6%	$618,838	129,298	$154.39	3.9%	$968,442	134,538	$232.20	2.7%	-4.9%	8.8%
Jun-07	$280,679	4,503	$2,077.72	25.5%	$493,045	128,804	$127.60	-2.7%	$789,656	134,076	$196.32	7.1%	-19.6%	-8.0%
Jul-07	$332,833	4,485	$2,393.88	18.5%	$617,937	129,391	$154.06	15.1%	$964,725	134,611	$231.19	16.6%	-5.3%	8.4%
Aug-07	$291,942	4,441	$2,120.58	1.4%	$534,969	127,764	$135.07	-3.8%	$838,033	132,923	$203.38	-1.2%	-16.7%	-4.7%
Sep-07	$300,759	4,487	$2,234.30	1.0%	$567,719	127,402	$148.54	17.9%	$879,142	132,603	$221.00	12.6%	-9.5%	3.6%
Oct-07	$345,011	4,406	$2,525.96	28.8%	$645,542	127,158	$163.76	10.4%	$1,001,318	132,271	$244.20	16.6%	0.0%	14.5%
Nov-07	$282,184	4,366	$2,154.41	-25.7%	$535,576	127,238	$140.31	-7.3%	$828,725	132,310	$208.78	-14.0%	-14.5%	-2.1%
Dec-07	$398,024	4,513	$2,845.00	-2.0%	$535,663	128,716	$134.24	10.8%	$945,956	133,937	$227.83	6.0%	-6.7%	6.8%
Jan-08	$323,117	4,476	$2,328.67	-2.9%	$594,340	128,470	$149.24	-2.9%	$928,651	133,652	$224.14	-2.4%	-8.2%	5.1%
Feb-08	$349,226	4,446	$2,708.56	-9.7%	$505,235	127,879	$136.24	-3.7%	$865,968	133,035	$224.46	-5.7%	-8.1%	5.2%
Mar-08	$266,126	4,469	$1,920.95	-10.7%	$593,986	126,871	$151.03	5.7%	$871,896	132,051	$212.99	0.7%	-12.8%	-0.2%
Apr-08	$289,067	4,432	$2,174.09	5.8%	$550,125	126,066	$145.46	-6.7%	$849,974	131,215	$215.92	-2.3%	-11.6%	1.2%
May-08	$283,224	4,509	$2,026.23	-15.7%	$515,188	125,797	$132.11	-14.4%	$810,059	131,043	$199.41	-14.1%	-18.3%	-6.5%
Jun-08	$247,152	4,426	$1,861.36	-10.4%	$544,188	125,112	$144.99	13.6%	$806,097	130,303	$206.21	5.0%	-15.6%	-3.3%
Jul-08	$266,956	4,397	$1,958.49	-18.2%	$540,116	124,716	$139.70	-9.3%	$819,683	129,866	$203.61	-11.9%	-16.6%	-4.6%
Aug-08	$291,251	4,445	$2,113.65	-0.3%	$456,822	126,783	$116.23	-13.9%	$759,258	131,953	$185.61	-8.7%	-24.0%	-13.0%
Sep-08	$280,163	4,457	$2,095.30	-6.2%	$564,006	126,760	$148.31	-0.2%	$853,511	131,936	$215.64	-2.4%	-11.7%	1.1%
Oct-08	$255,658	4,458	$1,849.94	-26.8%	$491,605	125,756	$126.10	-23.0%	$757,510	130,925	$186.64	-23.6%	-23.6%	-12.5%
Nov-08	$240,674	4,506	$1,780.40	-17.4%	$451,545	128,595	$117.05	-16.6%	$702,587	133,820	$175.01	-16.2%	-28.3%	-18.0%
Dec-08	$278,286	4,534	$1,979.92	-30.4%	$482,809	128,722	$120.99	-9.9%	$771,776	133,969	$185.83	-18.4%	-23.9%	-12.9%
Jan-09	$292,332	4,569	$2,063.92	-11.4%	$474,185	128,100	$119.41	-20.0%	$777,531	133,365	$188.07	-16.1%	-23.0%	-11.8%
Feb-09	$237,896	4,490	$1,892.27	-30.1%	$462,869	127,938	$129.21	-5.2%	$710,601	133,119	$190.65	-15.1%	-21.9%	-10.6%
Mar-09	$234,069	4,552	$1,658.75	-13.6%	$540,900	128,460	$135.83	-10.1%	$786,456	133,712	$189.73	-10.9%	-22.3%	-11.1%

Clark County Slot Wins
Average Win per Unit per Day by Month – Year-over-Year Comparison
(January 2005 to March 2009)

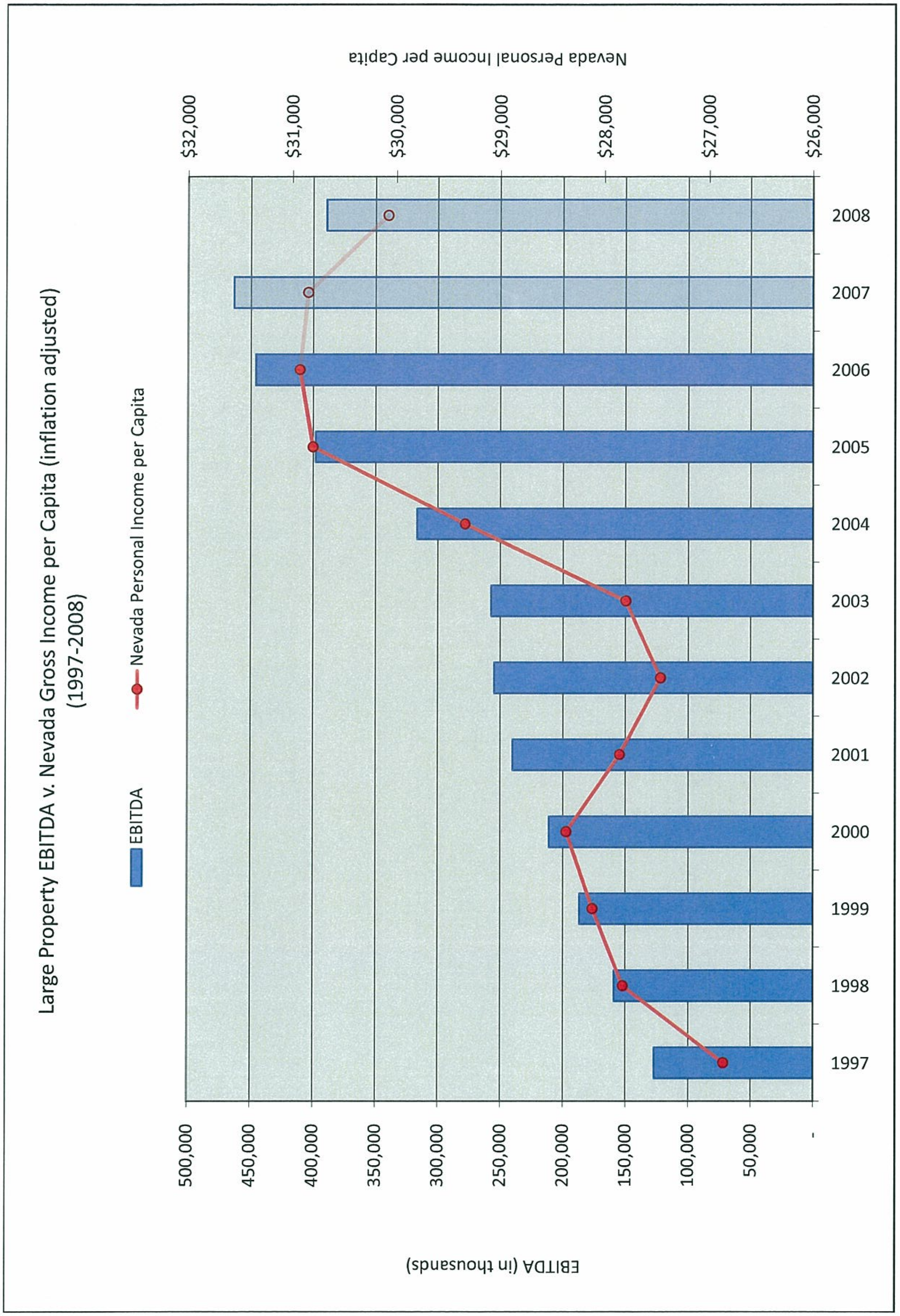


Schedule 3.i.i. Chart

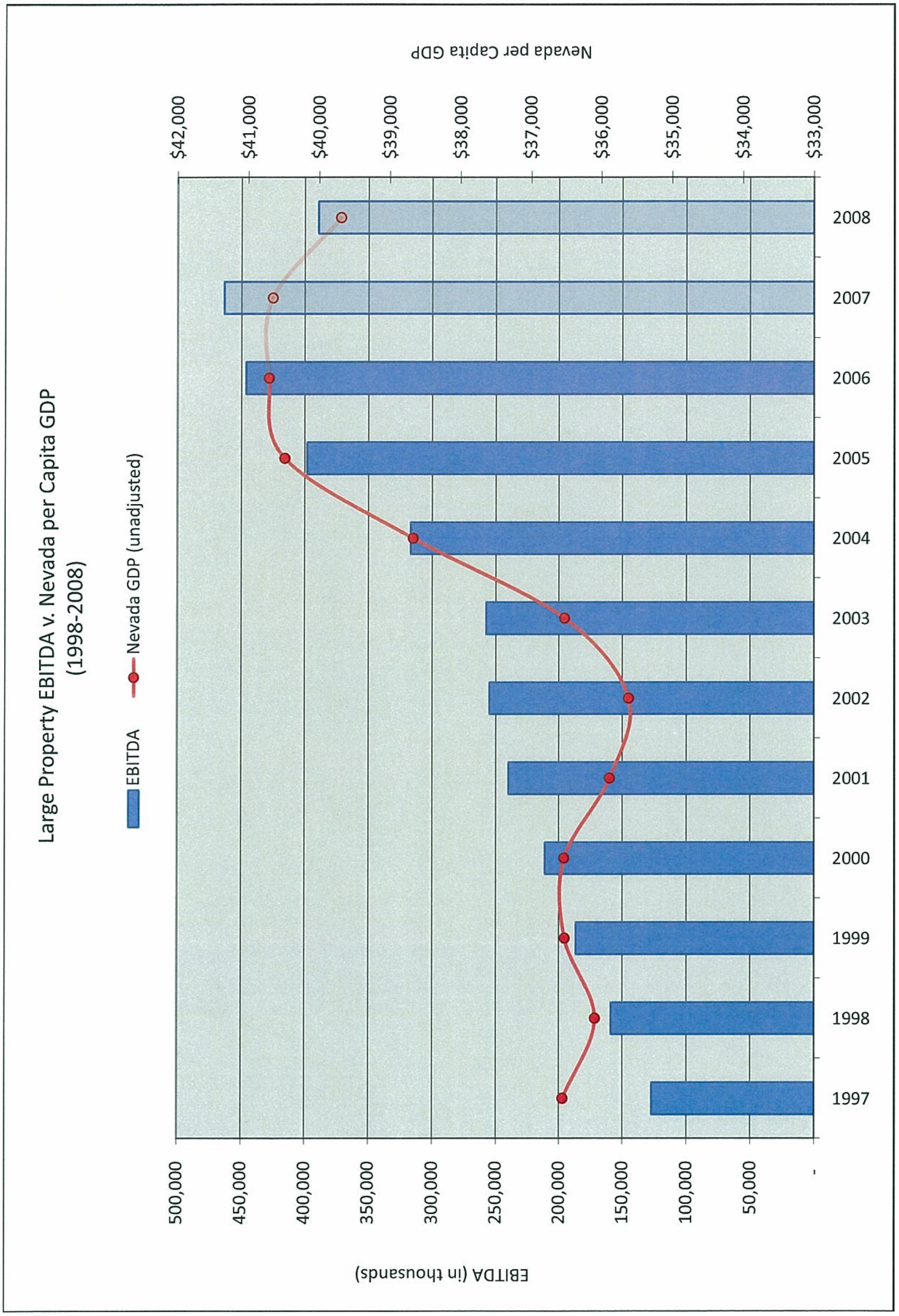
Annual EBITDA Relative to Economic, Housing and Gaming Indicators

Station Casino's Core EBITDA (in thousands)
Souce: Company's 2007 Projections Data
Includes Property EBITDA for: Palace, Boulder, Texas, Sunset, Santa Fe, Fiesta Rancho, Fiesta Henderson and Red Rock.

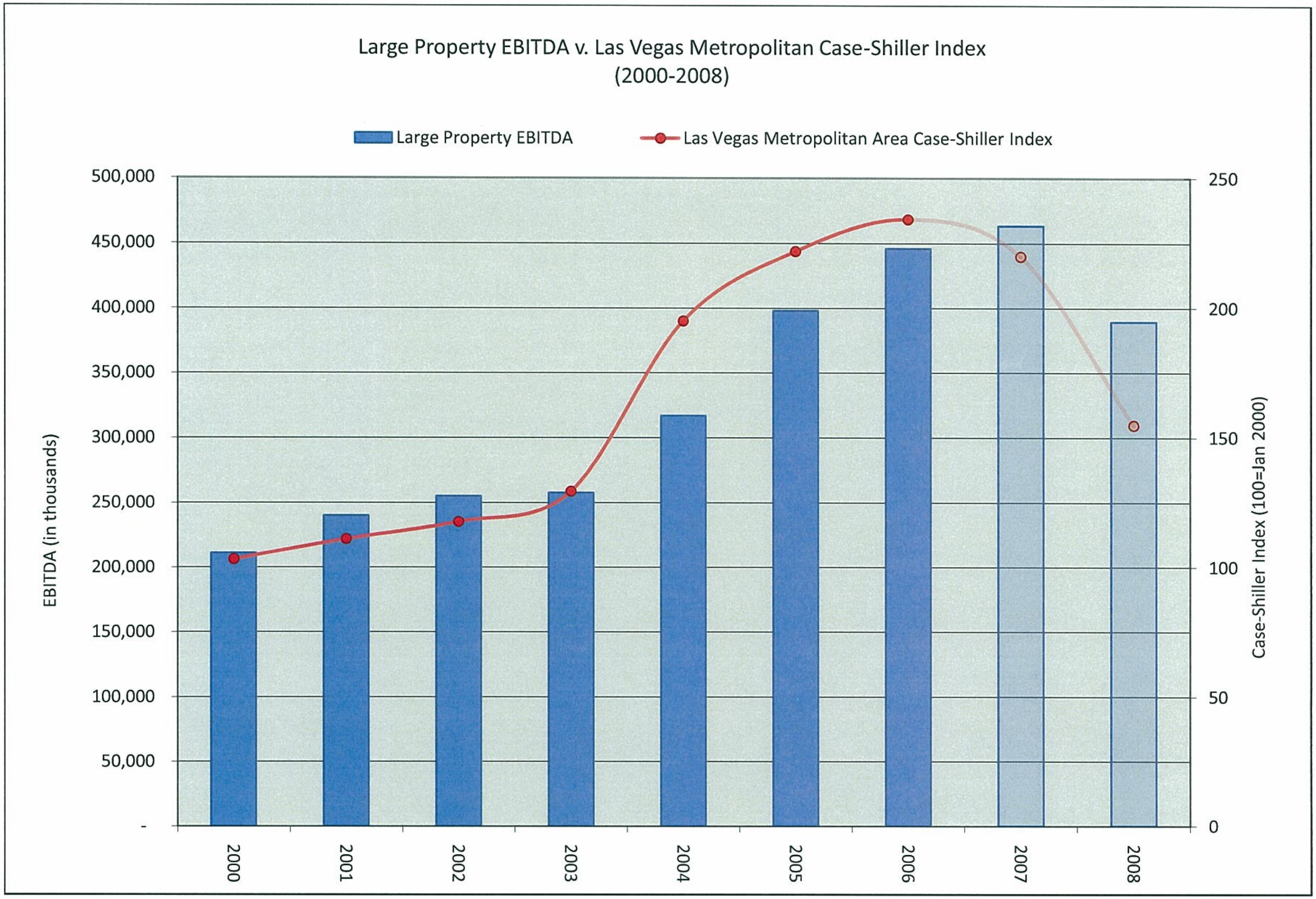
Year	EBITDA Joleen Historical Information '92 through '06 + Actuals from Monthly reporting for '07 and '08 + Oct. '07 Projections	Nevada Income Per Capita	Nevada GDP Unadjusted	Case Shiller Home Price Index	Las Vegas Area Unemployment	Total Clark County Gaming Win	EBITDA Year-over-Year %Δ
1992	34,289				6.9%	4,381,116	-
1993	40,517				6.8%	4,729,093	18.2%
1994	52,037				6.1%	5,431,475	28.4%
1995	66,143				5.6%	5,720,391	27.1%
1996	95,956				5.1%	5,783,610	45.1%
1997	127,156	26,862	36,551		4.4%	6,151,904	32.5%
1998	158,981	28,260	36,092		4.3%	6,347,697	25.0%
1999	186,737	29,184	36,521		4.2%	7,210,086	17.5%
2000	211,154	30,436	36,527	102.8	4.6%	7,673,134	13.1%
2001	240,004	30,739	35,880	109.8	5.5%	7,632,022	13.7%
2002	254,983	30,784	35,611	117.2	5.9%	7,630,273	6.2%
2003	257,574	31,866	36,521	129.9	5.4%	7,830,676	1.0%
2004	316,791	34,533	38,667	183.8	4.6%	8,711,244	23.0%
2005	398,113	37,481	40,483	219.9	4.2%	9,716,860	25.7%
2006	446,018	38,850	40,708	233.2	4.2%	10,643,824	12.0%
2007	463,491	39,853	40,657	218.2	4.8%	10,868,554	3.9%
2008	389,230	40,353	39,687	156.9	6.6%	9,796,723	-16.0%
2009	586,031				10.4%		50.6%
2010	630,129						7.5%
2011	666,964						5.8%
2012	715,265						7.2%

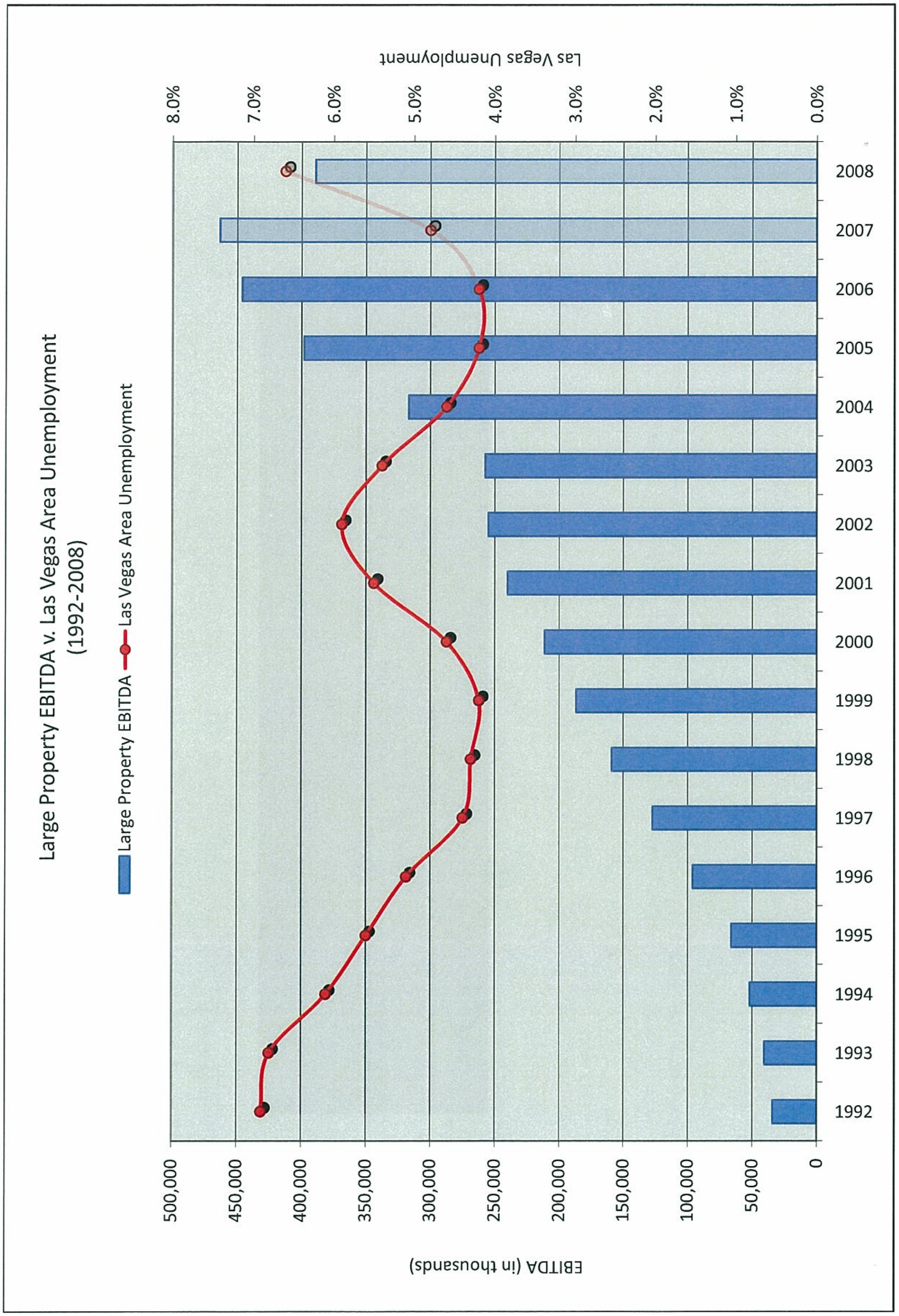


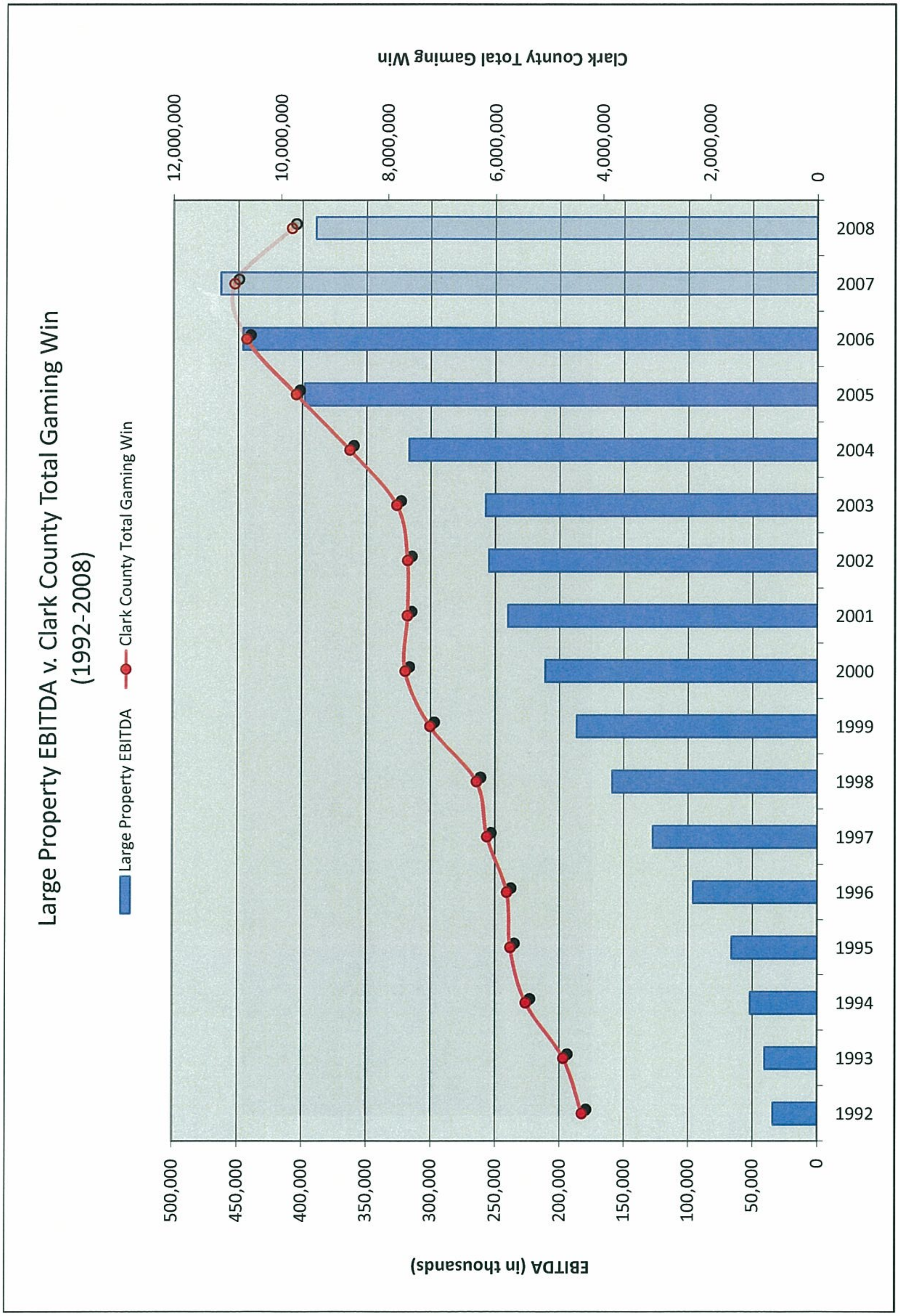
Schedule 3.j.i. Chart 1 - Pg. 59 of 115



Schedule 3.j.i. Chart 2 - Pg. 60 of 115


Large Property EBITDA v. Las Vegas Metropolitan Case-Shiller Index
(2000-2008)
Large Property EBITDA
Las Vegas Metropolitan Area Case-Shiller Index
EBITDA (in thousands)
500,000
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
-
Case-Shiller Index (100=Jan 2000)
250
200
150
100
50
0
2000
2001
2002
2003
2004
2005
2006
2007
2008


Large Property EBITDA v. Las Vegas Area Unemployment
(1992-2008)
Large Property EBITDA
Las Vegas Area Unemployment
EBITDA (in thousands)
0
50,000
100,000
150,000
200,000
250,000
300,000
350,000
400,000
450,000
500,000
Las Vegas Unemployment
0.0%
1.0%
2.0%
3.0%
4.0%
5.0%
6.0%
7.0%
8.0%
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008


Large Property EBITDA v. Clark County Total Gaming Win
(1992-2008)
Large Property EBITDA
Clark County Total Gaming Win
EBITDA (in thousands)
500,000
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
Clark County Total Gaming Win
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008

Station Casinos Balance Sheet Comparison
Balance Sheet ($000s), except ratios

	9-30-07 Pre-LBO[1]	12-31-07 Post-LBO[2]
Total Assets	3,931,734	8,988,666
Total Liabilities	4,222,636	6,417,604
Net Assets	(290,902)	2,571,062
Interest Bearing Debt	3,626,253	5,244,424
Cash & Cash Equivalents	98,958	96,392
Net Interest Bearing Debt	3,527,295	5,148,032
Debt/Total Book Cap	1.09	0.67
Debt/Book Equity	nm	2.04
Net Debt/Total Book Cap	1.06	0.66
Net Debt/Book Equity	nm	2.00

Leverage Metrics from Proxy EBITDA[3,4]

Proxy EBITDA Figures		
EBITDA Projections	EBITDA	EBITDA
2007	664,557	664,557
2008	749,544	749,544
2009	861,654	861,654
Debt/EBITDA	Debt/EBITDA	Debt/EBITDA
2007	5.46x	7.89x
2008	4.84x	7.00x
2009	4.21x	6.09x
Net Debt/EBITDA	Net Debt/EBITDA	Net Debt/EBITDA
2007	5.31x	7.75x
2008	4.71x	6.87x
2009	4.09x	5.97x
Difference in Debt/EBITDA		Debt/EBITDA
2007		2.43x
2008		2.16x
2009		1.88x
Difference in Net Debt/EBITDA		Net Debt/EBITDA
2007		2.44x
2008		2.16x
2009		1.88x

Leverage Metrics from Revised Deal Model EBITDA[3,4]

EBITDA Projections	EBITDA	EBITDA
2007	586,017	586,017
2008	676,386	676,386
2009	742,074	742,074
Debt/EBITDA	Debt/EBITDA	Debt/EBITDA
2007	6.19x	8.95x
2008	5.36x	7.75x
2009	4.89x	7.07x
Net Debt/EBITDA	Net Debt/EBITDA	Net Debt/EBITDA
2007	6.02x	8.78x
2008	5.21x	7.61x
2009	4.75x	6.94x
Difference in Debt/EBITDA		Debt/EBITDA
2007		2.76x
2008		2.39x
2009		2.18x
Difference in Net Debt/EBITDA		Net Debt/EBITDA
2007		2.77x
2008		2.40x
2009		2.18x

[1] From balance sheet data on 10-Q as of 9-30-07. Asset values based on GAAP.
[2] From balance sheet data on 10-K as of 12-31-07. Asset values based on SFAS 141 purchase accounting.
[3] Projections were revised downward prior to the deal completion due to difficult operating environment
[4] Evaluates total debt of the company on a consolidated basis (including CMBS) versus total EBITDA before Rent Expense
Source: SEC filings. Pre LBO data from 10-Q as of 9-30-07. Post LBO data from 10-K as of 12-31-07.

Schedule 4.b

Historical Balance Sheet and Ratio Analysis
Station Casinos
Balance Sheet ($000s), except ratios
Source: Annual 10-K SEC filings

	Annual Performance						
	2001	2002	2003	2004	2005	2006	2007
Balance Sheet Summary (book values)							
Total Debt	1,237,090	1,165,722	1,168,957	1,338,213	1,944,328	3,468,828	5,244,424
Cash & Cash Equivalents	66,117	59,339	62,272	68,417	85,552	116,898	96,392
Net Debt	1,170,973	1,106,383	1,106,685	1,269,796	1,858,776	3,351,930	5,148,032
Total Equity	248,904	270,678	339,939	488,921	630,814	(186,858)	2,571,062
Working Capital	(61,558)	(45,507)	(70,102)	(107,995)	(174,998)	(166,912)	(119,968)
Balance Sheet Metrics							
Debt to Equity	4.97	4.31	3.44	2.74	3.08	nm	2.04
Debt to total Book Cap	0.83	0.81	0.77	0.73	0.76	1.06	0.67
Working Capital to total Assets	(0.04)	(0.03)	(0.04)	(0.05)	(0.06)	(0.04)	(0.01)
Assets							
Cash & Cash Equivalents	66,117	59,339	62,272	68,417	85,552	116,898	96,392
Restricted Cash							966
Receivables, net	15,452	10,992	28,224	21,452	19,604	40,762	48,680
Income Tax Receivable	2,403	4,431			-		
Inventories	4,454	4,875	5,110	5,459	6,370	9,676	12,496
Prepaid Gaming Tax	14,265	13,260	14,940	16,432	17,942	21,519	21,541
Prepaid Expenses	6,080	5,765	7,114	7,761	9,743	12,696	
Deferred Income Tax	4,262	3,847	16,804	-			14,472
Total Current Assets	113,033	102,509	134,464	119,521	139,211	201,551	194,547
Property & Equipment, net	1,106,102	1,046,051	1,158,299	1,367,957	1,990,584	2,586,473	3,563,497
Goodwill and other Intangibles	189,095	167,498	148,717	155,775	154,498	154,498	2,964,938
Intangibles		-	-	-	-		1,002,617
Land Held for Development	98,876	102,205	119,197	167,729	252,444	214,374	516,186
Investments in Joint Ventures	72,012	75,209	86,425	106,598	129,191	253,577	391,953
Note Receivable	10,401	34,487	-				
Native American development costs			-		165,244	181,153	200,667
Other assets , net	66,603	70,388	98,870	128,004	97,871	125,070	154,261
Total Assets	**1,656,122**	**1,598,347**	**1,745,972**	**2,045,584**	**2,929,043**	**3,716,696**	**8,988,666**
Liabilities							
Current Portion of Long-Term Debt	332	122	22	16,917	108	341	2,610
Accounts Payable	26,661	8,534	20,438	10,351	12,611	19,558	16,954
Construction Contracts Payable	19,556	-		36,298	83,151	58,318	23,151
Accrued Expenses and other Current Liabilities	5,534	25,666	121,856	112,450	132,895		
Accrued Interest Payable	17,559	15,356					
Accrued Progressives	6,209	6,098					
Accrued Group Insurance	7,509	6,761					
Accrued Expenses and other Current Liabilities	25,446	26,262				173,689	178,018
Total Current Liabilities	**108,806**	**88,799**	**142,316**	**176,016**	**228,765**	**251,906**	**220,733**
Long Term Debt, net of current maturities	1,236,758	1,165,600	1,168,935	1,321,296	1,944,220	3,468,487	5,241,814
Deferred Income taxes, net	40,453	52,777	65,285	20,094	79,015	109,788	789,644
Due to Unconsolidated Affiliate							100,000
Distributions in excess of cont. and inc. in JV		-					
Other Long Term Liabilities	21,201	20,493	29,497	39,257	46,229	73,373	65,413
Total Liabilities	**1,407,218**	**1,327,669**	**1,406,033**	**1,556,663**	**2,298,229**	**3,903,554**	**6,417,604**
Shareholders' Equity							
Common Stock	441	454	497	561	578	593	-
Non Voting Common Stock	-						417
Additional paid in Capital	300,254	316,714	387,973	567,939	627,352	582,739	2,948,265
Deferred Compensation, restricted shares	(19,510)	(20,232)	(27,003)	(77,598)	(73,599)		
Retained Earnings	66,967	84,899	114,340	136,344	235,587	280,396	(317,954)
Accumulated Other Comprehensive Income (Loss	-	(1,695)	(1,334)	(611)	24	(10,782)	(59,666)
Treasury Stock	(99,248)	(109,462)	(134,534)	(137,714)	(159,128)	(1,039,804)	-
Total Shareholders' Equity	248,904	270,678	339,939	488,921	630,814	(186,858)	2,571,062
Total Liabilities & Shareholders' Equity	**1,656,122**	**1,598,347**	**1,745,972**	**2,045,584**	**2,929,043**	**3,716,696**	**8,988,666**

EBITDA Surplus Analysis
($000s)

Covenant Calculations based on October Projections

This Schedule is intended to show the Company's financial projections as contained in the Deal Model (final model prior to LBO) relative to debt covenant levels and the amount of EBITDA cushion implied by the projections relative to covenants.

Original Covenant Calculation	LTM Post Deal 10/31/2007	Quarter Ended Q407	Q108	Q208	Q308	Q408	Year Ended 2007	2008	2009	2010	2011	2012
EBITDA Projections												
EBITDA Excluding Lease (EBITDAR)	565,211	586,017	611,203	636,419	660,400	676,386	586,017	676,386	742,074	796,211	795,791	951,629
Adjusted EBITDA (Bond Covenant)	310,311	331,117	356,303	381,519	405,500	421,486	331,117	421,486	439,150	488,730	492,881	647,732
Adjusted EBITDA (Revolver Covenant)	398,186	412,992	432,178	451,394	469,375	485,361	412,992	485,361	551,049	605,186	604,766	760,604
Covenant Drivers												
Cash Interest Expense	208,220	208,220	213,534	217,812	217,494	217,748	208,220	217,748	220,609	204,520	195,297	162,571
Total Debt (excluding CMBS)	3,093,912	2,950,786	2,968,998	2,940,200	2,969,432	2,919,872	2,950,786	2,919,872	2,874,763	2,669,831	2,274,380	1,980,712
Revolver Debt	510,640	367,514	335,726	306,928	336,160	286,600	367,514	286,600	241,491	286,559	(108,892)	(402,560)
Total Debt including CMBS	5,568,912	5,425,786	5,443,998	5,415,200	5,444,432	5,394,872	5,425,786	5,394,872	5,349,763	5,144,831	4,749,380	4,455,712
Debt Covenants	Revolver Covenants not in Effect											
Total Debt/EBITDA (Revolver)	8.50x	8.50x	8.50x	8.25x	8.00x	7.75x	8.50x	7.75x	6.75x	6.00x	5.00x	5.00x
Revolver/EBITDA (Revolver)	2.25x	2.25x	2.25x	2.25x	2.00x	2.00x	2.25x	2.00x	2.00x	2.00x	2.00x	2.00x
EBITDA/Interest	1.50x	1.50x	1.50x	1.50x	1.75x	1.75x	1.50x	1.75x	2.00x	2.25x	2.50x	2.50x
Covenant Compliance												
Total Debt/EBITDA (Revolver)	7.77x	7.14x	6.87x	6.51x	6.33x	6.02x	7.14x	6.02x	5.22x	4.41x	3.76x	2.60x
Revolver/EBITDA (Revolver)	1.28x	0.89x	0.78x	0.68x	0.72x	0.59x	0.89x	0.59x	0.44x	0.47x	-0.18x	-0.53x
EBITDA/Interest	1.91x	1.98x	2.02x	2.07x	2.16x	2.23x	1.98x	2.23x	2.50x	2.96x	3.10x	4.68x
EBITDA Cushion												
Total Debt/EBITDA (Revolver)			82,884	95,006	98,196	108,603	65,840	108,603	125,158	160,214	149,890	364,462
Revolver/EBITDA (Revolver)			282,967	314,981	301,295	342,061	249,652	342,061	430,304	461,906	659,212	961,884
EBITDA/Interest			111,877	124,675	88,760	104,302	100,662	104,302	109,831	145,015	116,523	354,177
Minimum EBITDA Cushion to Comply with Covenants			82,884	95,006	88,760	104,302	65,840	104,302	109,831	145,015	116,523	354,177
% of EBITDA			*19.2%*	*21.0%*	*18.9%*	*21.5%*	*15.9%*	*21.5%*	*19.9%*	*24.0%*	*19.3%*	*46.6%*

Source: Station Casinos Management October projections. Reformatted by Odyssey.

Revised EBITDA Surplus Analysis
($000s)

Covenant Calculations based on October Projections

This schedule is intended to show the company's financial projections as contained in the October Projections relative to revised debt covenant calculations and the amount of EBITDA cushion implied by the projections. The revised covenant interpretation allowed Station Casinos to deduct cash and the non-recourse land loan from total leverage.

Revised Covenant Calculation	LTM Post Deal 10/31/2007	Quarter Ended Q407	Q108	Q208	Q308	Q408	Year Ended 2007	2008	2009	2010	2011	2012
EBITDA Projections												
EBITDA Excluding Lease (EBITDAR)	565,211	586,017	611,203	636,419	660,400	676,386	586,017	676,386	742,074	796,211	795,791	951,629
Adjusted EBITDA (Bond Covenant)	310,311	331,117	356,303	381,519	405,500	421,486	331,117	421,486	439,150	488,730	492,881	647,732
Adjusted EBITDA (Revolver Covenant)	398,186	412,992	432,178	451,394	469,375	485,361	412,992	485,361	551,049	605,186	604,766	760,604
Covenant Drivers												
Cash Interest Expense	208,220	208,220	213,534	217,812	217,494	217,748	208,220	217,748	220,609	204,520	195,297	162,571
Total Debt (less land loan, cash - excluding CMBS)	2,788,763	2,645,637	2,613,849	2,585,051	2,614,283	2,564,723	2,645,637	2,564,723	2,519,614	2,564,682	2,169,231	1,875,563
Revolver Debt	510,640	367,514	335,726	306,928	336,160	286,600	367,514	286,600	241,491	286,559	(108,892)	(402,560)
Total Debt including CMBS	5,263,763	5,320,637	5,338,849	5,310,051	5,339,283	5,289,723	5,320,637	5,289,723	5,244,614	5,039,682	4,644,231	4,350,563
Debt Covenants	Revolver Covenants not in Effect											
Total Debt (less land loan and cash)/EBITDA (Revolver)	8.50x	8.50x	8.50x	8.25x	8.00x	7.75x	8.50x	7.75x	6.75x	6.00x	5.00x	5.00x
Revolver/EBITDA (Revolver)	2.25x	2.25x	2.25x	2.25x	2.00x	2.00x	2.25x	2.00x	2.00x	2.00x	2.00x	2.00x
EBITDA/Interest	1.50x	1.50x	1.50x	1.50x	1.75x	1.75x	1.50x	1.75x	2.00x	2.25x	2.50x	2.50x
Covenant Compliance												
Total Debt (less land loan and cash)/EBITDA (Revolver)	7.00x	6.41x	6.05x	5.73x	5.57x	5.28x	6.41x	5.28x	4.57x	4.24x	3.59x	2.47x
Revolver/EBITDA (Revolver)	1.28x	0.89x	0.78x	0.68x	0.72x	0.59x	0.89x	0.59x	0.44x	0.47x	-0.18x	-0.53x
EBITDA/Interest	1.91x	1.98x	2.02x	2.07x	2.16x	2.23x	1.98x	2.23x	2.50x	2.96x	3.10x	4.68x
EBITDA Cushion												
Total Debt/EBITDA (Revolver)			124,666	138,054	142,590	154,429	101,740	154,429	177,773	177,739	170,920	385,492
Revolver/EBITDA (Revolver)			282,967	314,981	301,295	342,061	249,652	342,061	430,304	461,906	659,212	961,884
EBITDA/Interest			111,877	124,675	88,760	104,302	100,662	104,302	109,831	145,015	116,523	354,177
Minimum EBITDA Cushion to Comply with Covenants			111,877	124,675	88,760	104,302	100,662	104,302	109,831	145,015	116,523	354,177
% of EBITDA			*25.9%*	*27.6%*	*18.9%*	*21.5%*	*24.4%*	*21.5%*	*19.9%*	*24.0%*	*19.3%*	*46.6%*

Note: Changes from original covenant calculation worksheet involve reducing total debt by the forcast cash balance and deducting the non recourse land loan.
Source: Calculations performed by Odyssey based on guidance from Station Casino's management team.

Schedule 5.b.i

Discount Rate Solvency Threshold Analysis

($000s)

Threshold Base Discount Rate	10.37%	Cost of Capital at time of Deal (WACC)	9.00%
Original Deal Base Discount Rate	7.50%	Margin of Threshold Rate Over Cost of Capital	1.37%
Discount Rate Margin	2.87%		

Property	Fair Value	Valuation Methodology	Discount Rate	Spead over Base Discount Rate
Value of Core Operating Assets				
Palace Station	322,000	DCF	10.37%	
Boulder Station	663,000	DCF	10.37%	
Texas Station	252,000	DCF	10.37%	
Sunset Station	633,000	DCF	10.37%	
Santa Fe Station	767,000	DCF	10.37%	
Red Rock	1,108,000	DCF	10.37%	
Fiesta Rancho	90,000	DCF	10.37%	
Fiesta Henderson	200,000	DCF	10.37%	
Wildfire	18,000	DCF	10.37%	
Gold Rush/Magic Star	9,000	DCF	10.37%	
Lake Mead	3,000	DCF	10.37%	
Sub Total Core Operating Assets	4,065,000			
Value of Management Contracts				
Green Valley Ranch	100,000	DCF	11.87%	1.50%
Barley	3,500	DCF	11.87%	1.50%
Greens	200	DCF	11.87%	1.50%
Aliante	51,000	DCF	13.87%	3.50%
Sub Total Management Contracts	154,700			
Thunder Valley	160,000	DCF	11.87%	1.50%
Total Value of Core Operating Assets	$ 4,379,700			
Value of Joint Ventures				
Barley's @ 50%	30,000	Cost Basis		
Greens @ 50%	3,000	Cost Basis		
Aliante @ 50%	110,000	Cost Basis		
Rancho Road @ 50%	47,000	Cost Basis		
Palms @ 6.7%	30,000	Cost Basis		
Sunset @ 50%	12,000	Cost Basis		
Green Valley Ranch @ 50%	155,000	DCF and Trading Comp	10.37%	
MPM Enterprises, LLC (Gun Lake Tribe) @ 50%	90,000	DCF	17.87%	7.50%
Sub Total Joint Ventures	477,000			
Future Native American Management Contracts				
Mechoopda Indian Tribe	20,000	DCF	17.87%	7.50%
North Fork Rancheria of Mono Indian Tribe	-	DCF		
Federated Indians of Graton Rancheria	157,000	DCF	17.87%	7.50%
Sub Total Future Native American Contracts	177,000			
Land Acquired for Native Americans	169,000	Cost Basis		
Land Held for Development				
Cactus	68,700	Appraisal		
Castaways	39,600	Appraisal		
Flamingo & Town Center	113,100	Appraisal		
Durango	92,800	Appraisal		
Palace - Commercial	27,700	Appraisal		
Palace - Richfield Homes	24,000	Appraisal		
Palace - Teddy	5,500	Appraisal		
Palace - Wyandotte	26,600	Appraisal		
Reno - Boyd Site	36,600	Appraisal		
Reno - Peigh Parcel	4,300	Appraisal		
Reno Conv. Ctr. (Rose One)	13,500	Appraisal		
Reno Conv. Ctr. Assembly	71,200	Appraisal		
Sunset & Lindell	18,900	Appraisal		
Thunder Valley Athens	35,100	Appraisal		
Wild Wild West (WWW) Area Parcels	546,200	Appraisal		
Inspirada 2	71,200	Appraisal		
	1,195,000			
Construction In Progress				
Aliante Station (Under Construction)	18,500	Cost Basis		
Total Value of Non Operating and Non Core Assets	2,036,500			
Total Asset Value	**6,416,200**			
Total Liabilities at December 31, 2007	6,417,604			
Margin of Solvency (Insolvency)	(1,404)			

Source: Duff & Phelp's SFAS 141 model adapted by Odyssey.

Discount Rate Analysis - Original 141 Case

($000s)

Threshold Base Discount Rate	7.50%	Cost of Capital at time of Deal (WACC)	9.00%
Original Deal Base Discount Rate	7.50%	Margin of Threshold Rate Over Cost of Capital	-1.50%
Discount Rate Margin	0.00%		

Property	Fair Value	Valuation Methodology	Discount Rate	Spead over Base Discount Rate
Value of Core Operating Assets				
Palace Station	498,000	DCF	7.50%	
Boulder Station	1,030,000	DCF	7.50%	
Texas Station	387,000	DCF	7.50%	
Sunset Station	984,000	DCF	7.50%	
Santa Fe Station	1,191,000	DCF	7.50%	
Red Rock	1,733,000	DCF	7.50%	
Fiesta Rancho	136,000	DCF	7.50%	
Fiesta Henderson	309,000	DCF	7.50%	
Wildfire	27,000	DCF	7.50%	
Gold Rush/Magic Star	14,000	DCF	7.50%	
Lake Mead	5,000	DCF	7.50%	
Sub Total Core Operating Assets	6,314,000			
Value of Management Contracts				
Green Valley Ranch	126,000	DCF	9.00%	1.50%
Barley	4,500	DCF	9.00%	1.50%
Greens	250	DCF	9.00%	1.50%
Aliante	66,000	DCF	11.00%	3.50%
Sub Total Management Contracts	196,750			
Thunder Valley	171,000	DCF	9.00%	1.50%
Total Value of Core Operating Assets	$ 6,681,750			
Value of Joint Ventures				
Barley's @ 50%	30,000	Cost Basis		
Greens @ 50%	3,000	Cost Basis		
Aliante @ 50%	110,000	Cost Basis		
Rancho Road @ 50%	47,000	Cost Basis		
Palms @ 6.7%	30,000	Cost Basis		
Sunset @ 50%	12,000	Cost Basis		
Green Valley Ranch @ 50%	225,000	DCF and Trading Comp	7.50%	
MPM Enterprises, LLC (Gun Lake Tribe) @ 50%	100,000	DCF	15.00%	7.50%
Sub Total Joint Ventures	557,000			
Future Native American Management Contracts				
Mechoopda Indian Tribe	23,000	DCF	15.00%	7.50%
North Fork Rancheria of Mono Indian Tribe	-	DCF		
Federated Indians of Graton Rancheria	190,000	DCF	15.00%	7.50%
Sub Total Future Native American Contracts	213,000			
Land Acquired for Native Americans	169,000	Cost Basis		
Land Held for Development				
Cactus	68,700	Appraisal		
Castaways	39,600	Appraisal		
Flamingo & Town Center	113,100	Appraisal		
Durango	92,800	Appraisal		
Palace - Commercial	27,700	Appraisal		
Palace - Richfield Homes	24,000	Appraisal		
Palace - Teddy	5,500	Appraisal		
Palace - Wyandotte	26,600	Appraisal		
Reno - Boyd Site	36,600	Appraisal		
Reno - Peigh Parcel	4,300	Appraisal		
Reno Conv. Ctr. (Rose One)	13,500	Appraisal		
Reno Conv. Ctr. Assembly	71,200	Appraisal		
Sunset & Lindell	18,900	Appraisal		
Thunder Valley Athens	35,100	Appraisal		
Wild Wild West (WWW) Area Parcels	546,200	Appraisal		
Inspirada 2	71,200	Appraisal		
	1,195,000			
Construction In Progress				
Aliante Station (Under Construction)	18,500	Cost Basis		
Total Value of Non Operating and Non Core Assets	2,152,500			
Total Asset Value	**8,834,250**			
Total Liabilities at December 31, 2007	6,417,604			
Margin of Solvency	2,416,646			

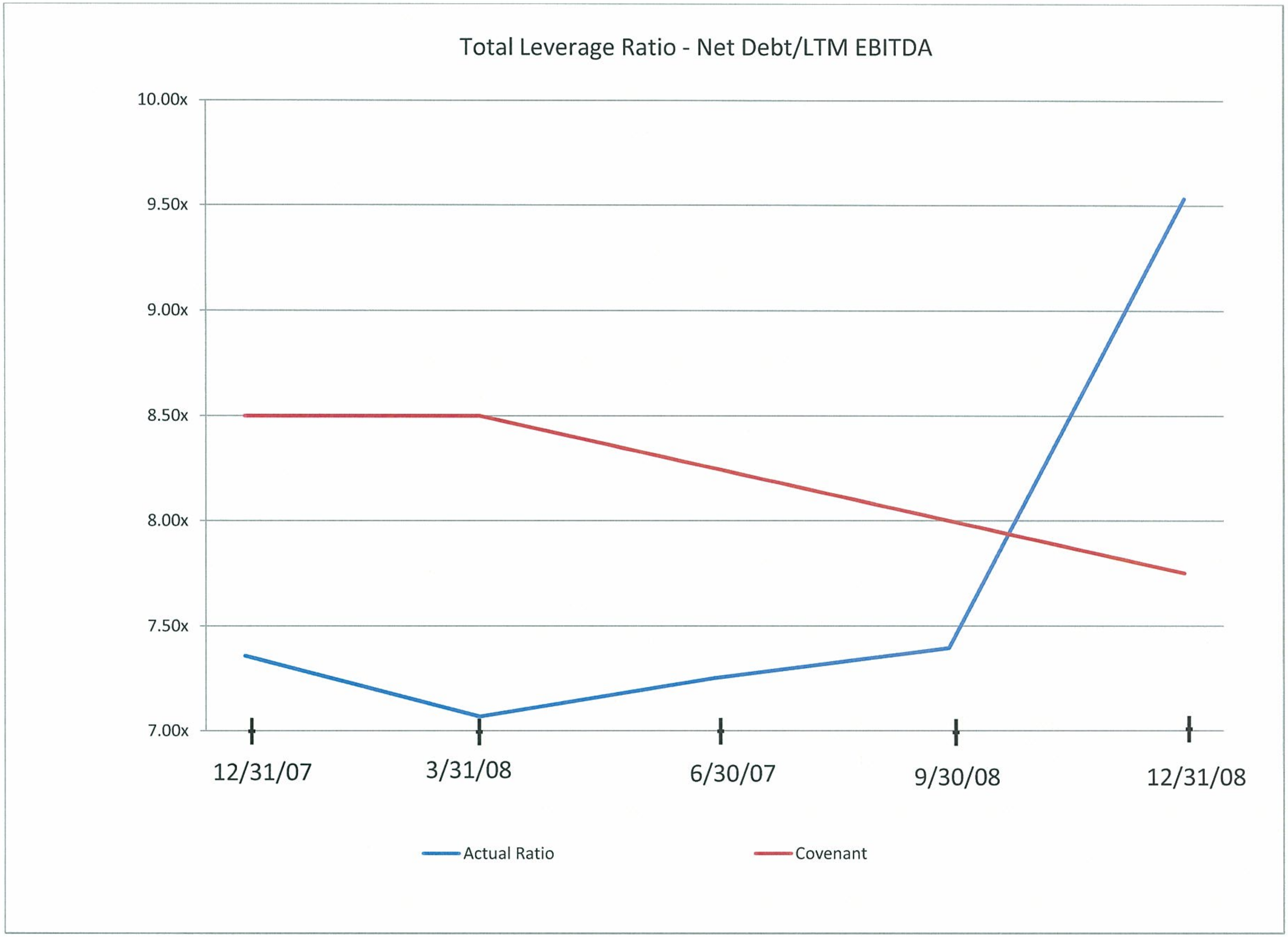
Source: Duff & Phelp's SFAS 141 model.

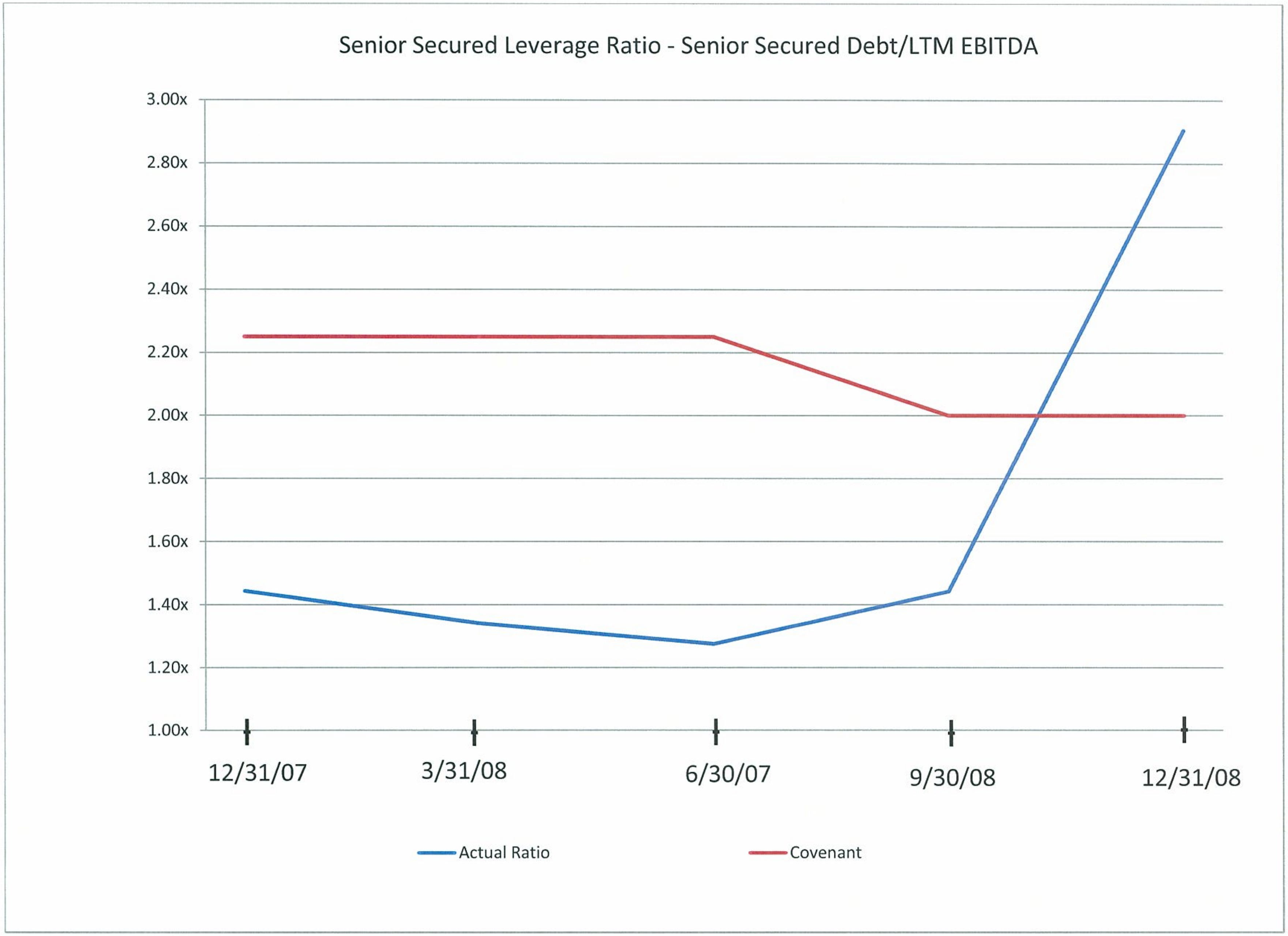
Summary of Covenant Compliance

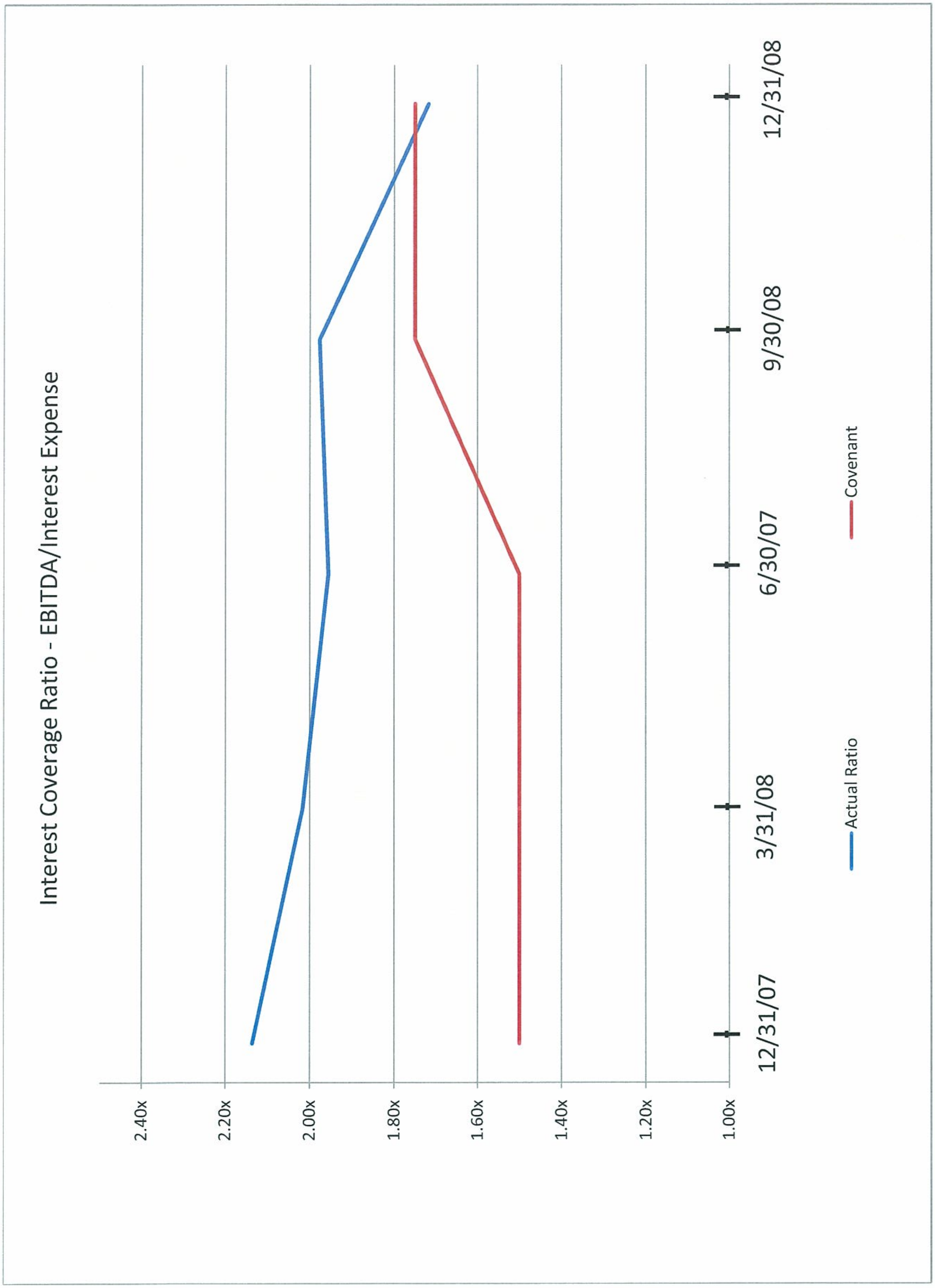
Station Casinos
($000s), except ratios

Post LBO	12/31/07	3/31/08	6/30/08	9/30/08	12/31/08
Section 7.11(a) -Total Leverage Ratio					
Consolidated Total Net Debt	2,828,444	2,740,365	2,711,186	2,778,924	3,137,470
Consolidated EBITDA	384,365	387,693	373,884	375,776	329,119
Actual Ratio	7.36x	7.07x	7.25x	7.40x	9.53x
Required Ratio[1]	N/A	8.50x	8.25x	8.00x	7.75x
					Waiver
Section 7.11(b) - Senior Secured Leverage Ratio					
Consolidated Senior Secured Debt	554,998	520,010	476,819	541,894	955,921
Consolidated EBITDA	384,365	387,693	373,884	375,776	329,119
Actual Ratio	1.44x	1.34x	1.28x	1.44x	2.90x
Required Ratio	N/A	2.25x	2.25x	2.00x	2.00x
					Waiver
Section 7.11(c) - Interest Coverage Ratio					
Consolidated EBITDA	384,365	387,693	373,884	375,776	329,119
Consolidated Interest Expense	179,960	192,276	191,129	190,058	191,617
Actual Ratio	2.14x	2.02x	1.96x	1.98x	1.72x
Required Ratio	N/A	1.50x	1.50x	1.75x	1.75x
					Waiver

1 - Required Ratio not effective until March 31, 2008 per the Credit Agreement.
Source: quarterly compliance certificates


Total Leverage Ratio - Net Debt/LTM EBITDA
10.00x
9.50x
9.00x
8.50x
8.00x
7.50x
7.00x
12/31/07
3/31/08
6/30/07
9/30/08
12/31/08
Actual Ratio
Covenant


Senior Secured Leverage Ratio - Senior Secured Debt/LTM EBITDA
3.00x
2.80x
2.60x
2.40x
2.20x
2.00x
1.80x
1.60x
1.40x
1.20x
1.00x
12/31/07
3/31/08
6/30/07
9/30/08
12/31/08
Actual Ratio
Covenant


Interest Coverage Ratio - EBITDA/Interest Expense
2.40x
2.20x
2.00x
1.80x
1.60x
1.40x
1.20x
1.00x
12/31/07
3/31/08
6/30/07
9/30/08
12/31/08
Actual Ratio
Covenant

Historical and Projected Interest Coverage Ratio

Station Casinos
1995 - 2012

Fiscal Year	EBITDA/Interest
1995	4.1
1996	3.7
1997	2.4
1998	1.8
1999	2.1
2000	2.8
2001	2.8
2002	2.4
2003	3.0
2004	4.5
2005	4.6
2006	2.0
2007	2.0
2008	2.2
2009	2.5
2010	3.0
2011	3.1
2012	4.7

Estimated from information on presentation graph

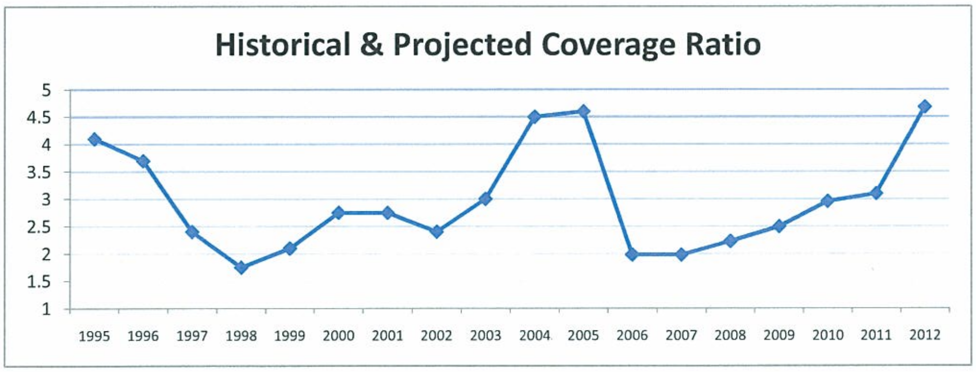
Mean	3.1
Median	2.8

Actuals from historical income statement

Mean	2.0
Median	2.0

Forecast figures from October Projections

Mean	2.9
Median	2.7



Coverage defined as EBITDA/interest expense for historical periods. For forecast periods ('07 to '12) coverage represents revolver EBITDA/cash interest expense.

Source: Website slides Q3 2006, Station Casinos October Projections.
Note: Coverage ratios for '07 to '12 based on revolver EBITDA (net of rent to PropCo plus flowback) and exclude CMBS interest expense.

Station Casinos long-term debt maturity schedule

Long Term Debt Maturities
(in $000s)

Year	Amount
2008	$2,610
2009	$12,071
2010	$2,620
2011	$2,629
2012	$3,432,846
Thereafter	$1,718,373
TOTAL	$5,171,149

Source: Station Casinos December 31, 2007 10-K

Gaming LBO Comps Summary

Deal Info – Bear Stearns

Amounts in millions, except per share data	Station	Kerzner	Aztar	Harrah's
Basic Info				
Date Announced	12/4/2006	5/1/2006	5/19/2006	12/19/2006
Date Closed	11/7/2007	9/1/2006	1/3/2007	1/28/2008
Acquirier	Fertitta/Colony	Consortium	Columbia	TPG/Apollo
Implied Equity Purchase $/Share	$90.00	$81.00	$54.40	$90.00
Impled Aggregate Equity Purchase Price	$5,324.0	$3,090.9	$2,096.0	$17,209.2
Total Announced Transaction Value	$9,104.6	$3,689.9	$2,686.7	$29,071.0
Premium to Unaffected Share Price				
Unaffected Price Date	12/01/06	03/17/06	03/10/06	9/29/2006
1 Day	30.2%	15.1%	77.2%	35.5%
5-Day ?Average	31.1%	16.5%	80.7%	36.3%
10-Day Average	29.7%	17.2%	80.3%	36.5%
30-Day Average	35.7%	18.9%	78.5%	40.4%
60-Day Average	41.0%	20.2%	77.5%	43.6%
Enterprise Value Multiples				
Enterprise Value/LTM EBITDA (1)	17.3x	17.4x	12.7x	11.4x
Enterprise Value/Transaction FY EBITDA	14.2x	16.3x	11.7x	11.6x
Enterprise Value/Transaction FY+1 EBITDA	12.6x	12.7x	11.0x	10.4x

(1) Station Casinos multiples unadjusted for value of land and future Native American Contracts.

Gaming LBO Comps - Capital Structures

Equity and Debt Breakdown
($ millions)

	Station	Kerzner	Aztar	Harrah's
Equity Funding				
Cash Equity Contribution	$2,688.0	$860.5	$465.0	$6,096.0
Equity Rollover	$900.0	$639.5	$0.0	$0.0
Total Equity Contribution	$3,588.0	$1,500.0	$465.0	$6,096.0
Debt Funding				
LBO Senior Secured	$437.0	$250.0	$1,530.0	$7,250.0
LBO Other Debt	$200.0	$0.0	$1,400.0	$6,775.0
Rollover Debt	$2,309.0	$0.0	$0.0	$4,624.0
Total Company Debt	$2,946.0	$250.0	$2,930.0	$18,649.0
CMBS Debt	$2,475.0	$2,380.0	$0.0	$6,500.0
Total Debt Value	$5,421.0	$2,630.0	$2,930.0	$25,149.0
Total Deal Value	$9,009.0	$4,130.0	$3,395.0	$31,245.0
Deal Structure Summary				
Equity				
Cash Equity Contribution as % of Equity Contribution	74.9%	57.4%	100.0%	100.0%
Equity Rollover as % of Equity Contribution	25.1%	42.6%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%
Cash Equity Contribution as % of total Deal Value	29.8%	20.8%	13.7%	19.5%
Equity Rollover as % of total Deal Value	10.0%	15.5%	0.0%	0.0%
Equity Contribution as % of total Deal Value	**39.8%**	**36.3%**	**13.7%**	**19.5%**
Debt				
Senior Secured Debt as % of total Deal Value	4.9%	6.1%	45.1%	23.2%
LBO other Debt as % of total Deal Value	2.2%	0.0%	41.2%	21.7%
Rollover Debt as % of total Deal Value	25.6%	0.0%	0.0%	14.8%
CMBS Debt as % of total Deal Value	27.5%	57.6%	0.0%	20.8%
Total Debt as % of total Deal Value	**60.2%**	**63.7%**	**86.3%**	**80.5%**

Source: Station Casinos data, October Bank Book; Comps, definitive proxy statements and subsequent disclosure.

Historical Gaming Revenue Growth by Submarket

U.S. Regional Gaming
Historical Gaming Revenue LTM October 2007
Source: Citigroup Equity Research (except Station's data)
Report Date: October 2007

	Las Vegas	% change	Las Vegas Locals	% change	Illinois	% change	Indiana	% change	Missouri	% change	Iowa	% change	Louisiana	% change	Mississippi	% change	Station Casinos	% change
1990	-	-	402.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1991	-	-	460.0	14.3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1992	-	-	514.8	11.9%	-	-	-	-	-	-	-	-	-	-	-	-	92.8	-
1993	2,870.3	-	564.5	9.7%	-	-	-	-	-	-	-	-	-	-	-	-	97.9	5.5%
1994	3,486.1	21.5%	684.8	21.3%	-	-	-	-	-	-	-	-	443.2	-	1,462.8	-	129.5	32.3%
1995	3,697.2	6.1%	877.2	28.1%	-	-	-	-	-	-	-	-	1,035.0	133.5%	1,724.3	17.9%	210.9	62.9%
1996	3,578.6	-3.2%	968.2	10.4%	-	-	372.0	-	-	-	-	-	1,145.1	10.6%	1,862.0	8.0%	265.2	25.8%
1997	3,809.4	6.4%	1,109.3	14.6%	-	-	963.4	159.0%	-	-	-	-	1,200.0	4.8%	1,984.4	6.6%	333.5	25.7%
1998	3,812.4	0.1%	1,364.6	23.0%	1,106.8	-	1,339.5	39.0%	746.1	-	762.9	-	1,323.2	10.3%	2,174.2	9.6%	416.9	25.0%
1999	4,488.7	17.7%	1,444.1	5.8%	1,362.9	23.1%	1,557.6	16.3%	826.1	10.7%	830.0	8.8%	1,715.6	29.7%	2,516.2	15.7%	477.6	14.6%
2000	4,804.4	7.0%	1,538.2	6.5%	1,658.0	21.7%	1,687.9	8.4%	996.5	20.6%	892.7	7.6%	1,707.1	-0.5%	2,649.3	5.3%	516.0	8.0%
2001	4,691.0	-2.4%	1,598.2	3.9%	1,784.0	7.6%	1,839.9	9.0%	1,137.5	14.1%	923.5	3.5%	1,882.5	10.3%	2,700.4	1.9%	661.7	28.2%
2002	4,654.2	-0.8%	1,658.5	3.8%	1,831.6	2.7%	2,061.8	12.1%	1,278.5	12.4%	972.6	5.3%	1,999.6	6.2%	2,717.3	0.6%	743.8	12.4%
2003	4,761.1	2.3%	1,744.4	5.2%	1,709.9	-6.6%	2,229.0	8.1%	1,331.7	4.2%	1,024.6	5.3%	2,017.0	0.9%	2,699.8	-0.6%	775.2	4.2%
2004	5,334.0	12.0%	1,996.7	14.5%	1,718.0	0.5%	2,369.7	6.3%	1,473.3	10.6%	1,064.4	3.9%	2,163.0	7.2%	2,777.0	2.9%	891.8	15.0%
2005	6,035.6	13.2%	2,260.0	13.2%	1,798.9	4.7%	2,418.4	2.1%	1,532.2	4.0%	1,105.7	3.9%	2,236.8	3.4%	2,468.5	-11.1%	1,021.3	14.5%
2006	6,688.5	10.8%	2,534.8	12.2%	1,923.5	6.9%	2,576.1	6.5%	1,591.6	3.9%	1,253.7	13.4%	2,567.4	14.8%	2,570.0	4.1%	1,207.6	18.2%
LTM*	6,839.9	5.5%	2,603.4	6.2%	1,987.3	4.2%	2,652.4	5.3%	1,600.6	1.1%	1,365.0	12.7%	2,556.4	0.8%	2,887.7	20.4%	1,377.7	14.1%
Avg. growth rate		6.9%		12.0%		7.2%		24.7%		9.1%		7.1%		17.8%		6.2%		20.7%
CAGR		6.4%		11.6%		6.7%		19.6%		8.9%		6.7%		14.4%		5.4%		19.7%

* Last 12 momths through October 2007

Schedule 7.c

Market Equity Valuations for Gaming Peer Group Relative to Book Values
Book Value Compared to Market Value
Casino Operators
As of November 7, 2007

The purpose of this schedule is to demonstrate the premium to book value given to Station Casinos gaming peer group at the time of the LBO. There was significant market equity value in excess of book value for all gaming peers.

Casino Operator	Shares Outstanding[1]	Closing Share Price[2]		Market Capitalization (000s)	Book Value (000s)[3]	Market Capitalization premium to Book Value (000s)	Premium to Book Value % of Book Value
LVS	355,148,604	$ 108.88		38,668,580	2,203,023	36,465,557	1655.3%
WYNN	114,319,715	$ 138.43		15,825,278	1,906,557	13,918,721	730.0%
PNK	59,829,381	$ 28.50		1,705,137	1,071,858	633,279	59.1%
ASCA	57,129,625	$ 30.10		1,719,602	495,758	1,223,844	246.9%
BYD	87,745,013	$ 39.78		3,490,497	1,371,708	2,118,789	154.5%
ISLE	34,813,153	$ 19.23		669,457	259,035	410,422	158.4%
PENN	86,653,840	$ 61.58		5,336,143	1,087,422	4,248,721	390.7%
GCGC	86,434,000	$ 14.25		1,231,685	413,500	818,185	197.9%
					Mean	7,479,690	449.1%
					Median	1,671,316	222.4%
STN	56,035,929	$ 68.58	Mean Driven	3,843,118	699,905 [4]		
		$ 40.26	Median Driven	2,256,253			

[1] For Comp Group, as of the effective date of the Stations LBO transaction November 7, 2007. Number of shares on an undiluted basis. For Stations, as of September 30, 2007.

[2] As of the effective date of the Stations LBO transaction November 7, 2007.

[3] As of the effective date of the Stations LBO transaction November 7, 2007. Book value from most recent 10Q at the time of the transaction.

[4] Represents Station Casino's book value at Sept. 30, 2007 pro forma for reversal of purchases of treasury stock effected in '06 and '07 representing $990,807,000 in value.

Prepared by Odyssey based on publicly available market information

Stock Price History of Gaming Peer Group

Stock Price History (adjusted for splits and dividends)
November 7, 2007 to March 2, 2009
Closing Stock Prices from Capital IQ

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
11/7/2007	108.88	138.43	28.50	28.50	30.10	39.78	19.23	61.58	14.25
11/8/2007	111.60	136.06	28.32	28.32	30.51	39.02	19.15	61.73	14.60
11/9/2007	115.91	136.38	28.58	28.58	30.21	38.78	19.45	61.25	14.28
11/12/2007	113.06	129.55	28.60	28.60	30.25	38.79	18.73	60.88	14.18
11/13/2007	118.15	137.72	28.75	28.75	31.39	38.89	18.84	61.07	14.50
11/14/2007	113.72	130.76	28.36	28.36	30.31	38.06	18.51	60.75	14.73
11/15/2007	114.55	130.35	27.92	27.92	30.46	38.00	18.30	60.00	14.56
11/16/2007	118.76	134.50	27.85	27.85	31.06	38.62	18.30	59.29	14.67
11/19/2007	110.49	124.98	26.35	26.35	29.83	37.33	17.98	57.52	14.70
11/20/2007	113.98	132.16	26.61	26.61	30.32	37.18	17.95	57.15	15.00
11/21/2007	110.45	135.30	26.45	26.45	30.10	36.37	18.04	56.89	14.87
11/23/2007	111.30	135.05	26.88	26.88	30.43	37.09	18.27	57.33	15.15
11/26/2007	106.97	130.60	25.98	25.98	29.52	36.53	17.93	58.30	14.75
11/27/2007	106.60	130.60	25.88	25.88	29.00	36.70	17.79	58.60	14.72
11/28/2007	114.91	131.76	27.15	27.15	30.01	38.09	17.99	58.89	15.02
11/29/2007	112.95	127.04	27.23	27.23	31.57	38.75	17.79	59.40	15.24
11/30/2007	113.40	126.94	27.45	27.45	31.39	38.72	17.48	59.55	16.47
12/3/2007	110.52	120.67	25.83	25.83	31.29	37.95	16.54	59.21	15.96
12/4/2007	109.28	121.99	25.35	25.35	31.03	37.17	15.50	58.34	15.67
12/5/2007	113.29	122.06	25.96	25.96	31.23	38.03	15.12	58.51	15.71
12/6/2007	117.52	123.85	26.32	26.32	31.56	38.11	14.86	58.93	16.04
12/7/2007	118.88	124.60	25.87	25.87	31.82	38.84	14.70	59.50	16.09
12/10/2007	120.50	124.42	26.34	26.34	30.94	38.64	14.41	59.49	15.95
12/11/2007	115.67	119.57	25.45	25.45	30.29	37.28	14.05	59.47	15.98
12/12/2007	118.02	118.12	24.75	24.75	29.53	36.39	13.65	59.90	15.98
12/13/2007	118.72	119.13	24.13	24.13	29.74	36.07	13.43	59.65	15.99
12/14/2007	117.70	117.87	23.37	23.37	28.33	35.57	13.31	59.42	15.93
12/17/2007	115.39	114.26	23.52	23.52	27.66	35.05	12.83	59.10	15.24
12/18/2007	111.58	112.35	23.24	23.24	27.23	34.75	12.92	59.13	15.48
12/19/2007	111.42	117.98	23.38	23.38	27.48	34.99	13.21	59.11	15.29
12/20/2007	107.22	116.39	25.03	25.03	27.64	34.99	13.86	59.10	15.20
12/21/2007	108.00	115.25	24.55	24.55	28.03	35.30	14.50	59.19	15.80
12/24/2007	106.98	113.28	24.93	24.93	28.44	35.47	14.35	59.18	15.60
12/26/2007	107.92	117.67	24.64	24.64	28.43	35.40	14.50	59.50	15.60
12/27/2007	105.97	114.59	23.43	23.43	27.64	34.15	13.97	59.25	15.66
12/28/2007	106.15	115.71	23.46	23.46	27.58	34.21	13.56	59.33	15.60
12/31/2007	103.05	112.13	23.56	23.56	27.54	34.07	13.77	59.55	15.50
1/2/2008	100.32	109.38	22.36	22.36	27.19	33.31	13.62	59.57	15.38
1/3/2008	95.37	105.68	21.37	21.37	26.39	32.13	12.74	59.30	15.02
1/4/2008	88.67	105.20	20.41	20.41	25.49	30.16	12.38	58.74	14.90
1/7/2008	85.79	104.22	20.97	20.97	25.28	30.17	12.68	57.99	14.45
1/8/2008	82.80	104.50	19.25	19.25	24.23	28.60	11.98	56.63	14.45
1/9/2008	86.88	108.26	18.99	18.99	24.47	29.04	12.04	55.00	13.95
1/10/2008	85.76	108.99	19.26	19.26	24.10	28.89	11.95	53.37	14.10
1/11/2008	84.25	102.54	17.94	17.94	22.92	28.31	11.89	52.32	14.30
1/14/2008	82.41	100.95	17.69	17.69	22.84	27.65	11.44	52.11	13.67
1/15/2008	78.89	97.65	16.87	16.87	21.00	26.62	10.75	50.20	13.75
1/16/2008	78.49	102.67	17.06	17.06	20.13	26.37	10.79	51.41	13.16

Indexed Stock Prices (to 11/7/07)

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
11/7/2007	100%	100%	100%	100%	100%	100%	100%	100%	100%
11/8/2007	102%	98%	99%	99%	101%	98%	100%	100%	102%
11/9/2007	106%	99%	100%	100%	100%	97%	101%	99%	100%
11/12/2007	104%	94%	100%	100%	100%	98%	97%	99%	100%
11/13/2007	109%	99%	101%	101%	104%	98%	98%	99%	102%
11/14/2007	104%	94%	100%	100%	101%	96%	96%	99%	103%
11/15/2007	105%	94%	98%	98%	101%	96%	95%	97%	102%
11/16/2007	109%	97%	98%	98%	103%	97%	95%	96%	103%
11/19/2007	101%	90%	92%	92%	99%	94%	93%	93%	103%
11/20/2007	105%	95%	93%	93%	101%	93%	93%	93%	105%
11/21/2007	101%	98%	93%	93%	100%	91%	94%	92%	104%
11/23/2007	102%	98%	94%	94%	101%	93%	95%	93%	106%
11/26/2007	98%	94%	91%	91%	98%	92%	93%	95%	104%
11/27/2007	98%	94%	91%	91%	96%	92%	93%	95%	103%
11/28/2007	106%	95%	95%	95%	100%	96%	94%	96%	105%
11/29/2007	104%	92%	96%	96%	105%	97%	93%	96%	107%
11/30/2007	104%	92%	96%	96%	104%	97%	91%	97%	116%
12/3/2007	102%	87%	91%	91%	104%	95%	86%	96%	112%
12/4/2007	100%	88%	89%	89%	103%	93%	81%	95%	110%
12/5/2007	104%	88%	91%	91%	104%	96%	79%	95%	110%
12/6/2007	108%	89%	92%	92%	105%	96%	77%	96%	113%
12/7/2007	109%	90%	91%	91%	106%	98%	76%	97%	113%
12/10/2007	111%	90%	92%	92%	103%	97%	75%	97%	112%
12/11/2007	106%	86%	89%	89%	101%	94%	73%	97%	112%
12/12/2007	108%	85%	87%	87%	98%	91%	71%	97%	112%
12/13/2007	109%	86%	85%	85%	99%	91%	70%	97%	112%
12/14/2007	108%	85%	82%	82%	94%	89%	69%	96%	112%
12/17/2007	106%	83%	83%	83%	92%	88%	67%	96%	107%
12/18/2007	102%	81%	82%	82%	90%	87%	67%	96%	109%
12/19/2007	102%	85%	82%	82%	91%	88%	69%	96%	107%
12/20/2007	98%	84%	88%	88%	92%	88%	72%	96%	107%
12/21/2007	99%	83%	86%	86%	93%	89%	75%	96%	111%
12/24/2007	98%	82%	87%	87%	94%	89%	75%	96%	109%
12/26/2007	99%	85%	86%	86%	94%	89%	75%	97%	109%
12/27/2007	97%	83%	82%	82%	92%	86%	73%	96%	110%
12/28/2007	97%	84%	82%	82%	92%	86%	71%	96%	109%
12/31/2007	95%	81%	83%	83%	91%	86%	72%	97%	109%
1/2/2008	92%	79%	78%	78%	90%	84%	71%	97%	108%
1/3/2008	88%	76%	75%	75%	88%	81%	66%	96%	105%
1/4/2008	81%	76%	72%	72%	85%	76%	64%	95%	105%
1/7/2008	79%	75%	74%	74%	84%	76%	66%	94%	101%
1/8/2008	76%	75%	68%	68%	80%	72%	62%	92%	101%
1/9/2008	80%	78%	67%	67%	81%	73%	63%	89%	98%
1/10/2008	79%	79%	68%	68%	80%	73%	62%	87%	99%
1/11/2008	77%	74%	63%	63%	76%	71%	62%	85%	100%
1/14/2008	76%	73%	62%	62%	76%	70%	59%	85%	96%
1/15/2008	72%	71%	59%	59%	70%	67%	56%	82%	96%
1/16/2008	72%	74%	60%	60%	67%	66%	56%	83%	92%

Stock Price History of Gaming Peer Group

Stock Price History (adjusted for splits and dividends)
November 7, 2007 to March 2, 2009
Closing Stock Prices from Capital IQ

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
1/17/2008	74.46	96.89	16.60	16.60	19.97	25.50	10.36	53.20	13.60
1/18/2008	75.60	101.43	15.65	15.65	19.00	24.85	10.00	55.39	13.25
1/22/2008	79.44	101.38	15.81	15.81	19.43	24.94	10.20	54.02	13.00
1/23/2008	85.80	109.96	17.47	17.47	20.01	25.98	10.94	55.27	13.15
1/24/2008	83.77	108.85	17.72	17.72	20.78	26.07	11.16	56.32	13.63
1/25/2008	81.28	104.02	17.64	17.64	21.11	25.29	10.72	55.65	13.66
1/28/2008	83.43	110.33	17.71	17.71	21.50	25.60	11.16	54.23	13.38
1/29/2008	87.23	111.96	18.26	18.26	22.10	25.75	11.07	52.89	13.85
1/30/2008	83.84	109.73	17.70	17.70	21.56	25.09	10.62	51.60	13.40
1/31/2008	87.75	114.98	18.25	18.25	21.98	26.69	11.12	52.15	12.95
2/1/2008	87.85	116.83	18.74	18.74	22.89	27.41	11.57	50.95	14.00
2/4/2008	81.45	111.47	18.02	18.02	21.94	26.52	11.39	51.34	14.08
2/5/2008	88.90	119.36	17.52	17.52	21.42	26.75	10.98	51.14	13.39
2/6/2008	86.20	115.37	17.15	17.15	20.90	25.31	10.75	50.13	13.42
2/7/2008	90.27	120.59	17.10	17.10	21.68	25.93	10.86	49.98	13.57
2/8/2008	88.85	119.00	16.85	16.85	21.53	25.90	10.61	49.12	13.58
2/11/2008	92.35	119.88	17.15	17.15	21.49	25.35	10.80	48.21	13.20
2/12/2008	91.44	119.84	17.48	17.48	21.25	25.76	10.61	48.45	13.13
2/13/2008	91.01	110.91	17.97	17.97	21.84	26.02	10.92	48.99	13.48
2/14/2008	91.14	107.40	17.23	17.23	21.11	25.30	10.72	48.61	13.40
2/15/2008	88.92	104.62	17.22	17.22	20.99	24.89	10.33	47.49	13.22
2/19/2008	87.74	105.51	17.28	17.28	20.28	25.25	10.49	47.62	13.27
2/20/2008	87.35	107.20	17.13	17.13	20.95	24.81	10.34	47.27	13.21
2/21/2008	85.76	102.36	16.16	16.16	19.63	23.36	10.12	46.12	13.39
2/22/2008	87.98	104.11	16.34	16.34	19.71	23.32	10.08	46.77	13.35
2/25/2008	89.35	105.62	16.50	16.50	20.25	24.28	10.03	46.31	13.33
2/26/2008	88.49	107.17	17.81	17.81	20.57	24.50	10.30	46.72	13.25
2/27/2008	87.25	104.53	17.74	17.74	19.97	24.28	10.06	47.13	13.25
2/28/2008	82.55	103.29	16.50	16.50	19.66	22.42	9.40	46.42	13.40
2/29/2008	83.30	100.70	15.66	15.66	19.39	21.09	9.05	45.83	13.35
3/3/2008	81.03	98.97	15.38	15.38	18.88	21.08	8.74	44.04	13.29
3/4/2008	79.58	97.28	15.42	15.42	18.59	20.73	8.08	44.00	13.03
3/5/2008	81.09	99.19	16.01	16.01	18.81	20.42	8.45	43.15	12.95
3/6/2008	78.35	95.00	14.66	14.66	17.95	19.02	7.97	41.57	12.40
3/7/2008	79.04	92.82	13.98	13.98	17.55	18.66	7.85	40.58	11.94
3/10/2008	78.67	91.41	13.25	13.25	17.26	18.58	7.50	39.07	12.38
3/11/2008	80.20	96.45	13.72	13.72	18.08	19.18	7.61	41.81	12.30
3/12/2008	78.65	97.05	13.77	13.77	18.46	18.96	7.60	43.99	12.32
3/13/2008	77.73	97.26	13.50	13.50	18.24	19.50	7.61	43.96	11.95
3/14/2008	74.82	96.67	13.29	13.29	18.60	19.50	7.28	41.87	12.00
3/17/2008	71.85	96.94	12.81	12.81	18.00	18.55	6.97	39.00	11.69
3/18/2008	74.84	99.01	13.69	13.69	18.87	19.50	7.29	41.20	11.89
3/19/2008	72.65	97.53	13.78	13.78	18.77	18.84	7.24	40.76	11.53
3/20/2008	76.96	101.39	13.99	13.99	19.62	19.78	7.24	41.56	11.48
3/24/2008	82.90	107.28	15.22	15.22	20.58	21.18	7.45	42.20	11.75
3/25/2008	82.83	108.87	14.70	14.70	19.97	21.47	7.41	44.94	11.88
3/26/2008	79.34	108.32	14.08	14.08	19.10	21.00	7.21	43.79	11.79
3/27/2008	76.12	103.78	13.43	13.43	18.46	20.44	7.24	44.02	11.71

Indexed Stock Prices (to 11/7/07)

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
1/17/2008	68%	70%	58%	58%	66%	64%	54%	86%	95%
1/18/2008	69%	73%	55%	55%	63%	62%	52%	90%	93%
1/22/2008	73%	73%	55%	55%	65%	63%	53%	88%	91%
1/23/2008	79%	79%	61%	61%	66%	65%	57%	90%	92%
1/24/2008	77%	79%	62%	62%	69%	66%	58%	91%	96%
1/25/2008	75%	75%	62%	62%	70%	64%	56%	90%	96%
1/28/2008	77%	80%	62%	62%	71%	64%	58%	88%	94%
1/29/2008	80%	81%	64%	64%	73%	65%	58%	86%	97%
1/30/2008	77%	79%	62%	62%	72%	63%	55%	84%	94%
1/31/2008	81%	83%	64%	64%	73%	67%	58%	85%	91%
2/1/2008	81%	84%	66%	66%	76%	69%	60%	83%	98%
2/4/2008	75%	81%	63%	63%	73%	67%	59%	83%	99%
2/5/2008	82%	86%	61%	61%	71%	67%	57%	83%	94%
2/6/2008	79%	83%	60%	60%	69%	64%	56%	81%	94%
2/7/2008	83%	87%	60%	60%	72%	65%	56%	81%	95%
2/8/2008	82%	86%	59%	59%	72%	65%	55%	80%	95%
2/11/2008	85%	87%	60%	60%	71%	64%	56%	78%	93%
2/12/2008	84%	87%	61%	61%	71%	65%	55%	79%	92%
2/13/2008	84%	80%	63%	63%	73%	65%	57%	80%	95%
2/14/2008	84%	78%	60%	60%	70%	64%	56%	79%	94%
2/15/2008	82%	76%	60%	60%	70%	63%	54%	77%	93%
2/19/2008	81%	76%	61%	61%	67%	63%	55%	77%	93%
2/20/2008	80%	77%	60%	60%	70%	62%	54%	77%	93%
2/21/2008	79%	74%	57%	57%	65%	59%	53%	75%	94%
2/22/2008	81%	75%	57%	57%	65%	59%	52%	76%	94%
2/25/2008	82%	76%	58%	58%	67%	61%	52%	75%	94%
2/26/2008	81%	77%	62%	62%	68%	62%	54%	76%	93%
2/27/2008	80%	76%	62%	62%	66%	61%	52%	77%	93%
2/28/2008	76%	75%	58%	58%	65%	56%	49%	75%	94%
2/29/2008	77%	73%	55%	55%	64%	53%	47%	74%	94%
3/3/2008	74%	71%	54%	54%	63%	53%	45%	72%	93%
3/4/2008	73%	70%	54%	54%	62%	52%	42%	71%	91%
3/5/2008	74%	72%	56%	56%	62%	51%	44%	70%	91%
3/6/2008	72%	69%	51%	51%	60%	48%	41%	68%	87%
3/7/2008	73%	67%	49%	49%	58%	47%	41%	66%	84%
3/10/2008	72%	66%	46%	46%	57%	47%	39%	63%	87%
3/11/2008	74%	70%	48%	48%	60%	48%	40%	68%	86%
3/12/2008	72%	70%	48%	48%	61%	48%	40%	71%	86%
3/13/2008	71%	70%	47%	47%	61%	49%	40%	71%	84%
3/14/2008	69%	70%	47%	47%	62%	49%	38%	68%	84%
3/17/2008	66%	70%	45%	45%	60%	47%	36%	63%	82%
3/18/2008	69%	72%	48%	48%	63%	49%	38%	67%	83%
3/19/2008	67%	70%	48%	48%	62%	47%	38%	66%	81%
3/20/2008	71%	73%	49%	49%	65%	50%	38%	67%	81%
3/24/2008	76%	77%	53%	53%	68%	53%	39%	69%	82%
3/25/2008	76%	79%	52%	52%	66%	54%	39%	73%	83%
3/26/2008	73%	78%	49%	49%	63%	53%	37%	71%	83%
3/27/2008	70%	75%	47%	47%	61%	51%	38%	71%	82%

Stock Price History of Gaming Peer Group

Stock Price History (adjusted for splits and dividends)
November 7, 2007 to March 2, 2009

Closing Stock Prices from Capital IQ

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
3/28/2008	73.59	100.23	12.70	12.70	18.20	19.64	7.02	43.31	11.33
3/31/2008	73.64	100.64	12.80	12.80	18.25	20.00	7.15	43.73	11.37
4/1/2008	77.62	111.19	13.66	13.66	19.02	21.18	7.53	44.41	11.28
4/2/2008	78.51	112.48	14.17	14.17	19.00	21.06	7.92	44.38	11.38
4/3/2008	80.10	116.43	14.30	14.30	18.65	21.23	7.76	45.24	11.22
4/4/2008	79.04	112.87	14.73	14.73	18.73	20.88	7.81	44.86	11.45
4/7/2008	80.79	112.36	14.59	14.59	18.55	20.54	8.08	44.74	11.51
4/8/2008	81.50	110.72	14.76	14.76	18.60	20.10	8.06	44.09	11.56
4/9/2008	80.14	108.83	14.42	14.42	18.12	18.95	7.69	42.64	11.32
4/10/2008	79.74	107.97	14.20	14.20	18.19	19.49	7.85	42.49	10.95
4/11/2008	76.55	102.85	13.40	13.40	17.62	18.70	7.62	42.11	11.00
4/14/2008	74.02	100.69	12.95	12.95	16.85	17.93	7.21	42.04	10.75
4/15/2008	69.03	98.06	12.57	12.57	16.12	17.32	6.62	41.39	10.79
4/16/2008	69.17	100.13	13.09	13.09	16.05	17.57	6.89	40.05	10.70
4/17/2008	67.10	96.06	13.27	13.27	16.26	17.60	7.00	40.36	10.54
4/18/2008	67.77	98.46	13.92	13.92	16.45	18.62	6.99	40.61	10.72
4/21/2008	65.03	95.54	13.56	13.56	16.27	17.87	6.89	40.00	10.32
4/22/2008	70.99	102.64	14.37	14.37	16.04	17.57	6.82	40.15	10.18
4/23/2008	69.60	105.95	14.16	14.16	15.69	17.66	6.64	39.62	10.09
4/24/2008	70.44	109.85	14.36	14.36	15.94	18.02	6.77	40.43	10.36
4/25/2008	70.29	108.01	14.41	14.41	16.45	18.10	6.91	40.79	10.34
4/28/2008	71.78	107.75	15.71	15.71	16.81	18.92	6.99	40.74	10.10
4/29/2008	73.83	109.22	15.08	15.08	17.09	19.21	6.80	42.19	9.90
4/30/2008	76.22	105.34	15.52	15.52	17.17	18.75	6.74	42.72	10.15
5/1/2008	71.93	108.19	16.00	16.00	18.01	18.69	6.89	43.31	10.61
5/2/2008	72.89	108.03	16.15	16.15	17.83	19.29	6.96	44.75	10.80
5/5/2008	73.00	105.65	15.37	15.37	17.52	18.53	6.72	43.84	10.93
5/6/2008	74.60	107.95	16.21	16.21	17.84	19.43	6.60	43.90	10.89
5/7/2008	72.18	102.02	15.07	15.07	17.14	18.57	6.33	42.12	10.78
5/8/2008	71.65	102.15	14.37	14.37	17.25	18.19	6.15	41.55	10.70
5/9/2008	71.73	103.02	14.83	14.83	17.93	18.25	6.32	40.59	10.72
5/12/2008	70.96	103.85	14.52	14.52	17.95	18.23	6.42	44.06	10.90
5/13/2008	69.97	102.62	14.86	14.86	17.90	17.91	6.47	44.96	10.66
5/14/2008	72.00	105.30	15.62	15.62	18.42	18.37	6.80	45.37	10.72
5/15/2008	76.01	108.97	15.92	15.92	18.54	18.81	6.97	44.31	10.88
5/16/2008	76.09	109.52	15.05	15.05	18.14	18.17	6.94	43.40	10.76
5/19/2008	72.76	108.42	15.04	15.04	18.21	18.02	7.08	43.54	10.76
5/20/2008	70.49	105.08	14.68	14.68	18.06	17.42	7.08	43.43	10.28
5/21/2008	67.72	101.62	14.05	14.05	17.36	16.69	6.85	44.50	10.30
5/22/2008	67.85	102.63	14.08	14.08	17.21	16.34	6.87	44.24	10.58
5/23/2008	67.05	99.74	13.98	13.98	16.94	15.53	6.60	43.63	10.46
5/27/2008	66.22	100.00	13.84	13.84	16.98	15.33	6.55	43.41	10.16
5/28/2008	66.80	99.84	14.01	14.01	17.25	16.43	6.51	45.05	10.14
5/29/2008	67.50	102.03	14.24	14.24	18.00	16.42	6.87	46.41	10.08
5/30/2008	69.44	100.03	13.87	13.87	17.82	15.95	6.85	46.42	10.00
6/2/2008	67.54	99.79	13.51	13.51	17.60	15.45	6.64	46.42	10.09
6/3/2008	64.11	99.54	13.58	13.58	17.53	15.82	6.78	45.76	9.95
6/4/2008	63.15	99.21	13.46	13.46	17.63	15.95	6.84	45.30	9.93

Indexed Stock Prices (to 11/7/07)

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
3/28/2008	68%	72%	45%	45%	60%	49%	37%	70%	80%
3/31/2008	68%	73%	45%	45%	61%	50%	37%	71%	80%
4/1/2008	71%	80%	48%	48%	63%	53%	39%	72%	79%
4/2/2008	72%	81%	50%	50%	63%	53%	41%	72%	80%
4/3/2008	74%	84%	50%	50%	62%	53%	40%	73%	79%
4/4/2008	73%	82%	52%	52%	62%	52%	41%	73%	80%
4/7/2008	74%	81%	51%	51%	62%	52%	42%	73%	81%
4/8/2008	75%	80%	52%	52%	62%	51%	42%	72%	81%
4/9/2008	74%	79%	51%	51%	60%	48%	40%	69%	79%
4/10/2008	73%	78%	50%	50%	60%	49%	41%	69%	77%
4/11/2008	70%	74%	47%	47%	59%	47%	40%	68%	77%
4/14/2008	68%	73%	45%	45%	56%	45%	37%	68%	75%
4/15/2008	63%	71%	44%	44%	54%	44%	34%	67%	76%
4/16/2008	64%	72%	46%	46%	53%	44%	36%	65%	75%
4/17/2008	62%	69%	47%	47%	54%	44%	36%	66%	74%
4/18/2008	62%	71%	49%	49%	55%	47%	36%	66%	75%
4/21/2008	60%	69%	48%	48%	54%	45%	36%	65%	72%
4/22/2008	65%	74%	50%	50%	53%	44%	35%	65%	71%
4/23/2008	64%	77%	50%	50%	52%	44%	35%	64%	71%
4/24/2008	65%	79%	50%	50%	53%	45%	35%	66%	73%
4/25/2008	65%	78%	51%	51%	55%	46%	36%	66%	73%
4/28/2008	66%	78%	55%	55%	56%	48%	36%	66%	71%
4/29/2008	68%	79%	53%	53%	57%	48%	35%	69%	69%
4/30/2008	70%	76%	54%	54%	57%	47%	35%	69%	71%
5/1/2008	66%	78%	56%	56%	60%	47%	36%	70%	74%
5/2/2008	67%	78%	57%	57%	59%	48%	36%	73%	76%
5/5/2008	67%	76%	54%	54%	58%	47%	35%	71%	77%
5/6/2008	69%	78%	57%	57%	59%	49%	34%	71%	76%
5/7/2008	66%	74%	53%	53%	57%	47%	33%	68%	76%
5/8/2008	66%	74%	50%	50%	57%	46%	32%	67%	75%
5/9/2008	66%	74%	52%	52%	60%	46%	33%	66%	75%
5/12/2008	65%	75%	51%	51%	60%	46%	33%	72%	76%
5/13/2008	64%	74%	52%	52%	59%	45%	34%	73%	75%
5/14/2008	66%	76%	55%	55%	61%	46%	35%	74%	75%
5/15/2008	70%	79%	56%	56%	62%	47%	36%	72%	76%
5/16/2008	70%	79%	53%	53%	60%	46%	36%	70%	76%
5/19/2008	67%	78%	53%	53%	60%	45%	37%	71%	76%
5/20/2008	65%	76%	52%	52%	60%	44%	37%	71%	72%
5/21/2008	62%	73%	49%	49%	58%	42%	36%	72%	72%
5/22/2008	62%	74%	49%	49%	57%	41%	36%	72%	74%
5/23/2008	62%	72%	49%	49%	56%	39%	34%	71%	73%
5/27/2008	61%	72%	49%	49%	56%	39%	34%	70%	71%
5/28/2008	61%	72%	49%	49%	57%	41%	34%	73%	71%
5/29/2008	62%	74%	50%	50%	60%	41%	36%	75%	71%
5/30/2008	64%	72%	49%	49%	59%	40%	36%	75%	70%
6/2/2008	62%	72%	47%	47%	58%	39%	35%	75%	71%
6/3/2008	59%	72%	48%	48%	58%	40%	35%	74%	70%
6/4/2008	58%	72%	47%	47%	59%	40%	36%	74%	70%

Stock Price History of Gaming Peer Group

Stock Price History (adjusted for splits and dividends)
November 7, 2007 to March 2, 2009

Closing Stock Prices from Capital IQ

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
6/5/2008	64.11	99.73	13.96	13.96	18.02	16.66	7.11	46.14	9.90
6/6/2008	61.65	94.79	13.23	13.23	17.58	15.73	6.95	45.76	9.79
6/9/2008	59.91	90.95	13.17	13.17	17.36	15.02	6.85	44.11	9.78
6/10/2008	56.55	87.96	12.92	12.92	17.57	15.48	7.06	43.48	9.65
6/11/2008	53.77	88.51	12.29	12.29	17.36	15.22	6.77	42.90	9.36
6/12/2008	54.19	89.00	12.09	12.09	18.13	15.72	6.93	44.00	9.30
6/13/2008	55.84	92.19	12.62	12.62	18.71	16.83	7.04	44.62	9.53
6/16/2008	59.56	94.41	13.02	13.02	18.57	17.04	7.45	45.03	9.35
6/17/2008	59.13	95.08	13.08	13.08	18.67	16.57	7.21	44.20	9.33
6/18/2008	57.09	93.41	12.71	12.71	17.75	15.21	6.95	43.10	9.20
6/19/2008	57.50	92.71	13.12	13.12	17.99	15.73	6.86	40.49	9.28
6/20/2008	54.96	88.40	12.26	12.26	16.61	14.62	6.44	37.04	8.99
6/23/2008	54.62	86.73	11.68	11.68	15.52	13.74	6.26	34.63	8.86
6/24/2008	53.22	85.00	10.75	10.75	14.50	13.27	5.93	32.50	9.14
6/25/2008	53.38	87.49	11.46	11.46	15.18	13.62	6.01	34.14	9.00
6/26/2008	50.19	83.50	10.94	10.94	14.20	12.72	5.79	34.00	9.00
6/27/2008	47.10	79.81	10.80	10.80	14.11	12.40	5.17	33.99	9.05
6/30/2008	47.44	81.35	10.49	10.49	13.82	12.56	4.79	32.15	9.08
7/1/2008	44.87	82.10	9.92	9.92	13.28	11.60	4.45	29.73	9.08
7/2/2008	42.44	79.26	9.63	9.63	12.84	11.28	4.20	28.60	8.97
7/3/2008	39.47	78.94	9.41	9.41	13.44	10.87	4.23	29.66	9.04
7/7/2008	39.30	82.01	9.03	9.03	13.44	10.75	4.73	29.87	8.83
7/8/2008	40.18	83.50	9.38	9.38	13.61	11.01	4.64	30.79	9.16
7/9/2008	38.13	77.56	8.67	8.67	13.54	9.94	4.72	29.35	9.19
7/10/2008	34.01	69.94	8.18	8.18	13.00	9.28	4.44	27.06	9.12
7/11/2008	34.09	78.14	8.47	8.47	12.41	9.06	4.54	24.47	9.00
7/14/2008	33.55	77.29	8.54	8.54	11.77	8.91	4.53	25.00	8.92
7/15/2008	33.19	75.61	8.00	8.00	11.60	8.75	4.50	25.03	8.77
7/16/2008	35.21	79.54	8.27	8.27	12.06	8.59	5.11	26.53	8.96
7/17/2008	37.74	84.07	10.02	10.02	12.48	9.53	5.09	27.93	9.32
7/18/2008	38.58	88.03	10.53	10.53	12.14	9.15	5.43	27.93	9.85
7/21/2008	42.20	93.43	10.88	10.88	12.31	9.37	5.94	27.32	9.48
7/22/2008	49.00	97.81	11.64	11.64	12.84	10.28	6.72	28.62	9.44
7/23/2008	52.12	99.81	11.75	11.75	13.31	11.14	6.70	28.75	9.32
7/24/2008	45.66	91.59	10.54	10.54	12.30	9.65	5.98	27.38	9.14
7/25/2008	43.88	90.04	10.73	10.73	12.35	9.45	6.11	28.00	8.97
7/28/2008	42.08	91.67	10.60	10.60	12.45	9.22	6.16	28.55	8.80
7/29/2008	44.03	99.00	11.56	11.56	13.03	10.01	6.41	29.11	8.55
7/30/2008	47.82	97.39	11.13	11.13	13.03	9.48	6.22	28.12	8.59
7/31/2008	45.52	97.48	11.30	11.30	13.17	9.98	6.64	28.53	8.64
8/1/2008	45.37	95.58	11.35	11.35	12.82	12.01	6.53	27.99	8.47
8/4/2008	44.47	94.35	11.27	11.27	13.15	12.22	6.47	29.13	8.47
8/5/2008	47.22	99.15	12.08	12.08	13.25	14.31	6.75	29.74	9.11
8/6/2008	49.80	105.24	12.20	12.20	13.74	14.26	6.93	30.05	8.92
8/7/2008	48.60	101.82	11.39	11.39	13.33	13.09	6.60	29.34	8.94
8/8/2008	50.95	107.60	11.78	11.78	14.48	13.87	7.00	30.71	9.14
8/11/2008	53.66	114.67	12.06	12.06	14.67	14.01	7.71	31.53	9.00
8/12/2008	55.39	108.35	12.58	12.58	15.42	14.04	7.59	32.45	9.07

Indexed Stock Prices (to 11/7/07)

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
6/5/2008	59%	72%	49%	49%	60%	42%	37%	75%	69%
6/6/2008	57%	68%	46%	46%	58%	40%	36%	74%	69%
6/9/2008	55%	66%	46%	46%	58%	38%	36%	72%	69%
6/10/2008	52%	64%	45%	45%	58%	39%	37%	71%	68%
6/11/2008	49%	64%	43%	43%	58%	38%	35%	70%	66%
6/12/2008	50%	64%	42%	42%	60%	40%	36%	71%	65%
6/13/2008	51%	67%	44%	44%	62%	42%	37%	72%	67%
6/16/2008	55%	68%	46%	46%	62%	43%	39%	73%	66%
6/17/2008	54%	69%	46%	46%	62%	42%	37%	72%	65%
6/18/2008	52%	67%	45%	45%	59%	38%	36%	70%	65%
6/19/2008	53%	67%	46%	46%	60%	40%	36%	66%	65%
6/20/2008	50%	64%	43%	43%	55%	37%	33%	60%	63%
6/23/2008	50%	63%	41%	41%	52%	35%	33%	56%	62%
6/24/2008	49%	61%	38%	38%	48%	33%	31%	53%	64%
6/25/2008	49%	63%	40%	40%	50%	34%	31%	55%	63%
6/26/2008	46%	60%	38%	38%	47%	32%	30%	55%	63%
6/27/2008	43%	58%	38%	38%	47%	31%	27%	55%	64%
6/30/2008	44%	59%	37%	37%	46%	32%	25%	52%	64%
7/1/2008	41%	59%	35%	35%	44%	29%	23%	48%	64%
7/2/2008	39%	57%	34%	34%	43%	28%	22%	46%	63%
7/3/2008	36%	57%	33%	33%	45%	27%	22%	48%	63%
7/7/2008	36%	59%	32%	32%	45%	27%	25%	49%	62%
7/8/2008	37%	60%	33%	33%	45%	28%	24%	50%	64%
7/9/2008	35%	56%	30%	30%	45%	25%	25%	48%	64%
7/10/2008	31%	51%	29%	29%	43%	23%	23%	44%	64%
7/11/2008	31%	56%	30%	30%	41%	23%	24%	40%	63%
7/14/2008	31%	56%	30%	30%	39%	22%	24%	41%	63%
7/15/2008	30%	55%	28%	28%	39%	22%	23%	41%	62%
7/16/2008	32%	57%	29%	29%	40%	22%	27%	43%	63%
7/17/2008	35%	61%	35%	35%	41%	24%	26%	45%	65%
7/18/2008	35%	64%	37%	37%	40%	23%	28%	45%	69%
7/21/2008	39%	67%	38%	38%	41%	24%	31%	44%	67%
7/22/2008	45%	71%	41%	41%	43%	26%	35%	46%	66%
7/23/2008	48%	72%	41%	41%	44%	28%	35%	47%	65%
7/24/2008	42%	66%	37%	37%	41%	24%	31%	44%	64%
7/25/2008	40%	65%	38%	38%	41%	24%	32%	45%	63%
7/28/2008	39%	66%	37%	37%	41%	23%	32%	46%	62%
7/29/2008	40%	72%	41%	41%	43%	25%	33%	47%	60%
7/30/2008	44%	70%	39%	39%	43%	24%	32%	46%	60%
7/31/2008	42%	70%	40%	40%	44%	25%	35%	46%	61%
8/1/2008	42%	69%	40%	40%	43%	30%	34%	45%	59%
8/4/2008	41%	68%	40%	40%	44%	31%	34%	47%	59%
8/5/2008	43%	72%	42%	42%	44%	36%	35%	48%	64%
8/6/2008	46%	76%	43%	43%	46%	36%	36%	49%	63%
8/7/2008	45%	74%	40%	40%	44%	33%	34%	48%	63%
8/8/2008	47%	78%	41%	41%	48%	35%	36%	50%	64%
8/11/2008	49%	83%	42%	42%	49%	35%	40%	51%	63%
8/12/2008	51%	78%	44%	44%	51%	35%	39%	53%	64%

Stock Price History of Gaming Peer Group

Stock Price History (adjusted for splits and dividends)
November 7, 2007 to March 2, 2009

Closing Stock Prices from Capital IQ

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
8/13/2008	51.37	102.73	12.04	12.04	15.38	13.31	7.10	32.64	9.00
8/14/2008	56.87	107.15	12.86	12.86	16.24	13.67	7.41	33.84	8.94
8/15/2008	56.30	105.96	12.80	12.80	16.43	13.52	7.68	33.98	9.10
8/18/2008	50.93	100.39	11.61	11.61	15.53	11.73	7.31	32.53	8.97
8/19/2008	45.53	96.05	10.03	10.03	14.85	11.08	6.99	31.23	8.58
8/20/2008	41.80	91.82	10.40	10.40	14.87	11.05	6.64	31.95	8.58
8/21/2008	41.02	90.21	10.20	10.20	15.00	11.16	6.58	32.07	8.38
8/22/2008	40.33	95.64	10.87	10.87	15.95	11.89	6.98	33.40	8.55
8/25/2008	40.89	91.80	10.19	10.19	15.46	11.33	6.71	32.03	8.42
8/26/2008	40.12	91.77	10.24	10.24	15.66	11.52	6.86	31.37	8.40
8/27/2008	42.56	91.98	10.60	10.60	16.32	11.68	6.97	32.12	8.51
8/28/2008	45.85	96.00	11.20	11.20	16.72	12.16	7.25	33.58	8.65
8/29/2008	47.41	95.42	11.09	11.09	16.54	12.19	7.16	33.82	8.56
9/2/2008	46.83	95.24	11.47	11.47	17.65	12.40	7.27	33.87	8.61
9/3/2008	45.04	94.85	11.60	11.60	17.23	12.12	8.02	32.98	8.59
9/4/2008	42.10	90.37	10.49	10.49	16.06	11.76	8.27	31.67	8.46
9/5/2008	42.62	89.17	10.46	10.46	15.91	11.75	8.20	32.15	8.31
9/8/2008	43.17	90.19	10.71	10.71	16.43	12.60	9.02	32.10	8.35
9/9/2008	41.32	85.22	9.95	9.95	16.16	11.55	8.71	30.53	8.15
9/10/2008	36.84	82.16	10.10	10.10	16.12	11.42	9.08	30.84	7.83
9/11/2008	37.12	87.32	10.34	10.34	16.26	11.59	8.75	31.37	7.75
9/12/2008	37.71	87.49	9.88	9.88	15.98	11.38	8.65	31.23	7.63
9/15/2008	35.33	83.67	9.82	9.82	15.55	10.90	8.11	29.84	6.85
9/16/2008	36.13	85.34	10.09	10.09	16.84	11.14	7.88	30.06	6.58
9/17/2008	31.83	80.56	9.09	9.09	15.50	10.20	7.38	29.03	6.69
9/18/2008	36.89	92.47	9.46	9.46	16.52	11.33	7.50	29.21	6.65
9/19/2008	43.80	94.99	10.33	10.33	16.96	11.32	7.89	30.75	7.20
9/22/2008	36.05	89.18	9.57	9.57	15.53	10.04	7.44	29.47	7.05
9/23/2008	33.24	88.14	9.20	9.20	15.72	10.03	7.50	29.25	6.65
9/24/2008	33.30	88.10	8.38	8.38	15.44	9.78	7.51	28.97	6.78
9/25/2008	35.15	86.23	8.49	8.49	15.51	9.84	7.81	27.64	6.74
9/26/2008	38.25	84.97	8.03	8.03	15.85	9.65	7.74	28.29	6.67
9/29/2008	33.10	77.93	6.88	6.88	13.84	8.79	7.71	25.24	6.37
9/30/2008	36.11	81.64	7.56	7.56	14.19	9.36	9.02	26.57	6.35
10/1/2008	31.32	80.19	7.54	7.54	14.06	9.62	8.66	25.55	6.33
10/2/2008	26.51	73.84	6.44	6.44	11.98	8.85	8.30	23.37	6.00
10/3/2008	23.11	70.42	5.93	5.93	11.13	8.04	6.39	20.03	6.06
10/6/2008	20.85	67.77	5.35	5.35	9.09	7.20	6.10	19.29	5.34
10/7/2008	16.99	60.00	4.91	4.91	7.25	6.57	4.91	15.91	4.99
10/8/2008	16.68	60.20	5.16	5.16	6.65	7.04	4.74	15.00	5.08
10/9/2008	13.85	56.24	4.68	4.68	5.74	6.15	4.60	14.71	5.40
10/10/2008	14.05	59.48	4.97	4.97	5.84	5.80	4.66	15.65	5.00
10/13/2008	14.00	63.37	5.00	5.00	6.93	6.71	5.28	17.62	5.00
10/14/2008	13.48	59.20	5.00	5.00	6.68	6.00	5.55	17.85	5.16
10/15/2008	10.94	49.30	4.65	4.65	6.00	5.78	4.53	15.26	4.54
10/16/2008	11.83	52.54	4.84	4.84	5.80	5.00	4.82	15.00	5.02
10/17/2008	13.06	57.52	4.82	4.82	6.30	5.22	4.65	14.98	5.07
10/20/2008	12.26	52.41	5.01	5.01	6.44	5.15	4.77	14.91	5.50

Indexed Stock Prices (to 11/7/07)

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
8/13/2008	47%	74%	42%	42%	51%	33%	37%	53%	63%
8/14/2008	52%	77%	45%	45%	54%	34%	39%	55%	63%
8/15/2008	52%	77%	45%	45%	55%	34%	40%	55%	64%
8/18/2008	47%	73%	41%	41%	52%	29%	38%	53%	63%
8/19/2008	42%	69%	35%	35%	49%	28%	36%	51%	60%
8/20/2008	38%	66%	36%	36%	49%	28%	35%	52%	60%
8/21/2008	38%	65%	36%	36%	50%	28%	34%	52%	59%
8/22/2008	37%	69%	38%	38%	53%	30%	36%	54%	60%
8/25/2008	38%	66%	36%	36%	51%	28%	35%	52%	59%
8/26/2008	37%	66%	36%	36%	52%	29%	36%	51%	59%
8/27/2008	39%	66%	37%	37%	54%	29%	36%	52%	60%
8/28/2008	42%	69%	39%	39%	56%	31%	38%	55%	61%
8/29/2008	44%	69%	39%	39%	55%	31%	37%	55%	60%
9/2/2008	43%	69%	40%	40%	59%	31%	38%	55%	60%
9/3/2008	41%	69%	41%	41%	57%	30%	42%	54%	60%
9/4/2008	39%	65%	37%	37%	53%	30%	43%	51%	59%
9/5/2008	39%	64%	37%	37%	53%	30%	43%	52%	58%
9/8/2008	40%	65%	38%	38%	55%	32%	47%	52%	59%
9/9/2008	38%	62%	35%	35%	54%	29%	45%	50%	57%
9/10/2008	34%	59%	35%	35%	54%	29%	47%	50%	55%
9/11/2008	34%	63%	36%	36%	54%	29%	46%	51%	54%
9/12/2008	35%	63%	35%	35%	53%	29%	45%	51%	54%
9/15/2008	32%	60%	34%	34%	52%	27%	42%	48%	48%
9/16/2008	33%	62%	35%	35%	56%	28%	41%	49%	46%
9/17/2008	29%	58%	32%	32%	51%	26%	38%	47%	47%
9/18/2008	34%	67%	33%	33%	55%	28%	39%	47%	47%
9/19/2008	40%	69%	36%	36%	56%	28%	41%	50%	51%
9/22/2008	33%	64%	34%	34%	52%	25%	39%	48%	49%
9/23/2008	31%	64%	32%	32%	52%	25%	39%	47%	47%
9/24/2008	31%	64%	29%	29%	51%	25%	39%	47%	48%
9/25/2008	32%	62%	30%	30%	52%	25%	41%	45%	47%
9/26/2008	35%	61%	28%	28%	53%	24%	40%	46%	47%
9/29/2008	30%	56%	24%	24%	46%	22%	40%	41%	45%
9/30/2008	33%	59%	27%	27%	47%	24%	47%	43%	45%
10/1/2008	29%	58%	26%	26%	47%	24%	45%	41%	44%
10/2/2008	24%	53%	23%	23%	40%	22%	43%	38%	42%
10/3/2008	21%	51%	21%	21%	37%	20%	33%	33%	43%
10/6/2008	19%	49%	19%	19%	30%	18%	32%	31%	37%
10/7/2008	16%	43%	17%	17%	24%	17%	26%	26%	35%
10/8/2008	15%	43%	18%	18%	22%	18%	25%	24%	36%
10/9/2008	13%	41%	16%	16%	19%	15%	24%	24%	38%
10/10/2008	13%	43%	17%	17%	19%	15%	24%	25%	35%
10/13/2008	13%	46%	18%	18%	23%	17%	27%	29%	35%
10/14/2008	12%	43%	18%	18%	22%	15%	29%	29%	36%
10/15/2008	10%	36%	16%	16%	20%	15%	24%	25%	32%
10/16/2008	11%	38%	17%	17%	19%	13%	25%	24%	35%
10/17/2008	12%	42%	17%	17%	21%	13%	24%	24%	36%
10/20/2008	11%	38%	18%	18%	21%	13%	25%	24%	39%

Stock Price History of Gaming Peer Group

Stock Price History (adjusted for splits and dividends)
November 7, 2007 to March 2, 2009
Closing Stock Prices from Capital IQ

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
10/21/2008	12.43	49.12	4.95	4.95	6.50	5.18	4.70	15.00	5.38
10/22/2008	11.71	46.38	4.52	4.52	6.60	4.85	4.33	14.20	5.00
10/23/2008	8.21	42.38	3.96	3.96	6.23	4.20	4.11	13.30	4.84
10/24/2008	6.32	36.59	2.97	2.97	5.91	4.01	3.57	12.76	4.80
10/27/2008	5.80	33.46	2.97	2.97	5.93	3.83	3.55	13.35	4.51
10/28/2008	4.95	32.88	2.75	2.75	6.86	4.38	3.59	13.25	4.74
10/29/2008	8.91	41.05	4.42	4.42	8.17	5.63	4.11	17.11	4.86
10/30/2008	10.38	46.50	4.85	4.85	8.28	5.75	4.61	18.88	5.10
10/31/2008	14.19	60.40	5.60	5.60	9.21	6.80	5.09	19.26	5.00
11/3/2008	14.09	51.59	5.41	5.41	9.04	6.45	4.82	20.07	5.15
11/4/2008	13.38	51.63	5.94	5.94	8.87	6.60	5.29	19.95	5.50
11/5/2008	11.66	47.39	6.31	6.31	9.22	6.05	4.96	19.09	5.49
11/6/2008	7.85	45.70	5.78	5.78	7.95	5.36	4.55	17.59	4.96
11/7/2008	7.03	46.04	6.25	6.25	7.69	5.21	4.02	18.83	4.96
11/10/2008	8.00	46.82	5.71	5.71	7.69	4.90	3.84	17.66	5.00
11/11/2008	5.34	50.10	5.04	5.04	7.61	4.48	3.46	16.69	4.72
11/12/2008	5.10	45.25	4.39	4.39	6.81	3.96	3.28	15.23	4.11
11/13/2008	5.58	44.76	4.25	4.25	6.94	4.49	3.61	16.95	3.99
11/14/2008	6.11	43.00	4.07	4.07	6.16	4.21	3.25	16.37	3.51
11/17/2008	6.53	39.46	4.15	4.15	6.39	3.90	3.10	16.30	3.44
11/18/2008	6.26	38.92	3.87	3.87	6.42	3.90	3.26	15.87	3.11
11/19/2008	5.07	33.57	3.34	3.34	5.79	3.21	2.68	14.64	3.28
11/20/2008	3.90	31.25	2.82	2.82	5.32	3.02	2.37	14.74	3.23
11/21/2008	3.23	32.02	3.11	3.11	5.29	3.29	2.86	15.12	3.25
11/24/2008	3.69	37.76	4.05	4.05	5.55	3.75	2.94	18.35	3.80
11/25/2008	4.31	37.84	4.48	4.48	5.93	3.98	2.79	19.08	3.11
11/26/2008	4.85	41.50	5.60	5.60	7.04	4.34	3.05	20.51	3.29
11/28/2008	5.17	39.82	5.70	5.70	7.66	4.40	3.36	21.20	3.70
12/1/2008	4.00	33.87	4.64	4.64	6.36	3.78	2.73	18.90	3.39
12/2/2008	4.64	37.58	4.97	4.97	6.94	4.23	3.53	20.01	3.39
12/3/2008	5.03	40.02	5.67	5.67	7.12	4.48	3.18	20.73	3.18
12/4/2008	4.64	37.90	5.51	5.51	6.83	4.20	2.95	19.77	3.17
12/5/2008	5.11	40.61	6.11	6.11	7.22	4.40	3.27	20.44	3.04
12/8/2008	5.95	44.40	6.48	6.48	8.36	4.55	3.49	22.22	3.24
12/9/2008	5.53	41.70	6.40	6.40	7.93	4.32	3.54	20.85	3.14
12/10/2008	5.31	44.30	6.62	6.62	8.25	4.28	3.22	21.39	3.10
12/11/2008	5.81	40.70	6.49	6.49	7.63	4.06	3.00	20.30	3.13
12/12/2008	5.94	42.08	7.06	7.06	8.47	4.03	3.01	20.92	3.10
12/15/2008	6.00	40.76	6.46	6.46	7.91	4.06	2.79	20.52	3.04
12/16/2008	6.25	45.49	7.33	7.33	8.56	4.48	3.29	21.36	3.01
12/17/2008	7.50	47.59	7.03	7.03	9.30	4.85	3.37	22.47	3.01
12/18/2008	6.60	44.62	6.91	6.91	9.36	4.92	3.24	22.03	3.02
12/19/2008	6.68	43.05	7.71	7.71	9.65	5.10	3.18	22.60	3.14
12/22/2008	5.79	42.16	7.65	7.65	8.59	4.52	3.14	21.14	3.24
12/23/2008	5.81	43.96	7.00	7.00	8.10	4.41	2.97	20.78	3.16
12/24/2008	5.88	43.97	7.18	7.18	8.42	4.40	2.93	20.91	3.10
12/26/2008	6.05	42.80	7.27	7.27	8.34	4.61	3.00	20.84	3.10
12/29/2008	5.89	41.90	7.02	7.02	7.69	4.36	2.87	20.88	3.25

Indexed Stock Prices (to 11/7/07)

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
10/21/2008	11%	35%	17%	17%	22%	13%	24%	24%	38%
10/22/2008	11%	34%	16%	16%	22%	12%	23%	23%	35%
10/23/2008	8%	31%	14%	14%	21%	11%	21%	22%	34%
10/24/2008	6%	26%	10%	10%	20%	10%	19%	21%	34%
10/27/2008	5%	24%	10%	10%	20%	10%	18%	22%	32%
10/28/2008	5%	24%	10%	10%	23%	11%	19%	22%	33%
10/29/2008	8%	30%	16%	16%	27%	14%	21%	28%	34%
10/30/2008	10%	34%	17%	17%	28%	14%	24%	31%	36%
10/31/2008	13%	44%	20%	20%	31%	17%	26%	31%	35%
11/3/2008	13%	37%	19%	19%	30%	16%	25%	33%	36%
11/4/2008	12%	37%	21%	21%	29%	17%	28%	32%	39%
11/5/2008	11%	34%	22%	22%	31%	15%	26%	31%	39%
11/6/2008	7%	33%	20%	20%	26%	13%	24%	29%	35%
11/7/2008	6%	33%	22%	22%	26%	13%	21%	31%	35%
11/10/2008	7%	34%	20%	20%	26%	12%	20%	29%	35%
11/11/2008	5%	36%	18%	18%	25%	11%	18%	27%	33%
11/12/2008	5%	33%	15%	15%	23%	10%	17%	25%	29%
11/13/2008	5%	32%	15%	15%	23%	11%	19%	28%	28%
11/14/2008	6%	31%	14%	14%	20%	11%	17%	27%	25%
11/17/2008	6%	29%	15%	15%	21%	10%	16%	26%	24%
11/18/2008	6%	28%	14%	14%	21%	10%	17%	26%	22%
11/19/2008	5%	24%	12%	12%	19%	8%	14%	24%	23%
11/20/2008	4%	23%	10%	10%	18%	8%	12%	24%	23%
11/21/2008	3%	23%	11%	11%	18%	8%	15%	25%	23%
11/24/2008	3%	27%	14%	14%	18%	9%	15%	30%	27%
11/25/2008	4%	27%	16%	16%	20%	10%	15%	31%	22%
11/26/2008	4%	30%	20%	20%	23%	11%	16%	33%	23%
11/28/2008	5%	29%	20%	20%	25%	11%	17%	34%	26%
12/1/2008	4%	24%	16%	16%	21%	10%	14%	31%	24%
12/2/2008	4%	27%	17%	17%	23%	11%	18%	32%	24%
12/3/2008	5%	29%	20%	20%	24%	11%	17%	34%	22%
12/4/2008	4%	27%	19%	19%	23%	11%	15%	32%	22%
12/5/2008	5%	29%	21%	21%	24%	11%	17%	33%	21%
12/8/2008	5%	32%	23%	23%	28%	11%	18%	36%	23%
12/9/2008	5%	30%	22%	22%	26%	11%	18%	34%	22%
12/10/2008	5%	32%	23%	23%	27%	11%	17%	35%	22%
12/11/2008	5%	29%	23%	23%	25%	10%	16%	33%	22%
12/12/2008	5%	30%	25%	25%	28%	10%	16%	34%	22%
12/15/2008	6%	29%	23%	23%	26%	10%	15%	33%	21%
12/16/2008	6%	33%	26%	26%	28%	11%	17%	35%	21%
12/17/2008	7%	34%	25%	25%	31%	12%	18%	36%	21%
12/18/2008	6%	32%	24%	24%	31%	12%	17%	36%	21%
12/19/2008	6%	31%	27%	27%	32%	13%	17%	37%	22%
12/22/2008	5%	30%	27%	27%	29%	11%	16%	34%	23%
12/23/2008	5%	32%	25%	25%	27%	11%	15%	34%	22%
12/24/2008	5%	32%	25%	25%	28%	11%	15%	34%	22%
12/26/2008	6%	31%	26%	26%	28%	12%	16%	34%	22%
12/29/2008	5%	30%	25%	25%	26%	11%	15%	34%	23%

Stock Price History of Gaming Peer Group

Stock Price History (adjusted for splits and dividends)
November 7, 2007 to March 2, 2009

Closing Stock Prices from Capital IQ

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
12/30/2008	5.84	42.21	6.98	6.98	8.05	4.62	2.99	20.73	3.70
12/31/2008	5.93	42.26	7.68	7.68	8.64	4.73	3.20	21.38	3.61
1/2/2009	7.09	47.42	8.00	8.00	9.19	5.00	3.48	22.95	3.67
1/5/2009	8.48	52.30	8.15	8.15	9.80	5.78	3.75	23.89	3.61
1/6/2009	8.40	55.28	8.68	8.68	9.97	6.18	3.83	22.21	3.67
1/7/2009	7.40	47.23	8.27	8.27	9.27	5.66	3.89	21.63	3.59
1/8/2009	7.24	46.45	8.01	8.01	9.34	5.65	4.09	21.75	3.79
1/9/2009	6.99	44.04	7.42	7.42	9.28	5.43	3.94	21.04	4.04
1/12/2009	5.93	41.00	7.21	7.21	8.60	5.07	3.59	20.31	3.71
1/13/2009	6.45	39.23	7.01	7.01	8.54	4.99	3.48	19.98	3.78
1/14/2009	6.08	36.28	6.72	6.72	7.50	4.58	3.01	19.13	3.67
1/15/2009	6.14	36.13	6.74	6.74	7.70	4.43	3.04	19.42	3.75
1/16/2009	6.27	36.94	7.03	7.03	7.80	4.70	3.09	19.71	3.70
1/20/2009	5.04	32.97	6.37	6.37	6.93	4.23	2.84	18.02	3.78
1/21/2009	5.55	35.00	7.11	7.11	7.85	4.53	2.76	18.65	4.03
1/22/2009	5.81	34.36	7.40	7.40	8.51	4.73	2.80	18.66	4.04
1/23/2009	5.96	34.26	7.41	7.41	8.63	4.86	2.80	18.67	4.10
1/26/2009	5.81	35.32	7.76	7.76	9.09	5.06	2.84	18.88	4.00
1/27/2009	5.66	33.85	7.49	7.49	8.79	5.01	2.89	18.91	3.86
1/28/2009	6.06	35.74	7.80	7.80	9.40	5.01	3.16	19.76	3.88
1/29/2009	5.65	32.82	7.10	7.10	8.95	4.95	3.03	18.56	4.00
1/30/2009	5.15	30.08	6.78	6.78	8.97	4.81	2.83	18.65	4.20
2/2/2009	4.37	29.73	6.72	6.72	9.46	4.84	3.10	18.80	4.06
2/3/2009	4.06	28.82	6.55	6.55	9.34	4.19	2.98	18.80	4.05
2/4/2009	3.47	26.23	6.31	6.31	9.03	3.96	2.89	17.46	4.00
2/5/2009	3.80	28.20	6.68	6.68	9.54	4.33	2.91	20.83	4.03
2/6/2009	4.14	29.76	7.23	7.23	10.14	4.90	3.02	22.29	3.94
2/9/2009	4.43	30.85	7.19	7.19	10.04	5.06	2.98	21.49	3.98
2/10/2009	3.75	27.58	6.74	6.74	10.08	4.98	2.90	20.32	3.90
2/11/2009	3.98	26.41	7.03	7.03	9.80	4.91	3.05	20.53	3.65
2/12/2009	3.49	26.71	7.30	7.30	10.20	4.87	3.12	20.20	3.68
2/13/2009	3.36	26.04	7.29	7.29	10.03	4.75	3.20	20.15	3.75
2/17/2009	3.03	24.10	7.38	7.38	9.28	4.58	3.44	20.15	3.34
2/18/2009	2.95	23.26	7.29	7.29	8.92	4.05	3.49	19.33	3.21
2/19/2009	2.75	23.00	7.05	7.05	8.50	3.55	3.39	18.79	3.35
2/20/2009	2.60	24.95	7.11	7.11	8.80	3.52	3.30	19.00	3.36
2/23/2009	2.50	23.28	7.30	7.30	8.55	3.40	3.05	18.34	3.45
2/24/2009	2.59	25.80	7.56	7.56	9.28	4.65	3.30	19.29	3.17
2/25/2009	2.16	21.75	7.39	7.39	9.13	3.98	3.02	19.02	3.23
2/26/2009	2.85	22.28	7.57	7.57	9.35	4.54	3.15	19.24	3.04
2/27/2009	2.28	20.95	7.51	7.51	9.84	4.25	2.88	19.09	3.01
3/2/2009	2.19	17.65	7.25	7.25	10.03	3.78	3.00	17.75	2.94

Indexed Stock Prices (to 11/7/07)

Date	LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC
12/30/2008	5%	30%	24%	24%	27%	12%	16%	34%	26%
12/31/2008	5%	31%	27%	27%	29%	12%	17%	35%	25%
1/2/2009	7%	34%	28%	28%	31%	13%	18%	37%	26%
1/5/2009	8%	38%	29%	29%	33%	15%	20%	39%	25%
1/6/2009	8%	40%	30%	30%	33%	16%	20%	36%	26%
1/7/2009	7%	34%	29%	29%	31%	14%	20%	35%	25%
1/8/2009	7%	34%	28%	28%	31%	14%	21%	35%	27%
1/9/2009	6%	32%	26%	26%	31%	14%	20%	34%	28%
1/12/2009	5%	30%	25%	25%	29%	13%	19%	33%	26%
1/13/2009	6%	28%	25%	25%	28%	13%	18%	32%	27%
1/14/2009	6%	26%	24%	24%	25%	12%	16%	31%	26%
1/15/2009	6%	26%	24%	24%	26%	11%	16%	32%	26%
1/16/2009	6%	27%	25%	25%	26%	12%	16%	32%	26%
1/20/2009	5%	24%	22%	22%	23%	11%	15%	29%	27%
1/21/2009	5%	25%	25%	25%	26%	11%	14%	30%	28%
1/22/2009	5%	25%	26%	26%	28%	12%	15%	30%	28%
1/23/2009	5%	25%	26%	26%	29%	12%	15%	30%	29%
1/26/2009	5%	26%	27%	27%	30%	13%	15%	31%	28%
1/27/2009	5%	24%	26%	26%	29%	13%	15%	31%	27%
1/28/2009	6%	26%	27%	27%	31%	13%	16%	32%	27%
1/29/2009	5%	24%	25%	25%	30%	12%	16%	30%	28%
1/30/2009	5%	22%	24%	24%	30%	12%	15%	30%	29%
2/2/2009	4%	21%	24%	24%	31%	12%	16%	31%	28%
2/3/2009	4%	21%	23%	23%	31%	11%	15%	31%	28%
2/4/2009	3%	19%	22%	22%	30%	10%	15%	28%	28%
2/5/2009	3%	20%	23%	23%	32%	11%	15%	34%	28%
2/6/2009	4%	21%	25%	25%	34%	12%	16%	36%	28%
2/9/2009	4%	22%	25%	25%	33%	13%	15%	35%	28%
2/10/2009	3%	20%	24%	24%	33%	13%	15%	33%	27%
2/11/2009	4%	19%	25%	25%	33%	12%	16%	33%	26%
2/12/2009	3%	19%	26%	26%	34%	12%	16%	33%	26%
2/13/2009	3%	19%	26%	26%	33%	12%	17%	33%	26%
2/17/2009	3%	17%	26%	26%	31%	12%	18%	33%	23%
2/18/2009	3%	17%	26%	26%	30%	10%	18%	31%	23%
2/19/2009	3%	17%	25%	25%	28%	9%	18%	31%	24%
2/20/2009	2%	18%	25%	25%	29%	9%	17%	31%	24%
2/23/2009	2%	17%	26%	26%	28%	9%	16%	30%	24%
2/24/2009	2%	19%	27%	27%	31%	12%	17%	31%	22%
2/25/2009	2%	16%	26%	26%	30%	10%	16%	31%	23%
2/26/2009	3%	16%	27%	27%	31%	11%	16%	31%	21%
2/27/2009	2%	15%	26%	26%	33%	11%	15%	31%	21%
3/2/2009	2%	13%	25%	25%	33%	10%	16%	29%	21%

Indexed Stock Price Declines (to 11/7/07)

LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC	Peer Group	Date	Peer Group Index
0%	0%	0%	0%	0%	0%	0%	0%	0%	469.25	11/7/2007	0%
2%	-2%	-1%	-1%	1%	-2%	0%	0%	2%	469.31	11/8/2007	0%
6%	-1%	0%	0%	0%	-3%	1%	-1%	0%	473.42	11/9/2007	1%
4%	-6%	0%	0%	0%	-2%	-3%	-1%	0%	462.64	11/12/2007	-1%
9%	-1%	1%	1%	4%	-2%	-2%	-1%	2%	478.06	11/13/2007	2%
4%	-6%	0%	0%	1%	-4%	-4%	-1%	3%	463.56	11/14/2007	-1%
5%	-6%	-2%	-2%	1%	-4%	-5%	-3%	2%	462.06	11/15/2007	-2%
9%	-3%	-2%	-2%	3%	-3%	-5%	-4%	3%	470.90	11/16/2007	0%
1%	-10%	-8%	-8%	-1%	-6%	-7%	-7%	3%	445.53	11/19/2007	-5%
5%	-5%	-7%	-7%	1%	-7%	-7%	-7%	5%	456.96	11/20/2007	-3%
1%	-2%	-7%	-7%	0%	-9%	-6%	-8%	4%	454.92	11/21/2007	-3%
2%	-2%	-6%	-6%	1%	-7%	-5%	-7%	6%	458.38	11/23/2007	-2%
-2%	-6%	-9%	-9%	-2%	-8%	-7%	-5%	4%	446.56	11/26/2007	-5%
-2%	-6%	-9%	-9%	-4%	-8%	-7%	-5%	3%	445.77	11/27/2007	-5%
6%	-5%	-5%	-5%	0%	-4%	-6%	-4%	5%	460.97	11/28/2007	-2%
4%	-8%	-4%	-4%	5%	-3%	-7%	-4%	7%	457.20	11/29/2007	-3%
4%	-8%	-4%	-4%	4%	-3%	-9%	-3%	16%	458.85	11/30/2007	-2%
2%	-13%	-9%	-9%	4%	-5%	-14%	-4%	12%	443.80	12/3/2007	-5%
0%	-12%	-11%	-11%	3%	-7%	-19%	-5%	10%	439.68	12/4/2007	-6%
4%	-12%	-9%	-9%	4%	-4%	-21%	-5%	10%	445.87	12/5/2007	-5%
8%	-11%	-8%	-8%	5%	-4%	-23%	-4%	13%	453.51	12/6/2007	-3%
9%	-10%	-9%	-9%	6%	-2%	-24%	-3%	13%	456.17	12/7/2007	-3%
11%	-10%	-8%	-8%	3%	-3%	-25%	-3%	12%	457.03	12/10/2007	-3%
6%	-14%	-11%	-11%	1%	-6%	-27%	-3%	12%	443.21	12/11/2007	-6%
8%	-15%	-13%	-13%	-2%	-9%	-29%	-3%	12%	441.09	12/12/2007	-6%
9%	-14%	-15%	-15%	-1%	-9%	-30%	-3%	12%	440.99	12/13/2007	-6%
8%	-15%	-18%	-18%	-6%	-11%	-31%	-4%	12%	434.87	12/14/2007	-7%
6%	-17%	-17%	-17%	-8%	-12%	-33%	-4%	7%	426.57	12/17/2007	-9%
2%	-19%	-18%	-18%	-10%	-13%	-33%	-4%	9%	419.92	12/18/2007	-11%
2%	-15%	-18%	-18%	-9%	-12%	-31%	-4%	7%	426.24	12/19/2007	-9%
-2%	-16%	-12%	-12%	-8%	-12%	-28%	-4%	7%	424.46	12/20/2007	-10%
-1%	-17%	-14%	-14%	-7%	-11%	-25%	-4%	11%	425.17	12/21/2007	-9%
-2%	-18%	-13%	-13%	-6%	-11%	-25%	-4%	9%	423.16	12/24/2007	-10%
-1%	-15%	-14%	-14%	-6%	-11%	-25%	-3%	9%	428.30	12/26/2007	-9%
-3%	-17%	-18%	-18%	-8%	-14%	-27%	-4%	10%	418.09	12/27/2007	-11%
-3%	-16%	-18%	-18%	-8%	-14%	-29%	-4%	9%	419.06	12/28/2007	-11%
-5%	-19%	-17%	-17%	-9%	-14%	-28%	-3%	9%	412.73	12/31/2007	-12%
-8%	-21%	-22%	-22%	-10%	-16%	-29%	-3%	8%	403.49	1/2/2008	-14%
-12%	-24%	-25%	-25%	-12%	-19%	-34%	-4%	5%	389.37	1/3/2008	-17%
-19%	-24%	-28%	-28%	-15%	-24%	-36%	-5%	5%	376.36	1/4/2008	-20%
-21%	-25%	-26%	-26%	-16%	-24%	-34%	-6%	1%	372.52	1/7/2008	-21%
-24%	-25%	-32%	-32%	-20%	-28%	-38%	-8%	1%	361.69	1/8/2008	-23%
-20%	-22%	-33%	-33%	-19%	-27%	-37%	-11%	-2%	367.62	1/9/2008	-22%
-21%	-21%	-32%	-32%	-20%	-27%	-38%	-13%	-1%	365.68	1/10/2008	-22%
-23%	-26%	-37%	-37%	-24%	-29%	-38%	-15%	0%	352.41	1/11/2008	-25%
-24%	-27%	-38%	-38%	-24%	-30%	-41%	-15%	-4%	346.45	1/14/2008	-26%
-28%	-29%	-41%	-41%	-30%	-33%	-44%	-18%	-4%	332.60	1/15/2008	-29%
-28%	-26%	-40%	-40%	-33%	-34%	-44%	-17%	-8%	337.14	1/16/2008	-28%

Indexed Stock Price Declines (to 11/7/07)

LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC	Peer Group	Date	Peer Group Index
-32%	-30%	-42%	-42%	-34%	-36%	-46%	-14%	-5%	327.18	1/17/2008	-30%
-31%	-27%	-45%	-45%	-37%	-38%	-48%	-10%	-7%	330.82	1/18/2008	-30%
-27%	-27%	-45%	-45%	-35%	-37%	-47%	-12%	-9%	334.03	1/22/2008	-29%
-21%	-21%	-39%	-39%	-34%	-35%	-43%	-10%	-8%	356.05	1/23/2008	-24%
-23%	-21%	-38%	-38%	-31%	-34%	-42%	-9%	-4%	356.02	1/24/2008	-24%
-25%	-25%	-38%	-38%	-30%	-36%	-44%	-10%	-4%	347.01	1/25/2008	-26%
-23%	-20%	-38%	-38%	-29%	-36%	-42%	-12%	-6%	355.05	1/28/2008	-24%
-20%	-19%	-36%	-36%	-27%	-35%	-42%	-14%	-3%	361.37	1/29/2008	-23%
-23%	-21%	-38%	-38%	-28%	-37%	-45%	-16%	-6%	351.24	1/30/2008	-25%
-19%	-17%	-36%	-36%	-27%	-33%	-42%	-15%	-9%	364.12	1/31/2008	-22%
-19%	-16%	-34%	-34%	-24%	-31%	-40%	-17%	-2%	368.98	2/1/2008	-21%
-25%	-19%	-37%	-37%	-27%	-33%	-41%	-17%	-1%	354.23	2/4/2008	-25%
-18%	-14%	-39%	-39%	-29%	-33%	-43%	-17%	-6%	366.98	2/5/2008	-22%
-21%	-17%	-40%	-40%	-31%	-36%	-44%	-19%	-6%	356.38	2/6/2008	-24%
-17%	-13%	-40%	-40%	-28%	-35%	-44%	-19%	-5%	367.08	2/7/2008	-22%
-18%	-14%	-41%	-41%	-28%	-35%	-45%	-20%	-5%	362.29	2/8/2008	-23%
-15%	-13%	-40%	-40%	-29%	-36%	-44%	-22%	-7%	365.58	2/11/2008	-22%
-16%	-13%	-39%	-39%	-29%	-35%	-45%	-21%	-8%	365.44	2/12/2008	-22%
-16%	-20%	-37%	-37%	-27%	-35%	-43%	-20%	-5%	359.11	2/13/2008	-23%
-16%	-22%	-40%	-40%	-30%	-36%	-44%	-21%	-6%	352.14	2/14/2008	-25%
-18%	-24%	-40%	-40%	-30%	-37%	-46%	-23%	-7%	344.90	2/15/2008	-26%
-19%	-24%	-39%	-39%	-33%	-37%	-45%	-23%	-7%	344.72	2/19/2008	-27%
-20%	-23%	-40%	-40%	-30%	-38%	-46%	-23%	-7%	345.39	2/20/2008	-26%
-21%	-26%	-43%	-43%	-35%	-41%	-47%	-25%	-6%	333.06	2/21/2008	-29%
-19%	-25%	-43%	-43%	-35%	-41%	-48%	-24%	-6%	338.00	2/22/2008	-28%
-18%	-24%	-42%	-42%	-33%	-39%	-48%	-25%	-6%	342.17	2/25/2008	-27%
-19%	-23%	-38%	-38%	-32%	-38%	-46%	-24%	-7%	346.62	2/26/2008	-26%
-20%	-24%	-38%	-38%	-34%	-39%	-48%	-23%	-7%	341.95	2/27/2008	-27%
-24%	-25%	-42%	-42%	-35%	-44%	-51%	-25%	-6%	330.14	2/28/2008	-30%
-23%	-27%	-45%	-45%	-36%	-47%	-53%	-26%	-6%	324.03	2/29/2008	-31%
-26%	-29%	-46%	-46%	-37%	-47%	-55%	-28%	-7%	316.79	3/3/2008	-32%
-27%	-30%	-46%	-46%	-38%	-48%	-58%	-29%	-9%	312.13	3/4/2008	-33%
-26%	-28%	-44%	-44%	-38%	-49%	-56%	-30%	-9%	316.08	3/5/2008	-33%
-28%	-31%	-49%	-49%	-40%	-52%	-59%	-32%	-13%	301.58	3/6/2008	-36%
-27%	-33%	-51%	-51%	-42%	-53%	-59%	-34%	-16%	296.40	3/7/2008	-37%
-28%	-34%	-54%	-54%	-43%	-53%	-61%	-37%	-13%	291.37	3/10/2008	-38%
-26%	-30%	-52%	-52%	-40%	-52%	-60%	-32%	-14%	303.07	3/11/2008	-35%
-28%	-30%	-52%	-52%	-39%	-52%	-60%	-29%	-14%	304.57	3/12/2008	-35%
-29%	-30%	-53%	-53%	-39%	-51%	-60%	-29%	-16%	303.25	3/13/2008	-35%
-31%	-30%	-53%	-53%	-38%	-51%	-62%	-32%	-16%	297.32	3/14/2008	-37%
-34%	-30%	-55%	-55%	-40%	-53%	-64%	-37%	-18%	288.62	3/17/2008	-38%
-31%	-28%	-52%	-52%	-37%	-51%	-62%	-33%	-17%	299.98	3/18/2008	-36%
-33%	-30%	-52%	-52%	-38%	-53%	-62%	-34%	-19%	294.88	3/19/2008	-37%
-29%	-27%	-51%	-51%	-35%	-50%	-62%	-33%	-19%	306.01	3/20/2008	-35%
-24%	-23%	-47%	-47%	-32%	-47%	-61%	-31%	-18%	323.78	3/24/2008	-31%
-24%	-21%	-48%	-48%	-34%	-46%	-61%	-27%	-17%	326.77	3/25/2008	-30%
-27%	-22%	-51%	-51%	-37%	-47%	-63%	-29%	-17%	318.71	3/26/2008	-32%
-30%	-25%	-53%	-53%	-39%	-49%	-62%	-29%	-18%	308.63	3/27/2008	-34%

Indexed Stock Price Declines (to 11/7/07)

LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC	Peer Group	Date	Peer Group Index
-32%	-28%	-55%	-55%	-40%	-51%	-63%	-30%	-20%	298.72	3/28/2008	-36%
-32%	-27%	-55%	-55%	-39%	-50%	-63%	-29%	-20%	300.38	3/31/2008	-36%
-29%	-20%	-52%	-52%	-37%	-47%	-61%	-28%	-21%	319.55	4/1/2008	-32%
-28%	-19%	-50%	-50%	-37%	-47%	-59%	-28%	-20%	323.07	4/2/2008	-31%
-26%	-16%	-50%	-50%	-38%	-47%	-60%	-27%	-21%	329.23	4/3/2008	-30%
-27%	-18%	-48%	-48%	-38%	-48%	-59%	-27%	-20%	325.10	4/4/2008	-31%
-26%	-19%	-49%	-49%	-38%	-48%	-58%	-27%	-19%	325.75	4/7/2008	-31%
-25%	-20%	-48%	-48%	-38%	-49%	-58%	-28%	-19%	324.15	4/8/2008	-31%
-26%	-21%	-49%	-49%	-40%	-52%	-60%	-31%	-21%	316.53	4/9/2008	-33%
-27%	-22%	-50%	-50%	-40%	-51%	-59%	-31%	-23%	315.08	4/10/2008	-33%
-30%	-26%	-53%	-53%	-41%	-53%	-60%	-32%	-23%	303.25	4/11/2008	-35%
-32%	-27%	-55%	-55%	-44%	-55%	-63%	-32%	-25%	295.39	4/14/2008	-37%
-37%	-29%	-56%	-56%	-46%	-56%	-66%	-33%	-24%	284.47	4/15/2008	-39%
-36%	-28%	-54%	-54%	-47%	-56%	-64%	-35%	-25%	286.74	4/16/2008	-39%
-38%	-31%	-53%	-53%	-46%	-56%	-64%	-34%	-26%	281.46	4/17/2008	-40%
-38%	-29%	-51%	-51%	-45%	-53%	-64%	-34%	-25%	287.46	4/18/2008	-39%
-40%	-31%	-52%	-52%	-46%	-55%	-64%	-35%	-28%	279.04	4/21/2008	-41%
-35%	-26%	-50%	-50%	-47%	-56%	-65%	-35%	-29%	293.13	4/22/2008	-38%
-36%	-23%	-50%	-50%	-48%	-56%	-65%	-36%	-29%	293.57	4/23/2008	-37%
-35%	-21%	-50%	-50%	-47%	-55%	-65%	-34%	-27%	300.53	4/24/2008	-36%
-35%	-22%	-49%	-49%	-45%	-54%	-64%	-34%	-27%	299.71	4/25/2008	-36%
-34%	-22%	-45%	-45%	-44%	-52%	-64%	-34%	-29%	304.51	4/28/2008	-35%
-32%	-21%	-47%	-47%	-43%	-52%	-65%	-31%	-31%	308.40	4/29/2008	-34%
-30%	-24%	-46%	-46%	-43%	-53%	-65%	-31%	-29%	308.13	4/30/2008	-34%
-34%	-22%	-44%	-44%	-40%	-53%	-64%	-30%	-26%	309.63	5/1/2008	-34%
-33%	-22%	-43%	-43%	-41%	-52%	-64%	-27%	-24%	312.85	5/2/2008	-33%
-33%	-24%	-46%	-46%	-42%	-53%	-65%	-29%	-23%	306.93	5/5/2008	-35%
-31%	-22%	-43%	-43%	-41%	-51%	-66%	-29%	-24%	313.63	5/6/2008	-33%
-34%	-26%	-47%	-47%	-43%	-53%	-67%	-32%	-24%	299.28	5/7/2008	-36%
-34%	-26%	-50%	-50%	-43%	-54%	-68%	-33%	-25%	296.38	5/8/2008	-37%
-34%	-26%	-48%	-48%	-40%	-54%	-67%	-34%	-25%	298.22	5/9/2008	-36%
-35%	-25%	-49%	-49%	-40%	-54%	-67%	-28%	-24%	301.41	5/12/2008	-36%
-36%	-26%	-48%	-48%	-41%	-55%	-66%	-27%	-25%	300.21	5/13/2008	-36%
-34%	-24%	-45%	-45%	-39%	-54%	-65%	-26%	-25%	308.22	5/14/2008	-34%
-30%	-21%	-44%	-44%	-38%	-53%	-64%	-28%	-24%	316.33	5/15/2008	-33%
-30%	-21%	-47%	-47%	-40%	-54%	-64%	-30%	-24%	313.12	5/16/2008	-33%
-33%	-22%	-47%	-47%	-40%	-55%	-63%	-29%	-24%	308.87	5/19/2008	-34%
-35%	-24%	-48%	-48%	-40%	-56%	-63%	-29%	-28%	301.20	5/20/2008	-36%
-38%	-27%	-51%	-51%	-42%	-58%	-64%	-28%	-28%	293.14	5/21/2008	-38%
-38%	-26%	-51%	-51%	-43%	-59%	-64%	-28%	-26%	293.88	5/22/2008	-37%
-38%	-28%	-51%	-51%	-44%	-61%	-66%	-29%	-27%	287.91	5/23/2008	-39%
-39%	-28%	-51%	-51%	-44%	-61%	-66%	-30%	-29%	286.33	5/27/2008	-39%
-39%	-28%	-51%	-51%	-43%	-59%	-66%	-27%	-29%	290.04	5/28/2008	-38%
-38%	-26%	-50%	-50%	-40%	-59%	-64%	-25%	-29%	295.79	5/29/2008	-37%
-36%	-28%	-51%	-51%	-41%	-60%	-64%	-25%	-30%	294.25	5/30/2008	-37%
-38%	-28%	-53%	-53%	-42%	-61%	-65%	-25%	-29%	290.55	6/2/2008	-38%
-41%	-28%	-52%	-52%	-42%	-60%	-65%	-26%	-30%	286.65	6/3/2008	-39%
-42%	-28%	-53%	-53%	-41%	-60%	-64%	-26%	-30%	284.93	6/4/2008	-39%

Indexed Stock Price Declines (to 11/7/07)

LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC	Peer Group	Date	Peer Group Index
-41%	-28%	-51%	-51%	-40%	-58%	-63%	-25%	-31%	289.59	6/5/2008	-38%
-43%	-32%	-54%	-54%	-42%	-60%	-64%	-26%	-31%	278.71	6/6/2008	-41%
-45%	-34%	-54%	-54%	-42%	-62%	-64%	-28%	-31%	270.32	6/9/2008	-42%
-48%	-36%	-55%	-55%	-42%	-61%	-63%	-29%	-32%	263.59	6/10/2008	-44%
-51%	-36%	-57%	-57%	-42%	-62%	-65%	-30%	-34%	258.47	6/11/2008	-45%
-50%	-36%	-58%	-58%	-40%	-60%	-64%	-29%	-35%	261.45	6/12/2008	-44%
-49%	-33%	-56%	-56%	-38%	-58%	-63%	-28%	-33%	270.00	6/13/2008	-42%
-45%	-32%	-54%	-54%	-38%	-57%	-61%	-27%	-34%	277.45	6/16/2008	-41%
-46%	-31%	-54%	-54%	-38%	-58%	-63%	-28%	-35%	276.35	6/17/2008	-41%
-48%	-33%	-55%	-55%	-41%	-62%	-64%	-30%	-35%	268.13	6/18/2008	-43%
-47%	-33%	-54%	-54%	-40%	-60%	-64%	-34%	-35%	266.80	6/19/2008	-43%
-50%	-36%	-57%	-57%	-45%	-63%	-67%	-40%	-37%	251.58	6/20/2008	-46%
-50%	-37%	-59%	-59%	-48%	-65%	-67%	-44%	-38%	243.72	6/23/2008	-48%
-51%	-39%	-62%	-62%	-52%	-67%	-69%	-47%	-36%	235.06	6/24/2008	-50%
-51%	-37%	-60%	-60%	-50%	-66%	-69%	-45%	-37%	241.74	6/25/2008	-48%
-54%	-40%	-62%	-62%	-53%	-68%	-70%	-45%	-37%	231.28	6/26/2008	-51%
-57%	-42%	-62%	-62%	-53%	-69%	-73%	-45%	-36%	223.23	6/27/2008	-52%
-56%	-41%	-63%	-63%	-54%	-68%	-75%	-48%	-36%	222.17	6/30/2008	-53%
-59%	-41%	-65%	-65%	-56%	-71%	-77%	-52%	-36%	214.95	7/1/2008	-54%
-61%	-43%	-66%	-66%	-57%	-72%	-78%	-54%	-37%	206.85	7/2/2008	-56%
-64%	-43%	-67%	-67%	-55%	-73%	-78%	-52%	-37%	204.47	7/3/2008	-56%
-64%	-41%	-68%	-68%	-55%	-73%	-75%	-51%	-38%	206.99	7/7/2008	-56%
-63%	-40%	-67%	-67%	-55%	-72%	-76%	-50%	-36%	211.65	7/8/2008	-55%
-65%	-44%	-70%	-70%	-55%	-75%	-75%	-52%	-36%	199.77	7/9/2008	-57%
-69%	-49%	-71%	-71%	-57%	-77%	-77%	-56%	-36%	183.21	7/10/2008	-61%
-69%	-44%	-70%	-70%	-59%	-77%	-76%	-60%	-37%	188.65	7/11/2008	-60%
-69%	-44%	-70%	-70%	-61%	-78%	-76%	-59%	-37%	187.05	7/14/2008	-60%
-70%	-45%	-72%	-72%	-61%	-78%	-77%	-59%	-38%	183.45	7/15/2008	-61%
-68%	-43%	-71%	-71%	-60%	-78%	-73%	-57%	-37%	192.54	7/16/2008	-59%
-65%	-39%	-65%	-65%	-59%	-76%	-74%	-55%	-35%	206.20	7/17/2008	-56%
-65%	-36%	-63%	-63%	-60%	-77%	-72%	-55%	-31%	212.17	7/18/2008	-55%
-61%	-33%	-62%	-62%	-59%	-76%	-69%	-56%	-33%	221.81	7/21/2008	-53%
-55%	-29%	-59%	-59%	-57%	-74%	-65%	-54%	-34%	237.99	7/22/2008	-49%
-52%	-28%	-59%	-59%	-56%	-72%	-65%	-53%	-35%	244.65	7/23/2008	-48%
-58%	-34%	-63%	-63%	-59%	-76%	-69%	-56%	-36%	222.78	7/24/2008	-53%
-60%	-35%	-62%	-62%	-59%	-76%	-68%	-55%	-37%	220.26	7/25/2008	-53%
-61%	-34%	-63%	-63%	-59%	-77%	-68%	-54%	-38%	220.13	7/28/2008	-53%
-60%	-28%	-59%	-59%	-57%	-75%	-67%	-53%	-40%	233.26	7/29/2008	-50%
-56%	-30%	-61%	-61%	-57%	-76%	-68%	-54%	-40%	232.91	7/30/2008	-50%
-58%	-30%	-60%	-60%	-56%	-75%	-65%	-54%	-39%	232.56	7/31/2008	-50%
-58%	-31%	-60%	-60%	-57%	-70%	-66%	-55%	-41%	231.47	8/1/2008	-51%
-59%	-32%	-60%	-60%	-56%	-69%	-66%	-53%	-41%	230.80	8/4/2008	-51%
-57%	-28%	-58%	-58%	-56%	-64%	-65%	-52%	-36%	243.69	8/5/2008	-48%
-54%	-24%	-57%	-57%	-54%	-64%	-64%	-51%	-37%	253.34	8/6/2008	-46%
-55%	-26%	-60%	-60%	-56%	-67%	-66%	-52%	-37%	244.50	8/7/2008	-48%
-53%	-22%	-59%	-59%	-52%	-65%	-64%	-50%	-36%	257.31	8/8/2008	-45%
-51%	-17%	-58%	-58%	-51%	-65%	-60%	-49%	-37%	269.37	8/11/2008	-43%
-49%	-22%	-56%	-56%	-49%	-65%	-61%	-47%	-36%	267.47	8/12/2008	-43%

Indexed Stock Price Declines (to 11/7/07)

LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC	Peer Group	Date	Peer Group Index
-53%	-26%	-58%	-58%	-49%	-67%	-63%	-47%	-37%	255.61	8/13/2008	-46%
-48%	-23%	-55%	-55%	-46%	-66%	-61%	-45%	-37%	269.84	8/14/2008	-42%
-48%	-23%	-55%	-55%	-45%	-66%	-60%	-45%	-36%	268.57	8/15/2008	-43%
-53%	-27%	-59%	-59%	-48%	-71%	-62%	-47%	-37%	250.61	8/18/2008	-47%
-58%	-31%	-65%	-65%	-51%	-72%	-64%	-49%	-40%	234.37	8/19/2008	-50%
-62%	-34%	-64%	-64%	-51%	-72%	-65%	-48%	-40%	227.51	8/20/2008	-52%
-62%	-35%	-64%	-64%	-50%	-72%	-66%	-48%	-41%	224.82	8/21/2008	-52%
-63%	-31%	-62%	-62%	-47%	-70%	-64%	-46%	-40%	234.48	8/22/2008	-50%
-62%	-34%	-64%	-64%	-49%	-72%	-65%	-48%	-41%	227.02	8/25/2008	-52%
-63%	-34%	-64%	-64%	-48%	-71%	-64%	-49%	-41%	226.18	8/26/2008	-52%
-61%	-34%	-63%	-63%	-46%	-71%	-64%	-48%	-40%	231.34	8/27/2008	-51%
-58%	-31%	-61%	-61%	-44%	-69%	-62%	-45%	-39%	242.61	8/28/2008	-48%
-56%	-31%	-61%	-61%	-45%	-69%	-63%	-45%	-40%	243.28	8/29/2008	-48%
-57%	-31%	-60%	-60%	-41%	-69%	-62%	-45%	-40%	244.81	9/2/2008	-48%
-59%	-31%	-59%	-59%	-43%	-70%	-58%	-46%	-40%	242.03	9/3/2008	-48%
-61%	-35%	-63%	-63%	-47%	-70%	-57%	-49%	-41%	229.67	9/4/2008	-51%
-61%	-36%	-63%	-63%	-47%	-70%	-57%	-48%	-42%	229.03	9/5/2008	-51%
-60%	-35%	-62%	-62%	-45%	-68%	-53%	-48%	-41%	233.28	9/8/2008	-50%
-62%	-38%	-65%	-65%	-46%	-71%	-55%	-50%	-43%	221.54	9/9/2008	-53%
-66%	-41%	-65%	-65%	-46%	-71%	-53%	-50%	-45%	214.49	9/10/2008	-54%
-66%	-37%	-64%	-64%	-46%	-71%	-54%	-49%	-46%	220.84	9/11/2008	-53%
-65%	-37%	-65%	-65%	-47%	-71%	-55%	-49%	-46%	219.83	9/12/2008	-53%
-68%	-40%	-66%	-66%	-48%	-73%	-58%	-52%	-52%	209.89	9/15/2008	-55%
-67%	-38%	-65%	-65%	-44%	-72%	-59%	-51%	-54%	214.15	9/16/2008	-54%
-71%	-42%	-68%	-68%	-49%	-74%	-62%	-53%	-53%	199.37	9/17/2008	-58%
-66%	-33%	-67%	-67%	-45%	-72%	-61%	-53%	-53%	219.49	9/18/2008	-53%
-60%	-31%	-64%	-64%	-44%	-72%	-59%	-50%	-49%	233.57	9/19/2008	-50%
-67%	-36%	-66%	-66%	-48%	-75%	-61%	-52%	-51%	213.90	9/22/2008	-54%
-69%	-36%	-68%	-68%	-48%	-75%	-61%	-53%	-53%	208.93	9/23/2008	-55%
-69%	-36%	-71%	-71%	-49%	-75%	-61%	-53%	-52%	206.64	9/24/2008	-56%
-68%	-38%	-70%	-70%	-48%	-75%	-59%	-55%	-53%	205.90	9/25/2008	-56%
-65%	-39%	-72%	-72%	-47%	-76%	-60%	-54%	-53%	207.48	9/26/2008	-56%
-70%	-44%	-76%	-76%	-54%	-78%	-60%	-59%	-55%	186.74	9/29/2008	-60%
-67%	-41%	-73%	-73%	-53%	-76%	-53%	-57%	-55%	198.36	9/30/2008	-58%
-71%	-42%	-74%	-74%	-53%	-76%	-55%	-59%	-56%	190.81	10/1/2008	-59%
-76%	-47%	-77%	-77%	-60%	-78%	-57%	-62%	-58%	171.73	10/2/2008	-63%
-79%	-49%	-79%	-79%	-63%	-80%	-67%	-67%	-57%	157.04	10/3/2008	-67%
-81%	-51%	-81%	-81%	-70%	-82%	-68%	-69%	-63%	146.34	10/6/2008	-69%
-84%	-57%	-83%	-83%	-76%	-83%	-74%	-74%	-65%	126.44	10/7/2008	-73%
-85%	-57%	-82%	-82%	-78%	-82%	-75%	-76%	-64%	125.71	10/8/2008	-73%
-87%	-59%	-84%	-84%	-81%	-85%	-76%	-76%	-62%	116.05	10/9/2008	-75%
-87%	-57%	-83%	-83%	-81%	-85%	-76%	-75%	-65%	120.42	10/10/2008	-74%
-87%	-54%	-82%	-82%	-77%	-83%	-73%	-71%	-65%	128.91	10/13/2008	-73%
-88%	-57%	-82%	-82%	-78%	-85%	-71%	-71%	-64%	123.92	10/14/2008	-74%
-90%	-64%	-84%	-84%	-80%	-85%	-76%	-75%	-68%	105.65	10/15/2008	-77%
-89%	-62%	-83%	-83%	-81%	-87%	-75%	-76%	-65%	109.69	10/16/2008	-77%
-88%	-58%	-83%	-83%	-79%	-87%	-76%	-76%	-64%	116.44	10/17/2008	-75%
-89%	-62%	-82%	-82%	-79%	-87%	-75%	-76%	-61%	111.46	10/20/2008	-76%

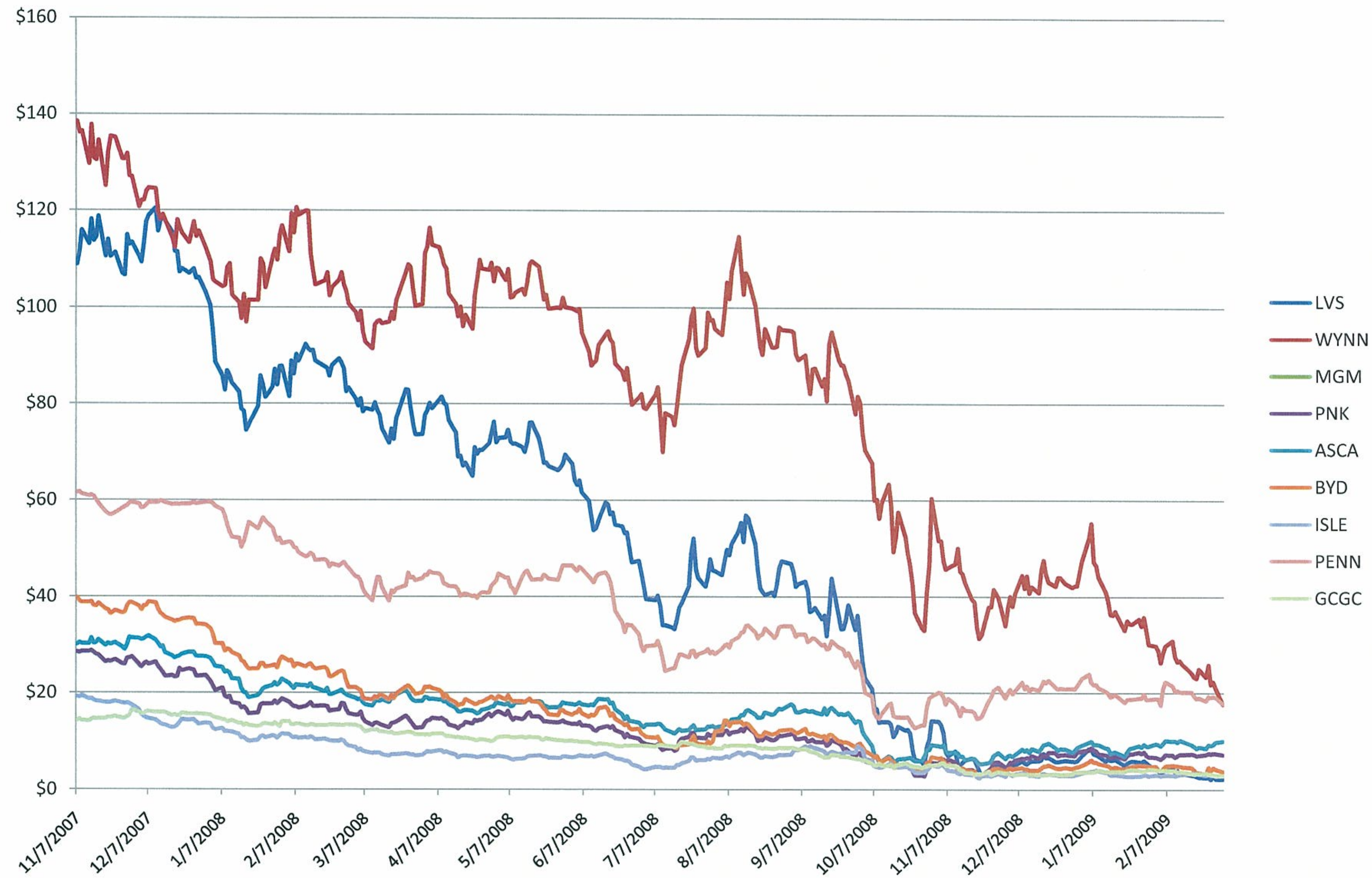
Indexed Stock Price Declines (to 11/7/07)

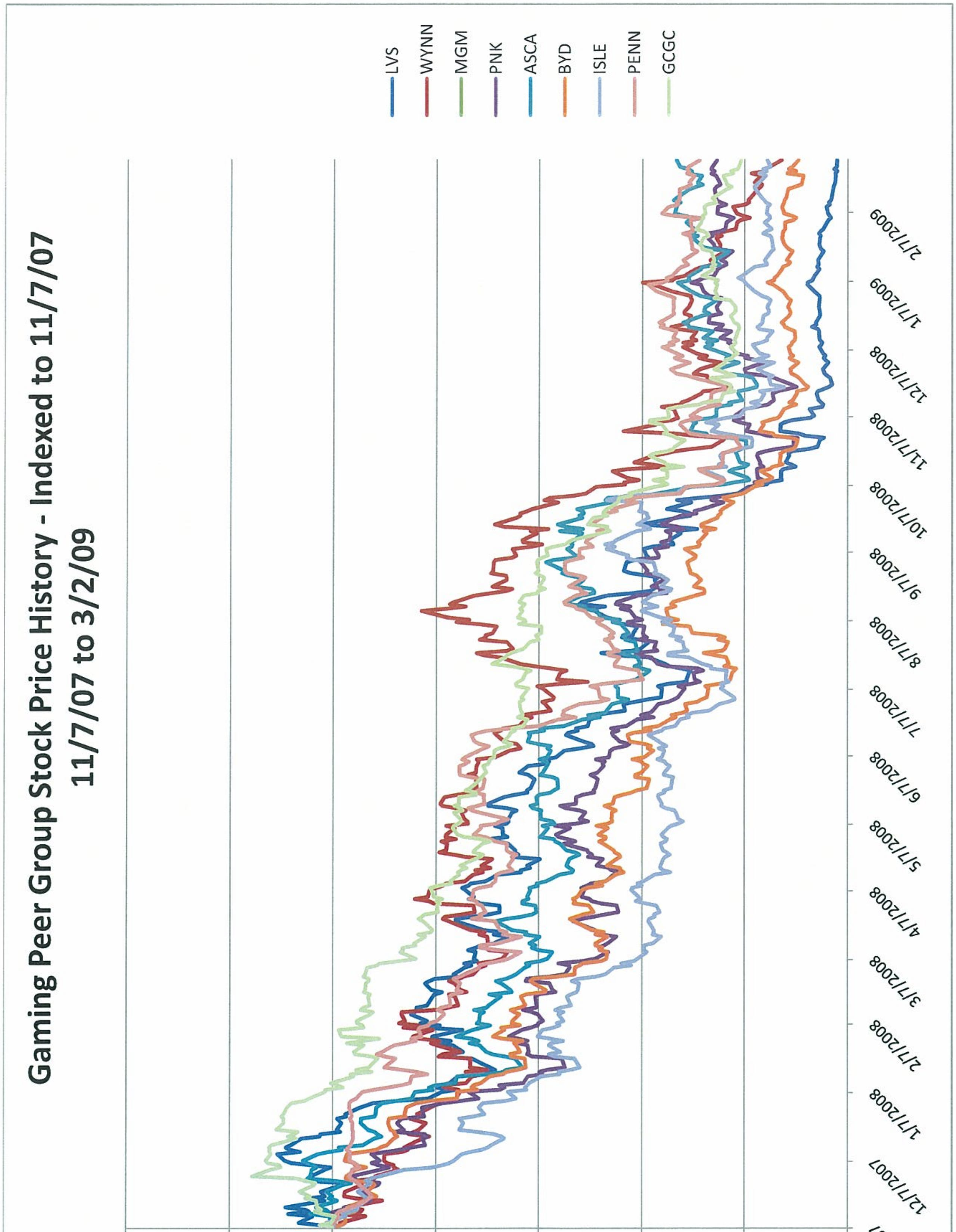
LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC	Peer Group	Date	Peer Group Index
-89%	-65%	-83%	-83%	-78%	-87%	-76%	-76%	-62%	108.21	10/21/2008	-77%
-89%	-66%	-84%	-84%	-78%	-88%	-77%	-77%	-65%	102.11	10/22/2008	-78%
-92%	-69%	-86%	-86%	-79%	-89%	-79%	-78%	-66%	91.19	10/23/2008	-81%
-94%	-74%	-90%	-90%	-80%	-90%	-81%	-79%	-66%	79.90	10/24/2008	-83%
-95%	-76%	-90%	-90%	-80%	-90%	-82%	-78%	-68%	76.37	10/27/2008	-84%
-95%	-76%	-90%	-90%	-77%	-89%	-81%	-78%	-67%	76.15	10/28/2008	-84%
-92%	-70%	-84%	-84%	-73%	-86%	-79%	-72%	-66%	98.68	10/29/2008	-79%
-90%	-66%	-83%	-83%	-72%	-86%	-76%	-69%	-64%	109.20	10/30/2008	-77%
-87%	-56%	-80%	-80%	-69%	-83%	-74%	-69%	-65%	131.15	10/31/2008	-72%
-87%	-63%	-81%	-81%	-70%	-84%	-75%	-67%	-64%	122.03	11/3/2008	-74%
-88%	-63%	-79%	-79%	-71%	-83%	-72%	-68%	-61%	123.10	11/4/2008	-74%
-89%	-66%	-78%	-78%	-69%	-85%	-74%	-69%	-61%	116.48	11/5/2008	-75%
-93%	-67%	-80%	-80%	-74%	-87%	-76%	-71%	-65%	105.52	11/6/2008	-78%
-94%	-67%	-78%	-78%	-74%	-87%	-79%	-69%	-65%	106.28	11/7/2008	-77%
-93%	-66%	-80%	-80%	-74%	-88%	-80%	-71%	-65%	105.33	11/10/2008	-78%
-95%	-64%	-82%	-82%	-75%	-89%	-82%	-73%	-67%	102.48	11/11/2008	-78%
-95%	-67%	-85%	-85%	-77%	-90%	-83%	-75%	-71%	92.52	11/12/2008	-80%
-95%	-68%	-85%	-85%	-77%	-89%	-81%	-72%	-72%	94.82	11/13/2008	-80%
-94%	-69%	-86%	-86%	-80%	-89%	-83%	-73%	-75%	90.75	11/14/2008	-81%
-94%	-71%	-85%	-85%	-79%	-90%	-84%	-74%	-76%	87.42	11/17/2008	-81%
-94%	-72%	-86%	-86%	-79%	-90%	-83%	-74%	-78%	85.48	11/18/2008	-82%
-95%	-76%	-88%	-88%	-81%	-92%	-86%	-76%	-77%	74.92	11/19/2008	-84%
-96%	-77%	-90%	-90%	-82%	-92%	-88%	-76%	-77%	69.47	11/20/2008	-85%
-97%	-77%	-89%	-89%	-82%	-92%	-85%	-75%	-77%	71.28	11/21/2008	-85%
-97%	-73%	-86%	-86%	-82%	-91%	-85%	-70%	-73%	83.94	11/24/2008	-82%
-96%	-73%	-84%	-84%	-80%	-90%	-85%	-69%	-78%	86.00	11/25/2008	-82%
-96%	-70%	-80%	-80%	-77%	-89%	-84%	-67%	-77%	95.78	11/26/2008	-80%
-95%	-71%	-80%	-80%	-75%	-89%	-83%	-66%	-74%	96.71	11/28/2008	-79%
-96%	-76%	-84%	-84%	-79%	-90%	-86%	-69%	-76%	82.31	12/1/2008	-82%
-96%	-73%	-83%	-83%	-77%	-89%	-82%	-68%	-76%	90.26	12/2/2008	-81%
-95%	-71%	-80%	-80%	-76%	-89%	-83%	-66%	-78%	95.08	12/3/2008	-80%
-96%	-73%	-81%	-81%	-77%	-89%	-85%	-68%	-78%	90.48	12/4/2008	-81%
-95%	-71%	-79%	-79%	-76%	-89%	-83%	-67%	-79%	96.31	12/5/2008	-79%
-95%	-68%	-77%	-77%	-72%	-89%	-82%	-64%	-77%	105.17	12/8/2008	-78%
-95%	-70%	-78%	-78%	-74%	-89%	-82%	-66%	-78%	99.81	12/9/2008	-79%
-95%	-68%	-77%	-77%	-73%	-89%	-83%	-65%	-78%	103.09	12/10/2008	-78%
-95%	-71%	-77%	-77%	-75%	-90%	-84%	-67%	-78%	97.61	12/11/2008	-79%
-95%	-70%	-75%	-75%	-72%	-90%	-84%	-66%	-78%	101.67	12/12/2008	-78%
-94%	-71%	-77%	-77%	-74%	-90%	-85%	-67%	-79%	98.00	12/15/2008	-79%
-94%	-67%	-74%	-74%	-72%	-89%	-83%	-65%	-79%	107.10	12/16/2008	-77%
-93%	-66%	-75%	-75%	-69%	-88%	-82%	-64%	-79%	112.15	12/17/2008	-76%
-94%	-68%	-76%	-76%	-69%	-88%	-83%	-64%	-79%	107.61	12/18/2008	-77%
-94%	-69%	-73%	-73%	-68%	-87%	-83%	-63%	-78%	108.82	12/19/2008	-77%
-95%	-70%	-73%	-73%	-71%	-89%	-84%	-66%	-77%	103.88	12/22/2008	-78%
-95%	-68%	-75%	-75%	-73%	-89%	-85%	-66%	-78%	103.19	12/23/2008	-78%
-95%	-68%	-75%	-75%	-72%	-89%	-85%	-66%	-78%	103.97	12/24/2008	-78%
-94%	-69%	-74%	-74%	-72%	-88%	-84%	-66%	-78%	103.28	12/26/2008	-78%
-95%	-70%	-75%	-75%	-74%	-89%	-85%	-66%	-77%	100.88	12/29/2008	-79%

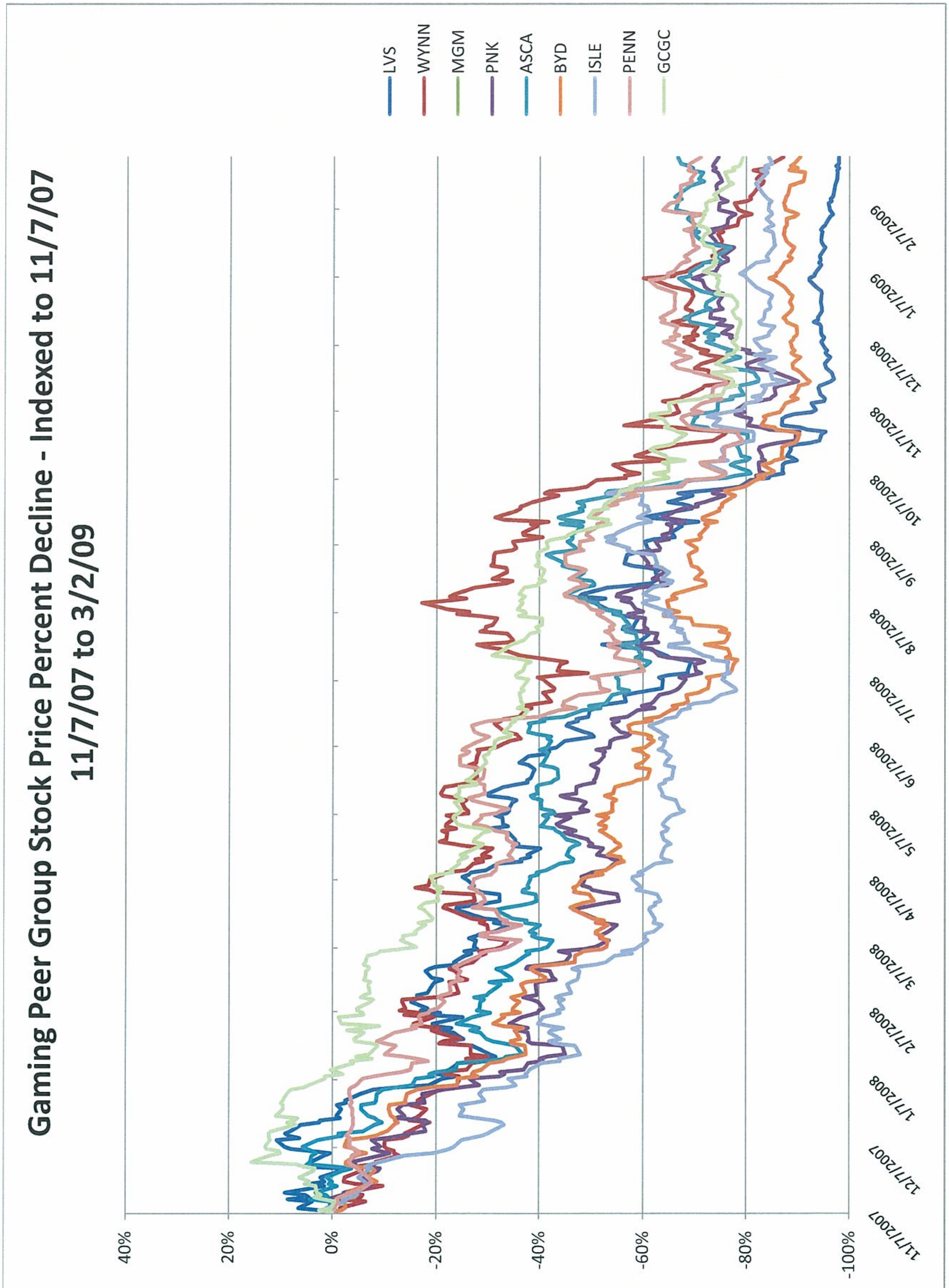
Indexed Stock Price Declines (to 11/7/07)

LVS	WYNN	MGM	PNK	ASCA	BYD	ISLE	PENN	GCGC	Peer Group	Date	Peer Group Index
-95%	-70%	-76%	-76%	-73%	-88%	-84%	-66%	-74%	102.10	12/30/2008	-78%
-95%	-69%	-73%	-73%	-71%	-88%	-83%	-65%	-75%	105.11	12/31/2008	-78%
-93%	-66%	-72%	-72%	-69%	-87%	-82%	-63%	-74%	114.80	1/2/2009	-76%
-92%	-62%	-71%	-71%	-67%	-85%	-80%	-61%	-75%	123.91	1/5/2009	-74%
-92%	-60%	-70%	-70%	-67%	-84%	-80%	-64%	-74%	126.90	1/6/2009	-73%
-93%	-66%	-71%	-71%	-69%	-86%	-80%	-65%	-75%	115.21	1/7/2009	-75%
-93%	-66%	-72%	-72%	-69%	-86%	-79%	-65%	-73%	114.33	1/8/2009	-76%
-94%	-68%	-74%	-74%	-69%	-86%	-80%	-66%	-72%	109.60	1/9/2009	-77%
-95%	-70%	-75%	-75%	-71%	-87%	-81%	-67%	-74%	102.63	1/12/2009	-78%
-94%	-72%	-75%	-75%	-72%	-87%	-82%	-68%	-73%	100.47	1/13/2009	-79%
-94%	-74%	-76%	-76%	-75%	-88%	-84%	-69%	-74%	93.69	1/14/2009	-80%
-94%	-74%	-76%	-76%	-74%	-89%	-84%	-68%	-74%	94.09	1/15/2009	-80%
-94%	-73%	-75%	-75%	-74%	-88%	-84%	-68%	-74%	96.27	1/16/2009	-79%
-95%	-76%	-78%	-78%	-77%	-89%	-85%	-71%	-73%	86.55	1/20/2009	-82%
-95%	-75%	-75%	-75%	-74%	-89%	-86%	-70%	-72%	92.59	1/21/2009	-80%
-95%	-75%	-74%	-74%	-72%	-88%	-85%	-70%	-72%	93.71	1/22/2009	-80%
-95%	-75%	-74%	-74%	-71%	-88%	-85%	-70%	-71%	94.10	1/23/2009	-80%
-95%	-74%	-73%	-73%	-70%	-87%	-85%	-69%	-72%	96.52	1/26/2009	-79%
-95%	-76%	-74%	-74%	-71%	-87%	-85%	-69%	-73%	93.95	1/27/2009	-80%
-94%	-74%	-73%	-73%	-69%	-87%	-84%	-68%	-73%	98.61	1/28/2009	-79%
-95%	-76%	-75%	-75%	-70%	-88%	-84%	-70%	-72%	92.16	1/29/2009	-80%
-95%	-78%	-76%	-76%	-70%	-88%	-85%	-70%	-71%	88.25	1/30/2009	-81%
-96%	-79%	-76%	-76%	-69%	-88%	-84%	-69%	-72%	87.80	2/2/2009	-81%
-96%	-79%	-77%	-77%	-69%	-89%	-85%	-69%	-72%	85.34	2/3/2009	-82%
-97%	-81%	-78%	-78%	-70%	-90%	-85%	-72%	-72%	79.66	2/4/2009	-83%
-97%	-80%	-77%	-77%	-68%	-89%	-85%	-66%	-72%	87.00	2/5/2009	-81%
-96%	-79%	-75%	-75%	-66%	-88%	-84%	-64%	-72%	92.65	2/6/2009	-80%
-96%	-78%	-75%	-75%	-67%	-87%	-85%	-65%	-72%	93.21	2/9/2009	-80%
-97%	-80%	-76%	-76%	-67%	-87%	-85%	-67%	-73%	86.99	2/10/2009	-81%
-96%	-81%	-75%	-75%	-67%	-88%	-84%	-67%	-74%	86.39	2/11/2009	-82%
-97%	-81%	-74%	-74%	-66%	-88%	-84%	-67%	-74%	86.87	2/12/2009	-81%
-97%	-81%	-74%	-74%	-67%	-88%	-83%	-67%	-74%	85.86	2/13/2009	-82%
-97%	-83%	-74%	-74%	-69%	-88%	-82%	-67%	-77%	82.68	2/17/2009	-82%
-97%	-83%	-74%	-74%	-70%	-90%	-82%	-69%	-77%	79.79	2/18/2009	-83%
-97%	-83%	-75%	-75%	-72%	-91%	-82%	-69%	-76%	77.43	2/19/2009	-83%
-98%	-82%	-75%	-75%	-71%	-91%	-83%	-69%	-76%	79.75	2/20/2009	-83%
-98%	-83%	-74%	-74%	-72%	-91%	-84%	-70%	-76%	77.17	2/23/2009	-84%
-98%	-81%	-73%	-73%	-69%	-88%	-83%	-69%	-78%	83.20	2/24/2009	-82%
-98%	-84%	-74%	-74%	-70%	-90%	-84%	-69%	-77%	77.07	2/25/2009	-84%
-97%	-84%	-73%	-73%	-69%	-89%	-84%	-69%	-79%	79.59	2/26/2009	-83%
-98%	-85%	-74%	-74%	-67%	-89%	-85%	-69%	-79%	77.32	2/27/2009	-84%
-98%	-87%	-75%	-75%	-67%	-90%	-84%	-71%	-79%	71.84	3/2/2009	-85%

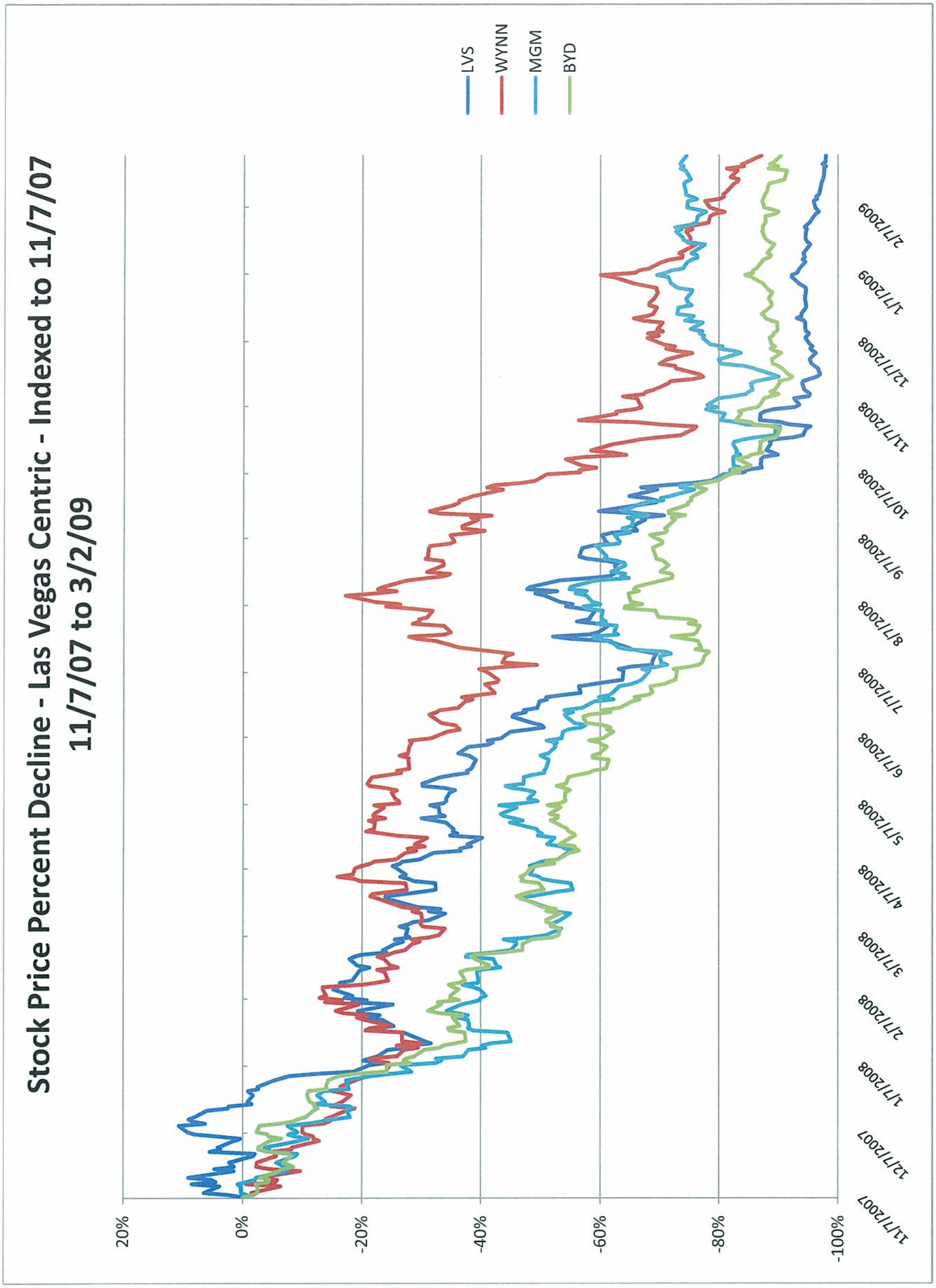
Gaming Peer Group Stock Price History
11/7/07 to 3/2/09




Gaming Peer Group Stock Price History - Indexed to 11/7/07
11/7/07 to 3/2/09
140%
120%
100%
80%
60%
40%
20%
0%
11/7/2007
12/7/2007
1/7/2008
2/7/2008
3/7/2008
4/7/2008
5/7/2008
6/7/2008
7/7/2008
8/7/2008
9/7/2008
10/7/2008
11/7/2008
12/7/2008
1/7/2009
2/7/2009
LVS
WYNN
MGM
PNK
ASCA
BYD
ISLE
PENN
GCGC



Schedule 7.c. Chart 3 - Pg 96 of 115



Stock Price Percent Decline - Las Vegas Centric - Indexed to 11/7/07
11/7/07 to 3/2/09
LVS
WYNN
MGM
BYD
20%
0%
-20%
-40%
-60%
-80%
-100%
11/7/2007
12/7/2007
1/7/2008
2/7/2008
3/7/2008
4/7/2008
5/7/2008
6/7/2008
7/7/2008
8/7/2008
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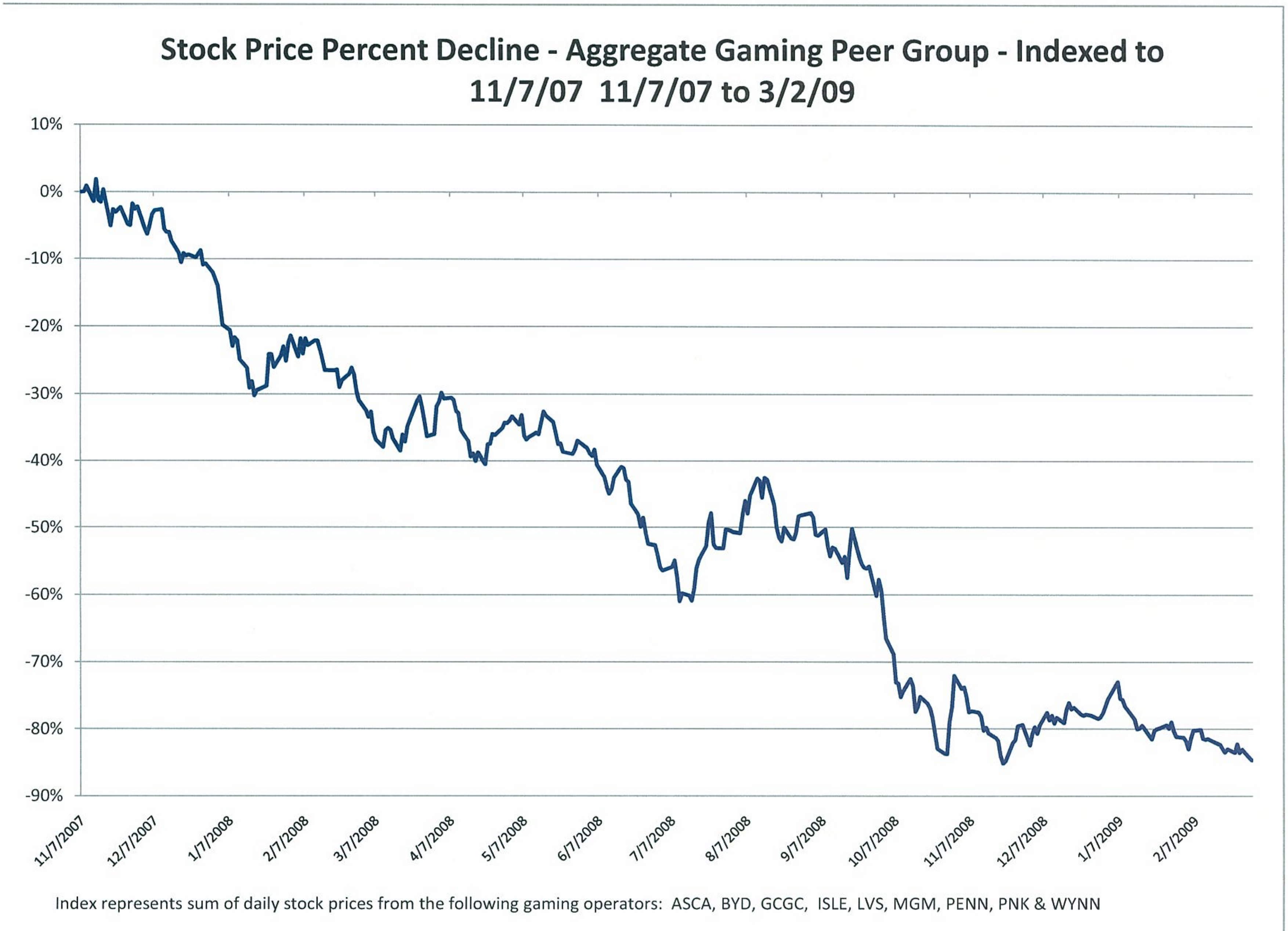
10/7/2008
11/7/2008
12/7/2008
1/7/2009
2/7/2009



Stock Price Percent Decline - Aggregate Gaming Peer Group - Indexed to 11/7/07 11/7/07 to 3/2/09
10%
0%
-10%
-20%
-30%
-40%
-50%
-60%
-70%
-80%
-90%
11/7/2007
12/7/2007
1/7/2008
2/7/2008
3/7/2008
4/7/2008
5/7/2008
6/7/2008
7/7/2008
8/7/2008
9/7/2008
10/7/2008
11/7/2008
12/7/2008
1/7/2009
2/7/2009
Index represents sum of daily stock prices from the following gaming operators: ASCA, BYD, GCGC, ISLE, LVS, MGM, PENN, PNK & WYNN

Valuation Analysis at the Time of the LBO

Multiple driven sum of the parts analysis
($000s)

	Existing Las Vegas Operations				Non EBITDA Generating /Other Assets[4]				Enterprise Value
Methodology	Driver[3]	Driver Value[3]	Multiple[1,2]	Resulting Value	Near-Term Land Development[5]	Long-Term Land Development[6]	Native American Mgmt. Contracts[7]	Native American Investments[8]	
Trading Comparables[1]	2007E Adjusted EBITDA	504,235	11.6x	5,859,211	481,275	1,195,000	554,021	187,500	8,277,006
Transaction Comparables[2]	CFY Adjusted EBITDA (2007)	504,235	10.5x	5,313,376	481,275	1,195,000	554,021	187,500	7,731,172
Trading Comparables[1]	2008E Adjusted EBITDA	588,061	10.9x	6,409,865	481,275	1,195,000	554,021	187,500	8,827,661
Transaction Comparables[2]	CFY+1 Adjusted EBITDA (2008)	588,061	9.6x	5,615,983	481,275	1,195,000	554,021	187,500	8,033,778
			Average	5,799,609	481,275	1,195,000	554,021	187,500	8,217,404

Solvency Snapshot

Multiple Driven Summary		
2007 Metrics		
Trading Comparables[1]	2007E Adjusted EBITDA	8,277,006
Transaction Comparables[2]	CFY Adjusted EBITDA (2007)	7,731,172
Mean Enterprise Valuation		8,004,089
Book Liabilities as of 12/31/07[13]		(6,417,604)
Margin of solvency/(insolvency)		**1,586,485**
2008 Metrics		
Trading Comparables[1]	2008E Adjusted EBITDA	8,827,661
Transaction Comparables[2]	CFY+1 Adjusted EBITDA (2008)	8,033,778
Mean Enterprise Valuation		8,430,719
Book Liabilities as of 12/31/07[13]		(6,417,604)
Margin of solvency/(insolvency)		**2,013,115**
2007 & 2008 Metrics		
Trading Comparables[1]	2007E Adjusted EBITDA	8,277,006
Transaction Comparables[2]	CFY Adjusted EBITDA (2007)	7,731,172
Trading Comparables[1]	2008E Adjusted EBITDA	8,827,661
Transaction Comparables[2]	CFY+1 Adjusted EBITDA (2008)	8,033,778
Mean Enterprise Valuation		8,217,404
Book Liabilities as of 12/31/07[13]		(6,417,604)
Margin of solvency/(insolvency)		**1,799,800**
DCF Driven Summary		
Discounted Cash Flow Valuation for Core Operations[9]		5,287,000
Plus - Non Core Operating Assets[10]		696,500
Plus - Native American Investments[11]		169,000
Plus - Land Held for Development[6]		1,195,000
Plus - Construction in Progress[12]		18,500
Enterprise Value		7,366,000
Book Liabilities as of 12/31/07[13]		(6,417,604)
Margin of solvency/(insolvency)		**948,396**

(1) Trading comparables from Wall Street Equity Research as of the end of October 2007 and based on the Street's 2007 and 2008 EBITDA estimates (current and forward year EBITDA).

(2) Transaction comparables from Bear Stearn's February 2007 report to the special committee. Since the Station's LBO took place in November 2007, this analysis incorporates both the CFY EBITDA (2007) and the CY+1 EBITDA (2008) multiples for valuation purposes.

(3) EBITDA estimates from Station Casino's October Projections of $586mm and $676mm for '07 and '08, respectively, less projected EBITDA from the Thunder Valley Native American management contract per the October Projections of $82mm and $88mm for '07 and '08, respectively. Refers to EBITDA excluding lease payment related to the PropCo entity.

(4) Non-EBITDA generating/Other assets included those assets (near-term Land development, long-term land development, Native American contracts and Native American investments) that did not contribute or were not expected to contribute to Station Casino's 2007 & 2008 EBITDA and therefore have been added to the multiple driven valuation to illustrate Station Casino's aggregate market value on a going concern basis. In addition, the value of all Native American management contracts, including Thunder Valley, has been included in this valuation component.

(5) Near-term development land assets valued at midpoint of Bear Stearn's DCF valuation as cited in Bear Stearn's February 22, 2007 presentation to the special committee less a 10% adjustment to reflect downward revision to Station's June Projections prior to the LBO.

(6) Long-term development land assets value from Duff and Phelps' 141 Fair Value Analysis of Identifiable Assets dated November 7, 2007. Duff's valuation reflects a value for the Wild Wild West land parcels of $546mm versus management's internal mid-point valuation of $866mm as cited in Bear Stearn's February 22, 2007 presentation to the special committee.

(7) Derived from cash flows found in Bear Stearn's February 22, 2007 presentation to the special committee less a 10% adjustment to reflect downward revision to Station's June Projections prior to the LBO. Adjusted to reflect the timing of the close of the LBO transaction.

(8) Native American investments are reflected at cost at the time of the LBO transaction.

(9) Core Operations include wholly-owned properties generating cash flow at the time of the LBO transaction as well as management contracts that were in place and generating cash flow at the time of the LBO. The DCF value represents a 9.0% WACC as calculated by Duff & Phelps in conjunction with Duff's 141 Analysis applied to cash flow forecasts generated by Stations at the time of the LBO. See Schedule 8.c.ii.

(10) Consists of Joint Ventures and future Native American Management Contracts.

(11) Consists of land acquired on behalf of Native Americans for future casino property at cost.

(12) Consists of construction in progress at Aliante valued at cost.

(13) Total liabilities on Station's 12-31-07 10-K.

Trading Comparable Analysis Detail

Trading Multiples
As of October 2007
($000s except for multiples)

Methodology	Driver	Projection	Multiple
Trading Comparable/Market Multiple	LTM EBITDAR	565,211	12.08x
	2007 EBITDAR	586,017	11.62x
	2008 EBITDAR	676,386	10.90x
	2009 EBITDAR	742,074	10.52x

	October 2007			
Comparable Group	LTM EBITDA	2007E EBITDA	2008E EBITDA	2009E EBITDA
MGM Mirage	15.4	15.6	14.5	13.9
Las Vegas Sands	58.0	55.8	32.5	27.7
Wynn Resorts	24.5	23.3	26.2	20.2
Boyd Gaming	9.2	9.3	10.0	10.8
Penn National	12.2	11.9	11.0	9.8
Ameristar Casinos	11.5	9.1	8.2	8.1
Pinnacle Entertainment	12.1	12.2	10.8	10.0
Arithmetic Average	20.4	19.6	16.2	14.4
Adjusted Comparable Group (excludes LVS & WYNN)				
Arithmetic Average	12.1	11.6	10.9	10.5

Source: Wall Street Equity Research on Gaming Sector.
Note: LVS and WYNN had uncharacteristically high multiples due to high expectations of the operators' large Macau projects.

Transaction Comparable Analysis Detail

Bear Stearns Presentation to Station Casino's Special Committee on February 22, 2007
Solvency Analysis at the Time of the Station Casino's LBO
Transaction Multiples
As of November 7, 2007
($ mm except multiples)

Precedent Transaction Comparables

					Unadjusted Enterprise Value as a Multiple of:		
Date Announced	Date Effective	Target	Acquirer	Total Announced Transaction Value[1]	LTM EBITDA	CFY EBITDA	CFY +1 EBITDA
Dec. 19, 2006	Pending	Harrah's Entertainment[2,3]	TPG/Apollo Management	29,071.0	11.4x	11.6x	10.4x
May 19, 2006	Jan. 3, 2007	Aztar Corporation[3]	Columbia Sussex Corp.	2,686.7	12.7x	11.7x	11.0x
May 1, 2006	Sept. 1, 2006	Kerzner International[3]	Investor Consortium	3,689.9	17.4x	16.3x	12.7x
July 15, 2004	June 14, 2005	Caesars Entertainment[3]	Harrah's Entertainment	9,858.7	8.7x	8.5x	8.2x
June 16, 2004	April 25, 2005	Mandalay Resort Group[3]	MGM Mirage	7,961.4	10.8x	9.9x	9.5x
Feb. 9, 2004	June 30, 2004	Boyd Gaming	Coast Casinos	1,280.0	8.9x	8.3x	7.4x
Sept. 11, 2003	July 1, 2004	Horseshoe Gaming	Harrah's Entertainment	1,450.0	8.2x	7.7x	7.2x
March 6, 2000	May 31, 2000	Mirage Resorts, Inc.[3]	MGM Grand, Inc.	6,477.1	11.7x	10.3x	10.0x

	LTM EBITDA	CFY EBITDA	CFY +1 EBITDA
High	17.4x	16.3x	12.7x
Low	8.2x	7.7x	7.2x
Arithmetic Mean	11.2x	10.5x	9.6x

Source: Bear Stearns Presentation to the Special Committee dated February 22, 2007
(1) Equity purchase price plus debt plus minority interest plus preferred stock less cash and cash equivalents.
(2) Texas Pacific Group/Apollo Management initially bid $81.00/share. On October 11, 2006, they raised their bid to $83.50/share. On December 18, 2006, Harrah's board accepted a bid at $90.00/share.
(3) Target company held significant non-income producing assets including significant land holdings.

Valuation of Short-term Development Assets

Source: Bear Stearns Presentation to Station Casino's Special Committee on February 22, 2007
Schedule of land Held for Development - Current Development Plans
($ millions)

Valuation Approach 1: Preliminary CBRE Estimates

	Acres[1]	Completion Date	CBRE Low Value	CBRE High Value	Mgmt Low Value	Mgmt High Value
Reno Bayer	57.7	2012	32.0	33.3	38.0	38.0
Durango	66.0	2010	165.0	198.0	165.0	197.9
Castaways	15.3	2009	11.5	19.1	11.5	11.5
Aliante [(2)]	40.7	2009	50.9	61.0	25.0	25.0
Total Land Value Estimates[3]	179.7		259.3	311.4	239.4	272.4

Valuation Approach 2: DCF Estimates	2012E Revenue	2012E EBITDA
Reno Bayer	211.6	80.2
Durango	247.5	110.1
Castaways	34.2	16.7
Aliante 50% EBITDA	NA	27.9
Aliante Management Fee	9.4	9.4
Total	502.7	244.3

	DCF Low Value	Midpoint Value	DCF High Value
Total Land Value--DCF Estimates[(3)]	428.7	534.8	640.8
Value Adjustment (10%) [(4)]	(42.9)	(53.5)	(64.1)
Resulting Value	385.8	481.3	576.7

(1) Where appropriate, excess land at these properties (acreage the company does not intend to develop on during the projection period) is included on the previous page.
(2) Represents Station Casino's 50% interest in joint venture.
(3) The values above are before any debt allocation related to joint ventures. Reflect discount rate range of 8.5% to 9.5% and EBITDA exit multiple range of 9.5x to 10.5x.
(4) Corresponds to adjustment made in Station's projections from June version to revised October version of approximately 10%.

Valuation of Long-term Development Assets

Bear Stearns Presentation to Station Casino's Special Committee on February 22, 2007
Schedule of Land Held for Development - No Current Development Plans
($ millions)

Location	Acres	Internal Management Estimates[1]		Preliminary CBRE Estimates[2]	
Potential Development Opportunities		Low	High	Low	High
Wild Wild West	69.3	692.9	1,039.4	346.5	485.1
Cactus	60.7	151.8	212.5	151.8	182.1
Flamingo	49.0	122.5	196.0	122.5	196.0
Sunset/Lindell	12.0	12.0	12.0	12.0	12.0
Reno Convention Center	7.7	16.0	16.0	8.6	9.3
Fisher Brothers JV/Palace Station	52.0	40.0	40.0	70.0	122.0
Subtotal	250.7	1,035.2	1,515.9	711.4	1,006.5
Excess Land at Existing Owned or Managed Properties					
Fiesta Henderson	15.0	7.8	10.5	8.5	9.8
Boulder	8.0	4.2	4.2	5.2	5.6
Red Rock	8.2	20.5	32.8	21.4	26.8
Sunset	5.0	8.7	11.9	8.7	9.1
Thunder Valley	188.0	40.0	60.0	31.6	40.9
Graton	23.0	20.0	30.0	13.6	15.5
Subtotal	247.2	101.2	149.4	89.0	107.7
Excess Land at Properties to be Developed					
Reno Bayer[3]	35.0	15.0	15.0	19.4	20.2
Durango[3]	5.0	12.5	15.0	12.5	15.0
Castaways[3]	15.0	11.3	11.3	11.2	18.8
Aliante/Losee	54.0	24.0	24.0	14.7	15.3
Subtotal	109.0	62.8	65.3	57.8	69.3
Grand Total	606.9	1,199.1	1,730.4	858.3	1,183.5
Midpoints		Management:	1,464.8	CBRE:	1,020.9

Note: Land where management expects to develop properties prior to year end 2012 are excluded from this analysis. The values above are before any debt allocation related to joint ventures. Station Casinos allocation of debt in these properties is included in Bear Stearn's consolidated debt.

[1] Based on discussions with management as to what they believe the land is worth. Their estimation is based on cost of land, the CB Richard Ellis report commissioned by management in September 2006 and comparable transactions as well as their overall feel of the Las Vegas land market.

[2] Based on CB Richard Ellis report: January 2007.

[3] CBRE valued each site at the Reno Bayer, Durango and Castaways projects in their entirety. The CBRE estimates above represent the proportional value of excess land based on acreage that will not be used in developing the aforementioned projects. The proportional assignment of value based on acreage was approved by CBRE.

Valuation of Excess Land Assets by Duff & Phelps

Land Held for Development Valuation
Duff & Phelps
November 7, 2007

Project	Acres	Value ($mm)	Value/Acre
Cactus	60.7	68.7	1,131,796
Castaways	25.9	39.6	1,528,958
Flamingo & Town Center	49.0	113.1	2,308,163
Durango	71.0	92.8	1,307,411
Palace - Commercial	7.6	27.7	3,644,737
Palace - Richfield Homes	6.7	24.0	3,582,090
Palace - Teddy	1.6	5.5	3,437,500
Palace - Wyandotte	7.3	26.6	3,643,836
Reno - Boyd Site	96.0	36.6	381,250
Reno - Peigh Parcel	8.0	4.3	540,201
Reno Convention Center (Rose One)	7.8	13.5	1,739,691
Reno Convention Center (Assembly)	90.9	71.2	783,623
Sunset & Lindell	12.0	18.9	1,575,000
Thunder Valley Athens	140.0	35.1	250,714
Wild Wild West Area parcels	68.0	546.2	8,037,081
Inspirada	45.0	71.2	1,582,222
Total	**697.3**	**1,195.0**	**2,217,142**

Source: Duff & Phelps 141 report dated November 7, 2007. See appendix D, exhibit 1.

DCF Analysis of Native American Management Contracts

Bear Stearns Report to Special Committee Dated February 22, 2007
Adjusted to reflect LBO close date
($ millions)

	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	Total
Management Fees												
Thunder Valley	92.0	93.0	94.0	49.4	-	-	-	-	-	-	-	328.4
Gun Lake	-	-	22.2	38.1	43.1	45.1	47.1	49.0	52.2	27.2	-	324.0
Graton				50.2	110.1	120.3	126.1	132.3	139.1	146.3	76.2	900.6
Chico				7.0	7.5	8.1	8.4	8.8	9.3	9.7	-	58.8
Total	92.0	93.0	116.2	144.7	160.7	173.5	181.7	190.2	200.6	183.2	76.2	1,611.9
After Tax (38%) Free Cash Flows:												
Thunder Valley	57.0	57.7	58.3	30.6	-	-	-	-	-	-	-	203.6
Gun Lake	-	-	13.8	23.6	26.7	27.9	29.2	30.4	32.4	16.8	-	200.9
Graton	-	-	-	31.1	68.3	74.6	78.2	82.0	86.2	90.7	47.2	558.4
Chico	-	-	-	4.4	4.7	5.0	5.2	5.5	5.7	6.0	-	36.5
Total	57.0	57.7	72.0	89.8	99.6	107.6	112.6	117.9	124.3	113.6	47.2	999.4
Discount Periods (years)	*0.5*	*1.5*	*2.5*	*3.5*	*4.5*	*5.5*	*6.5*	*7.5*	*8.5*	*9.5*	*10.5*	
Present Value of FCF (9% Discount Rate)												
Thunder Valley	54.6	50.7	47.0	22.7	-	-	-	-	-	-	-	174.9
Gun Lake	-	-	11.1	17.5	18.1	17.4	16.7	15.9	15.6	7.4	-	119.7
Graton	-	-	-	23.0	46.3	46.4	44.7	43.0	41.5	40.0	19.1	304.0
Chico	-	-	-	3.2	3.2	3.1	3.0	2.9	2.8	2.7	-	20.8
Total	54.6	50.7	58.1	66.4	67.6	67.0	64.3	61.8	59.8	50.1	19.1	619.4
Valuation at LBO Date [1]												
Discount Periods (years)		*0.5*	*1.5*	*2.5*	*3.5*	*4.5*	*5.5*	*6.5*	*7.5*	*8.5*	*9.5*	
		0.96	*0.88*	*0.81*	*0.74*	*0.68*	*0.62*	*0.57*	*0.52*	*0.48*	*0.44*	
Value at LBO deal date		55.23	63.31	72.41	73.69	72.99	70.09	67.31	65.11	54.60	20.84	615.6

Value at LBO deal date	615.6
Valuation Adjustment of (10%)[2]	(61.6)
Residual Valuation	554.0

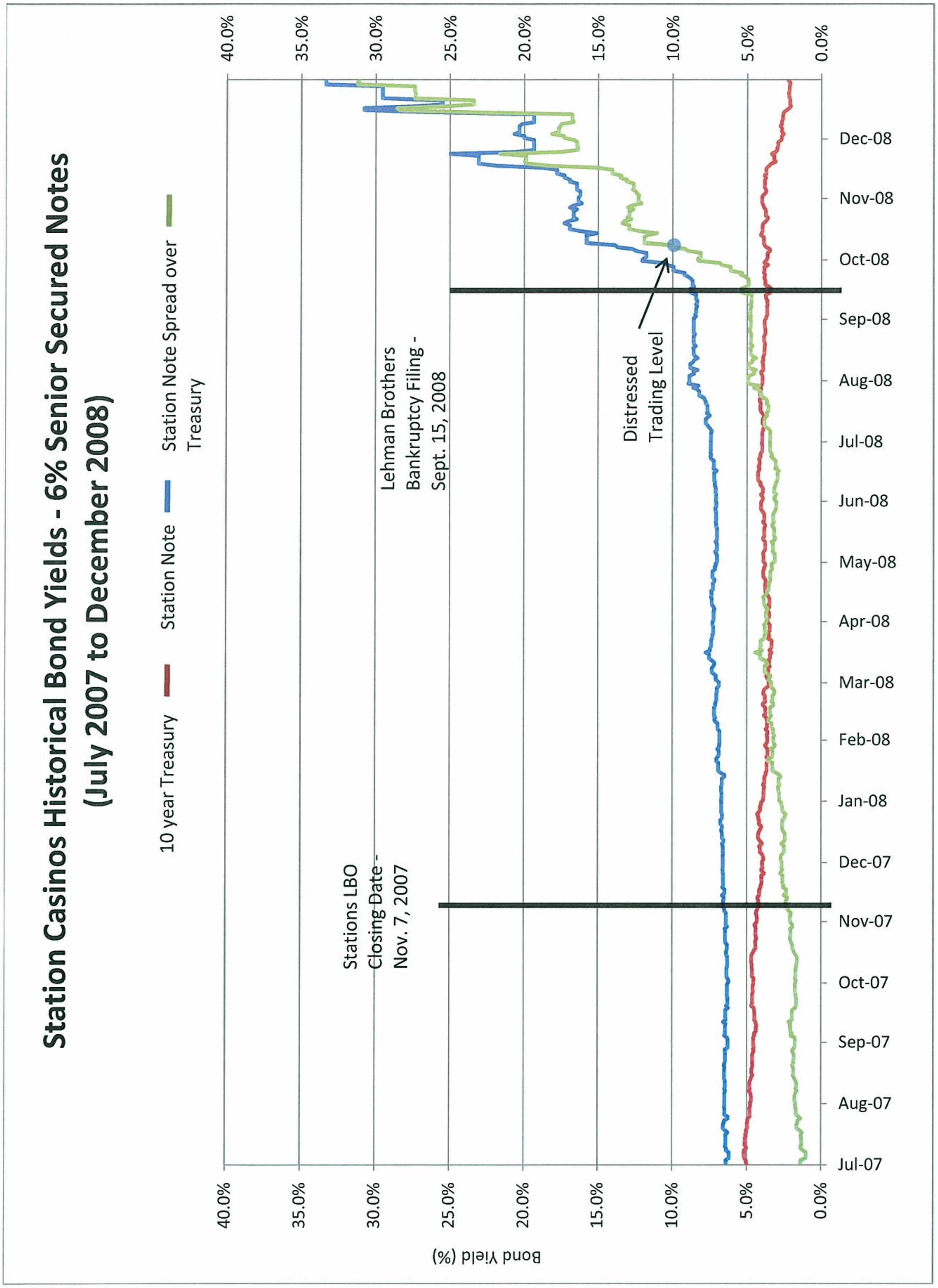
Source: Management Model
(1) Assumes cash flows and absolute timing remain the same as in the Bear Stearn's valuation model. The valuation date is assumed to be 1/1/08 to match Duff & Phelp's DCF methodology.
(2) Corresponds to adjustment made in Station Casinos projections from June version to revised October version of approximately 10%.

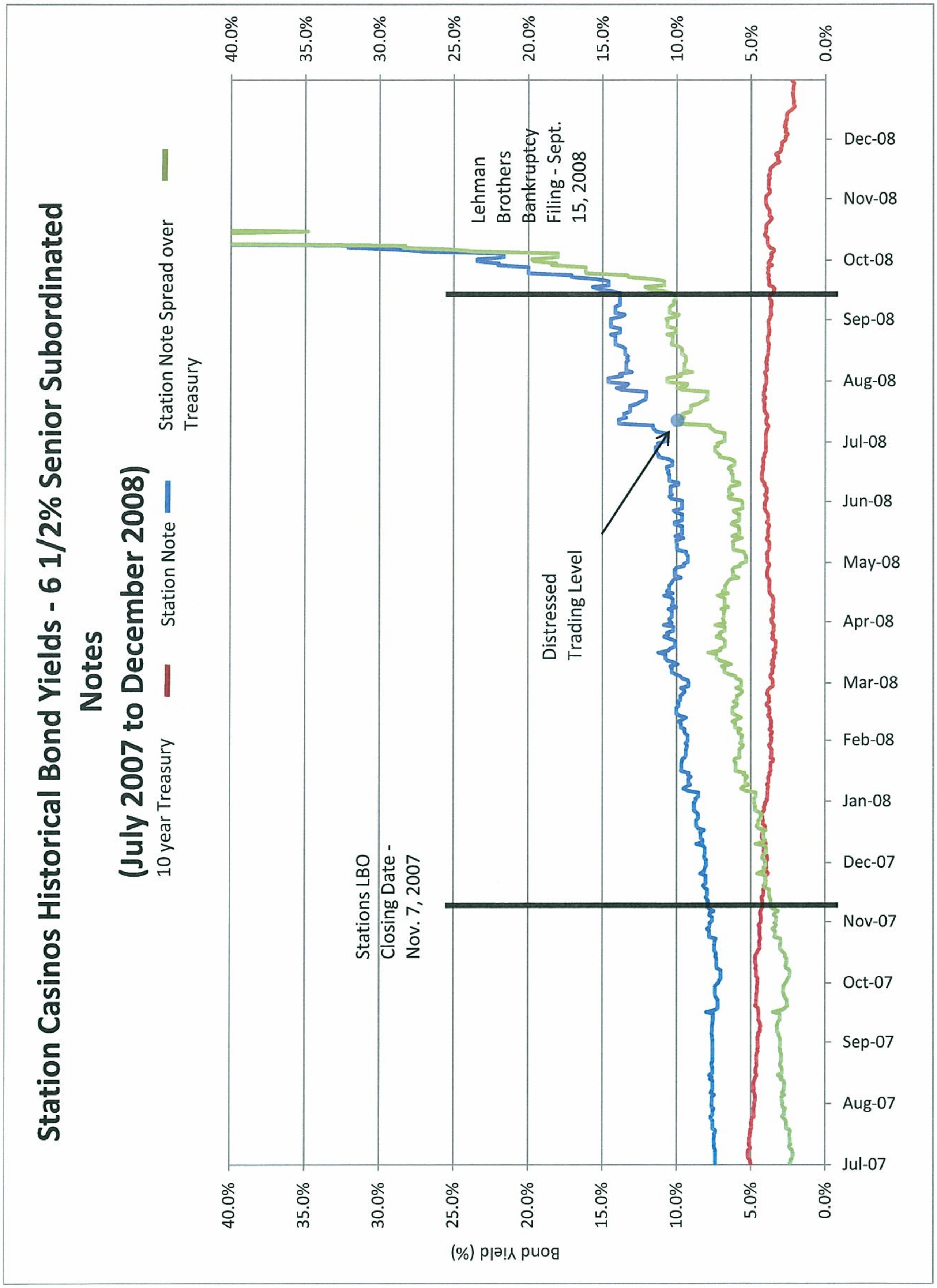
Valuation of non-EBITDA generating/non-core Assets

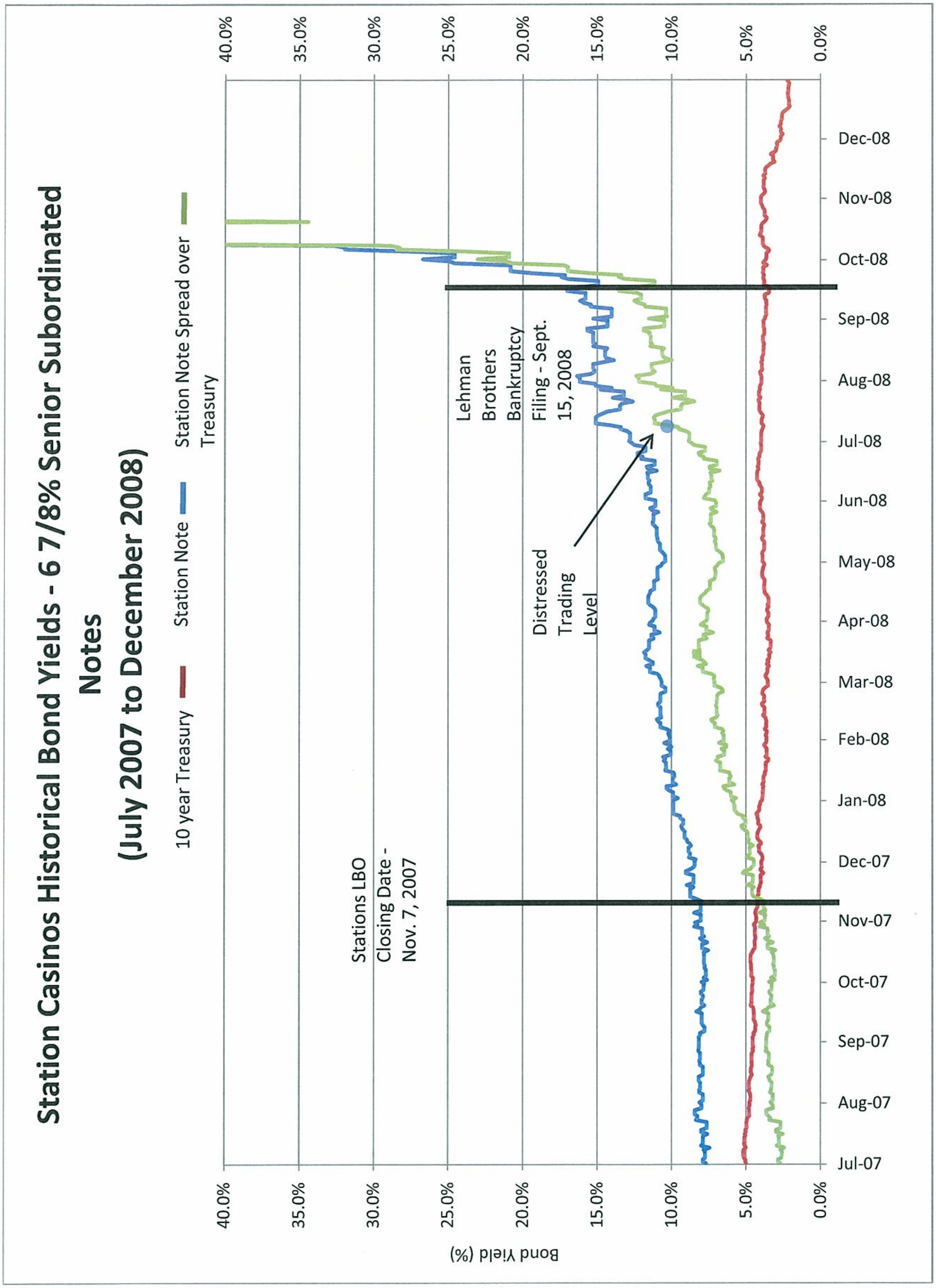
Summary of Station Casinos Non Core Operating Assets
Illustrated as of the time of the LBO
($000s)

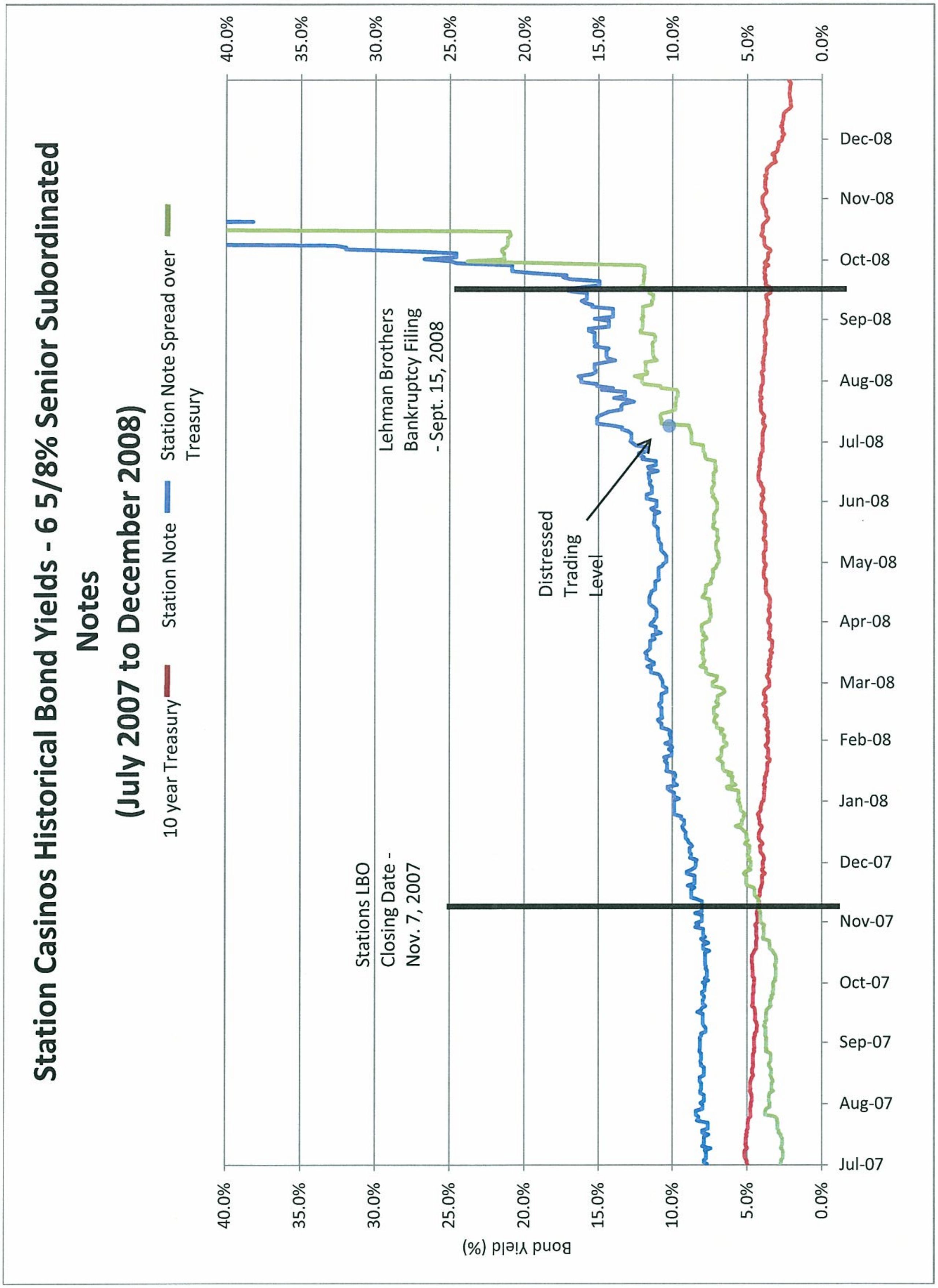
	Valuation
Joint Ventures	
Barley's	30,000
Greens @ 50%	3,000
Green Valley Ranch @ 50%	182,500
Aliante @ 50%	110,000
Rancho Road @ 50%	47,000
Sunset @ 50%	12,000
Palms @ 6.7%	30,000
MPM Enterprises, LLC (Gun Lake Tribe) Management Fee Stream	90,000
Subtotal Joint Ventures	504,500
Future Native American Management Contracts	
Mechoopda Indian Tribe	21,000
North Fork Rancheria of Mono Indian Tribe	-
Federated Indians of Graton Rancheria	171,000
Subtotal Future Native American Contracts	192,000
Total Other Operating Assets	**696,500**
Native American Investments	**169,000**
Construction in Progress	**18,500**

Source: Station Casinos management as contained in Duff and Phelps 141 Analysis.
Assumes WACC of 9.0% and a equal weighting for GVR market comp and DCF valuation methodologies.


Station Casinos Historical Bond Yields - 6% Senior Secured Notes
(July 2007 to December 2008)
10 year Treasury
Station Note
Station Note Spread over Treasury
Stations LBO Closing Date - Nov. 7, 2007
Lehman Brothers Bankruptcy Filing - Sept. 15, 2008
Distressed Trading Level
Bond Yield (%)
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
Jul-07
Aug-07
Sep-07
Oct-07
Nov-07
Dec-07
Jan-08
Feb-08
Mar-08
Apr-08
May-08
Jun-08
Jul-08
Aug-08
Sep-08
Oct-08
Nov-08
Dec-08

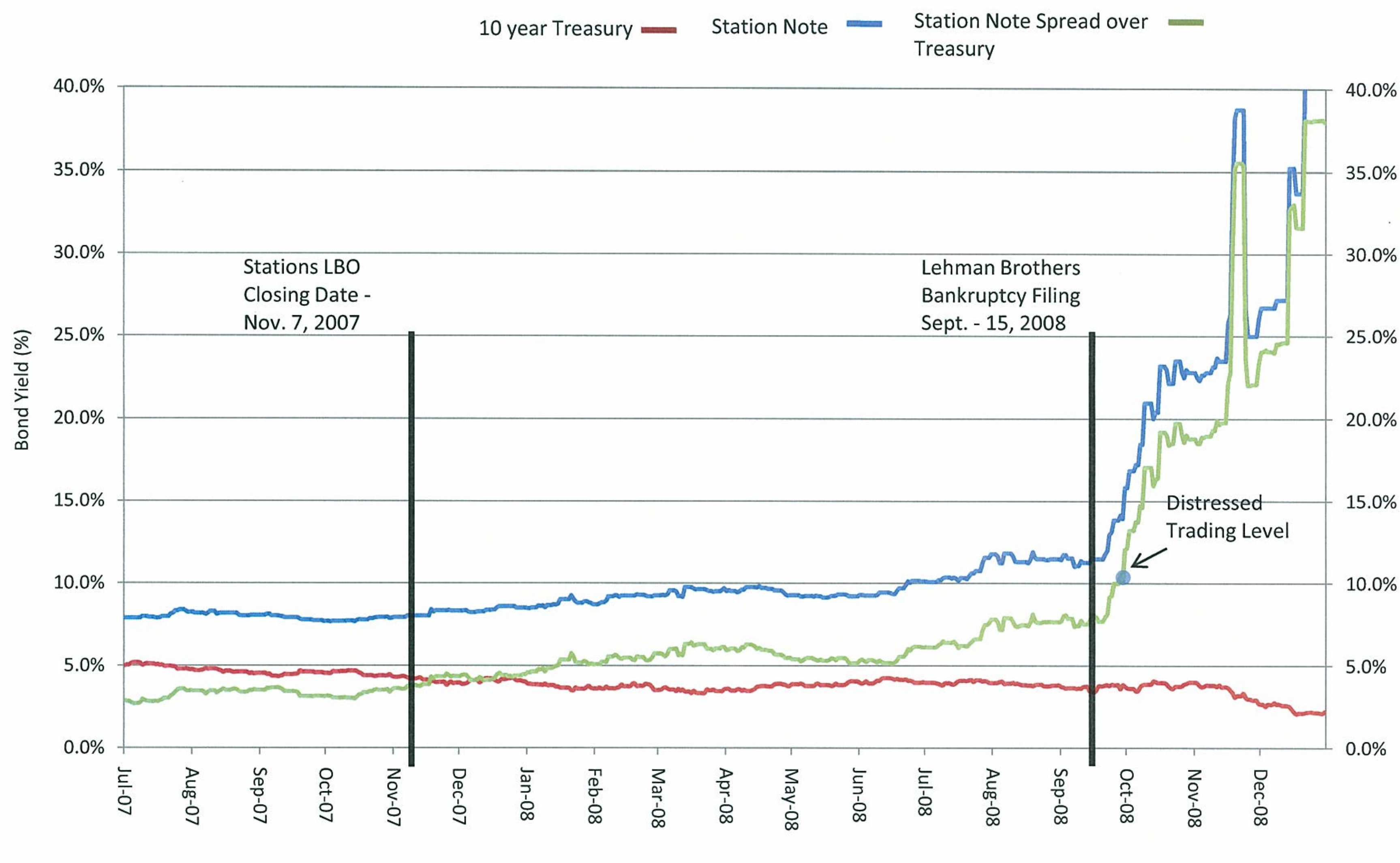

Station Casinos Historical Bond Yields - 6 1/2% Senior Subordinated Notes
(July 2007 to December 2008)
10 year Treasury
Station Note
Station Note Spread over Treasury
Bond Yield (%)
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
Jul-07
Aug-07
Sep-07
Oct-07
Nov-07
Dec-07
Jan-08
Feb-08
Mar-08
Apr-08
May-08
Jun-08
Jul-08
Aug-08
Sep-08
Oct-08
Nov-08
Dec-08
Stations LBO Closing Date - Nov. 7, 2007
Distressed Trading Level
Lehman Brothers Bankruptcy Filing - Sept. 15, 2008


Station Casinos Historical Bond Yields - 6 7/8% Senior Subordinated Notes
(July 2007 to December 2008)
10 year Treasury
Station Note
Station Note Spread over Treasury
Stations LBO Closing Date - Nov. 7, 2007
Lehman Brothers Bankruptcy Filing - Sept. 15, 2008
Distressed Trading Level
Bond Yield (%)
0.0%
5.0%
10.0%
15.0%
20.0%
25.0%
30.0%
35.0%
40.0%
Jul-07
Aug-07
Sep-07
Oct-07
Nov-07
Dec-07
Jan-08
Feb-08
Mar-08
Apr-08
May-08
Jun-08
Jul-08
Aug-08
Sep-08
Oct-08
Nov-08
Dec-08



Station Casinos Historical Bond Yields - 6 5/8% Senior Subordinated Notes
(July 2007 to December 2008)
10 year Treasury
Station Note
Station Note Spread over Treasury
Bond Yield (%)
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
Jul-07
Aug-07
Sep-07
Oct-07
Nov-07
Dec-07
Jan-08
Feb-08
Mar-08
Apr-08
May-08
Jun-08
Jul-08
Aug-08
Sep-08
Oct-08
Nov-08
Dec-08
Stations LBO Closing Date - Nov. 7, 2007
Lehman Brothers Bankruptcy Filing - Sept. 15, 2008
Distressed Trading Level

Station Casinos Historical Bond Yields - 7 3/4% Senior Unsecured Notes (July 2007 to December 2008)



Historical EBITDA Multiple Analysis
Las Vegas
Adjusted TEV as a Multiple of EBITDA Multiple Comparison

	June 2007					September 2007			
	LTM EBITDA	2007E EBITDA	2008E EBITDA	2009E EBITDA	2010E EBITDA	LTM EBITDA	2007E EBITDA	2008E EBITDA	2009E EBITDA
MGM Mirage	15.1	15.5	15.2	15.1	12.0	15.3	16.2	15.7	15.6
Las Vegas Sands	40.7	34.4	19.6	18.0	11.0	69.6	64.8	32.5	29.1
Wynn Resorts	27.0	19.6	20.6	15.3	14.3	32.8	26.8	28.9	21.4
Melco PBL Entertainment	n/a	n/a	n/a	n/a	n/a	n/a	64.3	31.7	9.3
Boyd Gaming	11.1	11.4	11.6	11.5	11.1	10.7	10.8	11.2	12.0
Penn National	11.6	10.9	9.6	8.5	n/a	12.4	11.7	10.6	9.6
Ameristar Casinos	9.8	9.9	8.9	8.7	n/a	8.8	9.0	7.9	7.8
Pinnacle Entertainment	10.9	12.9	10.9	8.4	n/a	11.3	12.0	10.2	8.5
Simple Average	18.0	16.4	13.8	12.2	12.1	23.0	27.0	18.6	14.2
Market Cap Weighted Average	25.5	22.7	17.1	14.8	11.8	43.6	42.0	25.7	21.5

	October 2007				December 2007			
	LTM EBITDA	2007E EBITDA	2008E EBITDA	2009E EBITDA	LTM EBITDA	2007E EBITDA	2008E EBITDA	2009E EBITDA
MGM Mirage	15.4	15.6	14.5	13.9	15.4	15.5	14.4	13.8
Las Vegas Sands	58	55.8	32.5	27.7	60.4	58.1	33.7	26.6
Wynn Resorts	24.5	23.3	26.2	20.2	22.2	21.3	24.0	18.6
Melco PBL Entertainment	nm	62.8	26	7.7	n/a	55.2	23.1	11.6
Boyd Gaming	9.2	9.3	10	10.8	9.0	9.1	9.8	10.5
Penn National	12.2	11.9	11	9.8	12.3	11.9	11.0	9.8
Ameristar Casinos	11.5	9.1	8.2	8.1	11.2	8.8	8.0	7.9
Pinnacle Entertainment	12.1	12.2	10.8	10.0	11.1	11.4	10.1	9.4
Simple Average	20.4	25.0	17.4	13.5	20.2	23.9	16.8	13.5
Market Cap Weighted Average	34.1	34.9	23.6	19.3	35.5	35.5	19.3	19.9

	April 2008			
	LTM EBITDA	2008E EBITDA	2009E EBITDA	2010E EBITDA
MGM Mirage	11.6	12.5	12.1	10.2
Las Vegas Sands	42.8	25.8	21.1	14.1
Wynn Resorts	21.9	20.9	16.9	15.8
Melco PBL Entertainment	NM	20.3	13.6	10.5
Boyd Gaming	7.2	7.6	7.2	6.1
Penn National	10.1	9	8.2	7.8
Ameristar Casinos	9.5	6.8	6.3	6.3
Pinnacle Entertainment	8.9	7.4	6.6	6
Simple Average	16.0	13.8	11.5	9.6
Market Cap Weighted Average	12.4	16.1	19.3	26.3

	June 07 2007E EBITDA	Sept 07 2007E EBITDA	Oct 07 2007E EBITDA		Dec 07 2007E EBITDA		June 07 2008E EBITDA	Sept 07 2008E EBITDA	Oct 07 2008E EBITDA	Dec 07 2008E EBITDA	Apr 08 2008E EBITDA
MGM Mirage	15.5	16.2	15.6	4.3%	15.5	-4.5%	15.2	15.7	14.5	14.4	12.5
Las Vegas Sands	34.4	64.8	55.8	46.9%	58.1	-11.5%	19.6	32.5	32.5	33.7	25.8
Wynn Resorts	19.6	26.8	23.3	26.9%	21.3	-25.8%	20.6	28.9	26.2	24.0	20.9
Melco PBL Entertainment	n/a	64.3	62.8	100.0%	55.2	-16.5%	n/a	31.7	26	23.1	20.3
Boyd Gaming	11.4	10.8	9.3	-5.6%	9.1	-18.7%	11.6	11.2	10	9.8	7.6
Penn National	10.9	11.7	11.9	6.8%	11.9	1.7%	9.6	10.6	11	11.0	9
Ameristar Casinos	9.9	9.0	9.1	-10.0%	8.8	-2.3%	8.9	7.9	8.2	8.0	6.8
Pinnacle Entertainment	12.9	12.0	12.2	-7.5%	11.4	-5.3%	10.9	10.2	10.8	10.1	7.4

	June 07 2009E EBITDA	Sept 07 2009E EBITDA	Oct 07 2009E EBITDA	Dec 07 2009E EBITDA	Apr 08 2009E EBITDA
MGM Mirage	15.1	15.6	13.9	13.8	12.1
Las Vegas Sands	18.0	29.1	27.7	26.6	21.1
Wynn Resorts	15.3	21.4	20.2	18.6	16.9
Melco PBL Entertainment	n/a	9.3	7.7	11.6	13.6
Boyd Gaming	11.5	12.0	10.8	10.5	7.2
Penn National	8.5	9.6	9.8	9.8	8.2
Ameristar Casinos	8.7	7.8	8.1	7.9	6.3
Pinnacle Entertainment	8.4	8.5	10.0	9.4	6.6

Source: Citigroup Equity Research, Company Reports, Reuters, First Call and Citi Investment Research

Discounted Cash Flow Analysis for Core/EBITDA Generating Assets - Original Output

Station Casinos Inc.
SFAS 141 Analysis
Internal Rate of Return Analysis
Valuation Date: November 7, 2007
USD in Thousands

			Projected (1)										Terminal
For the year ended December 31,			2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Year (5)
Total Revenue			1,577,519	1,603,651	1,665,896	1,734,990	1,830,017	1,875,768	1,922,662	1,970,728	2,019,997	2,070,496	2,122,259
Growth Rate				*1.7%*	*3.9%*	*4.1%*	*5.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*
EBITDA (Prior to Corporate Allocation)			**664,093**	**710,904**	**713,914**	**703,821**	**754,444**	**773,305**	**792,638**	**812,454**	**832,765**	**853,584**	**874,924**
Percent of Net Sales			*42.1%*	*44.3%*	*42.9%*	*40.6%*	*41.2%*	*41.2%*	*41.2%*	*41.2%*	*41.2%*	*41.2%*	*41.2%*
Corporate Overhead			40,000	41,300	42,643	44,349	46,123	47,276	48,458	49,669	50,911	52,184	53,488
EBITDA (Including Corporate Allocation)			**624,093**	**669,604**	**671,271**	**659,472**	**708,321**	**726,030**	**744,180**	**762,785**	**781,854**	**801,401**	**821,436**
As % of Revenue			*39.6%*	*41.8%*	*40.3%*	*38.0%*	*38.7%*	*38.7%*	*38.7%*	*38.7%*	*38.7%*	*38.7%*	*38.7%*
Depreciation			151,556	167,242	183,199	183,657	166,617	170,783	175,052	179,429	183,914	188,512	116,829
EBIT			**472,536**	**502,362**	**488,071**	**475,815**	**541,704**	**555,247**	**569,128**	**583,356**	**597,940**	**612,889**	**704,607**
Percent of Net Sales			*30.0%*	*31.3%*	*29.3%*	*27.4%*	*29.6%*	*29.6%*	*29.6%*	*29.6%*	*29.6%*	*29.6%*	*33.2%*
Taxes at	(2)	38.0%	179,564	190,898	185,467	180,810	205,848	210,994	216,269	221,675	227,217	232,898	267,751
Debt Free Net Income			**292,972**	**311,465**	**302,604**	**295,005**	**335,857**	**344,253**	**352,859**	**361,681**	**370,723**	**379,991**	**436,856**
Less: Maintenance Capital Expenditures			115,000	115,000	115,200	118,017	124,970	128,094	131,297	134,579	137,943	141,392	144,927
Less: Expansion Capital Expenditures			13,000	-	-	-	-	-	-	-	-	-	-
Add: Depreciation & Amortization	(6)		151,556	167,242	183,199	183,657	166,617	170,783	175,052	179,429	183,914	188,512	116,829
Less: Working Capital @		0.0%	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow			316,529	363,706	370,604	360,646	377,504	386,941	396,615	406,530	416,694	427,111	408,758
Capitalized Value	(3)												8,171,559
Present Value Periods (months)			6	18	30	42	54	66	78	90	102	114	114
Present Value Factor at	(4)	7.5%	0.9645	0.8972	0.8346	0.7763	0.7221	0.6717	0.6249	0.5813	0.5407	0.503	0.503
Present Value of Free Cash Flow			305,292	326,317	309,306	279,969	272,596	259,909	247,845	236,316	225,306	214,837	4,110,294
Business Enterprise Value (Rounded)			6,788,000										

Notes:
(1) Projections provided by management plan and adjusted/extended by Duff & Phelps based upon discussions with management.
(2) Effective tax rate as provided by management.
(3) Capitalized Value utilizing Gordon Growth Model of DFCF / (r - g).
(4) Discount Rate equal to the IRR necessary to equate the value of the cash flows to the purchase price of the LBO.
(5) Normalized cash flows in 2017 grown at the long-term growth rate.
(6) Depreciation reforecast by D&P. Terminal Year depreciation determined using a wedge calculation assuming a 20 year useful life for Cap-Ex.

Discounted Cash Flow Analysis for Core/EBITDA Generating Assets - Original Output

Odyssey DCF analysis
Valuation Date: November 7, 2007
USD in Thousands

For the year ended December 31,	Note	Rate	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Terminal Year (5)
			Projected (1)										
Total Revenue			1,577,519	1,603,651	1,665,896	1,734,990	1,830,017	1,875,768	1,922,662	1,970,728	2,019,997	2,070,496	2,122,259
Growth Rate				*1.7%*	*3.9%*	*4.1%*	*5.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*
EBITDA (Prior to Corporate Allocation)			**664,093**	**710,904**	**713,914**	**703,821**	**754,444**	**773,305**	**792,638**	**812,454**	**832,765**	**853,584**	**874,924**
Percent of Net Sales			*42.1%*	*44.3%*	*42.9%*	*40.6%*	*41.2%*	*41.2%*	*41.2%*	*41.2%*	*41.2%*	*41.2%*	*41.2%*
Corporate Overhead			40,000	41,300	42,643	44,349	46,123	47,276	48,458	49,669	50,911	52,184	53,488
EBITDA (Including Corporate Allocation)			**624,093**	**669,604**	**671,271**	**659,472**	**708,321**	**726,030**	**744,180**	**762,785**	**781,854**	**801,401**	**821,436**
As % of Revenue			*39.6%*	*41.8%*	*40.3%*	*38.0%*	*38.7%*	*38.7%*	*38.7%*	*38.7%*	*38.7%*	*38.7%*	*38.7%*
Depreciation			151,556	167,242	183,199	183,657	166,617	170,783	175,052	179,429	183,914	188,512	116,829
EBIT			**472,536**	**502,362**	**488,071**	**475,815**	**541,704**	**555,247**	**569,128**	**583,356**	**597,940**	**612,889**	**704,607**
Percent of Net Sales			*30.0%*	*31.3%*	*29.3%*	*27.4%*	*29.6%*	*29.6%*	*29.6%*	*29.6%*	*29.6%*	*29.6%*	*33.2%*
Taxes at	(2)	38.0%	179,564	190,898	185,467	180,810	205,848	210,994	216,269	221,675	227,217	232,898	267,751
Debt Free Net Income			**292,972**	**311,465**	**302,604**	**295,005**	**335,857**	**344,253**	**352,859**	**361,681**	**370,723**	**379,991**	**436,856**
Less: Maintenance Capital Expenditures			115,000	115,000	115,200	118,017	124,970	128,094	131,297	134,579	137,943	141,392	144,927
Less: Expansion Capital Expenditures			13,000	-	-	-	-	-	-	-	-	-	-
Add: Depreciation & Amortization	(6)		151,556	167,242	183,199	183,657	166,617	170,783	175,052	179,429	183,914	188,512	116,829
Less: Working Capital @		0.0%	-	-	-	-	-	-	-	-	-	-	-
Free Cash Flow			316,529	363,706	370,604	360,646	377,504	386,941	396,615	406,530	416,694	427,111	408,758
Capitalized Value	(3)												6,288,588
Present Value Periods (months)			6	18	30	42	54	66	78	90	102	114	114
Present Value Factor at	(4)	9.0%	0.9578	0.8787	0.8062	0.7396	0.6785	0.6225	0.5711	0.524	0.4807	0.441	0.441
Present Value of Free Cash Flow			303,171	319,589	298,781	266,734	256,136	240,871	226,507	213,022	200,305	188,356	2,773,267
													52.5%
Business Enterprise Value (Rounded)			5,287,000										

Notes:
(1) Projections provided by management plan and adjusted/extended by Duff & Phelps based upon discussions with management.
(2) Effective tax rate as provided by management.
(3) Capitalized Value utilizing Gordon Growth Model of DFCF / (r - g).
(4) Discount Rate equal to the Weighted Average Cost of Capital.
(5) Normalized cash flows in 2017 grown at the long-term growth rate.
(6) Depreciation reforecast by D&P. Terminal Year depreciation determined using a wedge calculation assuming a 20 year useful life for Cap-Ex.

List of Third Parties that Reviewed Projections at Time of LBO

Party	Capacity	Due Diligence Performed	Reports issued
Bear Stearns	Sell side M&A adviser to Station Casino's Board of Directors	Reviewed projections as part of valuation of Station Casinos in conjunction with the buyout offer. Issued fairness opinion to the special committee. Performed extensive due diligence on financial projections and generated a valuation based on several approaches including: sum of the parts, Discounted Cash Flows and trading and transaction comparables.	Three presentations to the special committee in addition to a fairness opinion.
CB Richard Ellis	Issued valuation of land assets	Appraised and valued land assets	Appraisals.
Colony Capital	Majority Cash Equity Investor	Reviewed projections and created various sensitivity projections to determine impact on cash flows, liquidity and LBO return rates.	Unknown.
Cushman & Wakefield	Advised Deutsche Bank regarding property appraisals.	Valued land and property assets for those properties to be contributed to PropCo.	Appraisal reports.
Deutsche Bank	Lead Arranger of Credit Facilities	Reviewed projections and marketed debt offerings to bank group and CMBS investors.	Presentations to creditors given in June and October of 2007. Created the initial LBO model in consultation with members of Station Casino's management team.
Duff & Phelps	Purchase price allocation and valuation consultants to Station Casinos	Performed purchase price allocation exercise related to identifiable tangible and intangible assets to assist in the allocation of goodwill created by the LBO transaction. As part of their analysis, D&P valued the land assets of Station Casinos.	SFAS 141 Report addressed to Thomas Friel.
Ernst & Young	Advisor to Colony Capital regarding LBO	Reviewed assumptions included in financial model and forecasts. Reviewed 141 fair value analysis prepared by Duff & Phelps.	Unknown.
Houlihan & Lokey	Advised Station Casinos on fairness of leases for OpCo.	Performed diligence on specific properties to be included in OpCo.	Issued fairness opinion to Station Casinos
JPMorgan	Lead Arranger of Credit Facilities	Reviewed projections and marketed debt offerings to bank group and CMBS investors.	Presentations to creditors given in June and October of 2007.
Moody's	Ratings Agency	Reviewed Station Casino's post deal capital structure and issued credit ratings on senior secured, and senior and subordinated unsecured debt as well as CMBS.	Issued ratings update on Station Casinos notes and on senior and CMBS facilities.
Nevada State Gaming Control Board	Gaming Regulatory Authority	Reviewed projections and capital structure of deal and opined on Station Casinos ability to continue to operate with the post LBO capital structure.	Internal report.
Standard & Poor's	Ratings Agency	Reviewed Station Casinos post deal capital structure and issued credit ratings on senior secured, and senior and subordinated unsecured debt as well as CMBS.	Issued ratings update on Station Casinos notes and on senior and CMBS facilities.