

POST-PETITION LETTER OF CREDIT AGREEMENT

dated as of May [], 2011

between

FCP PROPCO, LLC

and

**DEUTSCHE BANK AG, NEW YORK BRANCH,
as Issuing Bank**

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POST-PETITION LETTER OF CREDIT AGREEMENT

THIS POST-PETITION LETTER OF CREDIT AGREEMENT dated as of May [], 2011 (this "Agreement") is entered into by and between FCP PROPCO, LLC, a Delaware limited liability company (the "Company"), and DEUTSCHE BANK AG, NEW YORK BRANCH (in its individual capacity, "DBAG"), as issuing bank.

W I T N E S S E T H:

WHEREAS, on July 28, 2009 (the "Filing Date"), the Company, and certain of its Affiliates, filed, with the United States Bankruptcy Court for the District of Nevada, a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"); and

WHEREAS, the Issuing Bank has agreed to make available to the Company a letter of credit facility upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

SECTION 1. DEFINITIONS.

1.1 Definitions. When used herein the following terms shall have the following meanings:

Affiliate of any Person means (i) any other Person that, directly or indirectly, controls or is controlled by or is under common control with such Person and (ii) any officer or director of such Person. A Person shall be deemed to be "controlled by" any other Person if such Person possesses, directly or indirectly, power to vote 5% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managers or power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

Agreement – see the Preamble.

Application – see Section 2.1.(a).

Assignment Agreement – see Section 10.6.1.

Attorney Costs means, with respect to any Person, all reasonable fees and charges of any counsel to such Person, the reasonable allocable cost of internal legal services of such Person, all reasonable disbursements of such internal counsel and all court costs and similar legal expenses.

Bankruptcy Code – see the recitals.

Bankruptcy Court means the United States Bankruptcy Court for the District of Nevada or such other court as shall have jurisdiction over the Chapter 11 Cases.

Business Day means any day of the year (other than any Saturday or Sunday) which is not a day on which commercial banks are authorized or required by law to close in New York, New York.

Chapter 11 Cases means the chapter 11 cases of Station Casinos, Inc. and the Company jointly administered under case no. BK-09-52477-GWZ in the Bankruptcy Court.

Closing Date – see Section 8.1.

Code means the Internal Revenue Code of 1986 and the rules and regulations related thereto.

Collateral means the Collateral Account and Propco Collateral Account and all amounts on deposit therein from time to time.

Collateral Account means the Collateral Account (as defined in the Financing Order).

Collateral Documents means, collectively, the security agreements, pledge agreements, control agreements, amendments to or reaffirmation of any of the foregoing or other similar agreements delivered by the Company or SC Michigan to the Issuing Bank from time to time that creates or purports to create a Lien in favor of the Issuing Bank in connection with this Agreement.

Commitment means the Issuing Bank's commitment to issue Letters of Credit. The Commitment shall be reduced to zero on the Termination Date.

Commitment Amount means \$10,000,000.

Commitment Fee – see Section 4.1.

Company – see the Preamble.

DBAG – see the Preamble.

Debtor Relief Laws means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

Disclosure Statement means that certain "Disclosure Statement" in respect of Station Casinos, Inc. and certain of its affiliates and the Plan of Reorganization described therein in the form approved by the Bankruptcy Court on July 29, 2010 (including all exhibits attached thereto).

Dollar and the sign “\$” mean lawful money of the United States of America.

Event of Default means any of the events described in Section 9.1.

Filing Date – see the recitals.

Financing Order means an order of the Bankruptcy Court entered on a final basis, in form and substance satisfactory to the Issuing Bank, and after notice given and a hearing conducted in accordance with Bankruptcy Rule 4001(c) (1) approving the payment by the Company of the fees set forth in Section 5 and the professional fees of the Issuing Bank, (2) granting and approving the superpriority liens and security interests and administrative expense claims contemplated herein, (3) approving the entering into this Agreement by the Company, and (4) modifying the automatic stay, inter alia, which order shall be in full force and effect and shall not have been stayed, reversed, vacated or otherwise modified without the prior written consent of the Issuing Bank.

FRB means the Board of Governors of the Federal Reserve System or any successor thereto.

Indemnified Liabilities – see Section 10.10.

Interest Rate means, for each day, a rate per annum equal to the sum of (a) the Base Rate for such day, plus (b) a margin of five percent (5.00%) per annum. For purposes of this definition,

“Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Rate in effect on such day plus 1/2 of 1% and (c) the one-month LIBO Rate commencing on such day plus 1.0%. For purposes of this definition, the LIBO Rate shall be determined using the LIBO Rate as otherwise determined by the Issuing Bank in accordance with the definition of LIBO Rate, except that (x) if a given day is a Business Day, such determination shall be made on such day or (y) if a given day is not a Business Day, the LIBO Rate for such day shall be the rate determined by the Issuing Bank pursuant to preceding clause (x) for the most recent Business Day preceding such day.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates (rounded upwards, if necessary, to the next 1/100 of 1%) on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged on such day on such transactions as determined by the Issuing Bank.

“LIBO Rate” means the rate for eurodollar deposits with a one-month maturity appearing on Reuters Screen LIBOR1 Page; provided that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the “LIBO Rate” shall be the interest rate per annum determined by the Issuing Bank to be the average of the rates per annum at which deposits in dollars are offered with a one-month maturity to major banks in the London interbank market in London, England by the Issuing Bank at approximately 11:00 a.m. (London time) on the applicable date of determination.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by DBAG as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective as of the opening of business on the date such change is publicly announced as being effective. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually available.

Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Rate or LIBO Rate shall be effective as of the opening of business on the effective date of such change in the Prime Rate, the Federal Funds Rate, or LIBO Rate respectively.

Issuing Bank means DBAG or any other bank appointed for such purpose by DBAG with the consent of the Company.

Letter of Credit Documents means, collectively, (i) this Agreement, (ii) the Collateral Documents, (iii) each Application, (iv) each Letter of Credit and any other document, instrument or other written agreement entered into by the Company or SC Michigan in connection with the foregoing.

Letter of Credit Fee – see Section 2.1.

Letter of Credit Liabilities means, without duplication, at any time and in respect of any Letter of Credit, the sum of (a) the undrawn face amount of such Letter of Credit, and (b) the aggregate unpaid principal amount of all Reimbursement Obligations with respect to such Letter of Credit at such time.

Letters of Credit means letters of credit issued pursuant to Section 2.1.

Lien means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any capitalized lease having substantially the same economic effect as any of the foregoing).

Margin Stock means any “margin stock” as defined in Regulation U.

Minimum Cash Collateral Amount means, as of any date of determination, an amount equal to (a) the aggregate amount of Letter of Credit Liabilities with respect to all outstanding Letters of Credit as of such date plus (b) \$300,000.

Other Obligations means all obligations of the Company under this Agreement and the other Letter of Credit Documents other than the Reimbursement Obligations.

Person means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

Plan of Reorganization means the joint plan of reorganization in the form attached as Exhibit A to the Disclosure Statement, as amended, supplemented or otherwise modified from time to time, without regard to any modifications thereto that are adverse to the interests of the Issuing Bank in any material respect (as reasonably determined by the Issuing Bank in its good faith discretion).

Propco Collateral Account means the Propco Collateral Account (as defined in the Financing Order).

Regulation U means Regulation U of the FRB.

Reimbursement Obligations means, at any time, the obligations of the Company then outstanding in respect of all Letters of Credit to reimburse amounts paid by the Issuing Bank in respect of drawings under a Letter of Credit.

SC Michigan means SC Michigan, LLC, a Nevada limited liability company, and its successors.

SEC means the Securities and Exchange Commission or any other governmental authority succeeding to any of the principal functions thereof.

Subsidiary of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Company.

Termination Date means the earlier to occur of (a) August [___], 2011, (b) the effective date of any plan of reorganization of the Company or Station Casinos, Inc. or (c) such other date on which the Commitment terminates pursuant to Section 9.

Unmatured Event of Default means any event that, if it continues uncured, will, with lapse of time or the giving of notice or both, constitute an Event of Default.

1.2 Other Interpretive Provisions. (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(a) Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(b) The term “including” is not limiting and means “including without limitation.”

(c) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including.”

(d) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement, and (ii) references to any statute or regulation shall be construed as including all statutory and regulatory provisions amending, replacing, supplementing or interpreting such statute or regulation.

(e) This Agreement may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and each shall be performed in accordance with its terms.

(f) This Agreement is the result of negotiations among and has been reviewed by counsel to the Issuing Bank and the Company and is the products of all parties. Accordingly, this Agreement shall not be construed against the Issuing Bank because of the Issuing Bank’s involvement in its preparation.

SECTION 2. COMMITMENT; ISSUANCE PROCEDURES.

2.1 Commitment. Subject to the terms and conditions of this Agreement, the Commitment may be used, upon the request of the Company, by the issuance by the Issuing Bank of standby letters of credit for account of the Company, provided that:

- (i) in no event shall any Letter of Credit be issued after the Termination Date,
- (ii) in no event shall the aggregate amount of all Letter of Credit Liabilities exceed the Commitment, or
- (iii) each such Letter of Credit shall provide that it shall expire on a date no later than the first anniversary of the Closing Date, or
- (iv) any Letter of Credit which provides for automatic renewal upon the expiration date thereof shall provide that such automatic renewal or extension may be terminated by notice from the Issuing Bank to the beneficiary of such Letter of Credit not less than 60 days prior to the date of such renewal or extension.

The following additional provisions shall apply to Letters of Credit:

- (a) The Company shall give the Issuing Bank at least five Business Days’ irrevocable prior notice and application (effective upon receipt), or such shorter period as the Issuing Bank may agree, specifying the Business Day (which shall be no later than the Termination Date) each Letter of Credit is to be issued, the account party or parties

therefor and the proposed form of such Letter of Credit, which notice and application shall be in substantially the form of Exhibit A attached hereto (the "Application").

(b) Upon receipt from the beneficiary of any Letter of Credit of any demand for payment under such Letter of Credit, the Issuing Bank shall promptly notify the Company of the amount to be paid by the Issuing Bank as a result of such demand and the date on which payment is to be made by the Issuing Bank to such beneficiary in respect of such demand. The Issuing Bank shall, promptly after receipt of any such notice, withdraw from the Collateral Account an amount equal to the amount to be so paid by the Issuing Bank, and apply such amount to pay the amount of such demand.

(c) Subject to Section 11, the Company hereby unconditionally agrees to pay and reimburse the Issuing Bank for the amount of each such demand for payment under such Letter of Credit at or prior to the date on which payment is to be made by the Issuing Bank to the beneficiary thereunder, without presentment, demand, protest or other formalities of any kind.

(d) Subject to Section 11, the Company shall pay to the Issuing Bank a letter of credit fee (a "Letter of Credit Fee") in respect of each Letter of Credit in an amount equal to three percent (3.00%) per annum of the daily average undrawn face amount of such Letter of Credit for the period from and including the date of issuance of such Letter of Credit (i) in the case of a Letter of Credit that expires in accordance with its terms, to and including such expiration date and (ii) in the case of a Letter of Credit that is drawn in full or is otherwise terminated other than on the stated expiration date of such Letter of Credit, to but excluding the date such Letter of Credit is drawn in full or is terminated (such fee to be non-refundable, to be paid in arrears on the last Business Day of each month and on the date of such drawing in full or termination and to be calculated for any day after giving effect to any payments made under such Letter of Credit on such day). Letter of Credit Fees shall be computed for the actual number of days elapsed on the basis of a year of 360 days. The Issuing Bank shall, on the date any Letter of Credit Fee is due and owing, withdraw from the Propco Collateral Account an amount equal to the amount to be so paid to the Issuing Bank, and apply such amount to pay the amount of such Letter of Credit Fee.

(e) The issuance by the Issuing Bank of each Letter of Credit shall, in addition to the conditions precedent set forth in Section 2.2, be subject to the conditions precedent that (i) such Letter of Credit shall have a face amount at least equal to \$100,000 (or such smaller amount as the Issuing Bank may agree), (ii) after giving effect to the issuance of such Letter of Credit, no more than twelve (12) Letters of Credit shall be outstanding hereunder, (iii) such Letter of Credit shall include the provisions specified in Paragraph 7 of the Financing Order and shall otherwise be in such form, contain such terms and support such transactions as shall be reasonably satisfactory to the Issuing Bank consistent with its then current practices and procedures with respect to letters of credit of the same type, and (iv) the Company shall have executed and delivered such applications, agreements and other instruments relating to such Letter of Credit as the Issuing Bank shall have reasonably requested consistent with its then current practices and procedures with respect to letters of credit of the same type, provided that in the event of any conflict

between any such application, agreement or other instrument and the provisions of this Agreement, the provisions of this Agreement shall control. Upon any failure of any beneficiary of any Letters of Credit to return its respective Cash Deposit (as defined in the Financing Order) within five Business Days of issuance of such Letters of Credit, the Issuing Bank shall, promptly upon the request of the Company, terminate such Letters of Credit in accordance with the terms thereof by notice to such beneficiary.

(f) The issuance by the Issuing Bank of any modification or supplement to any Letter of Credit hereunder shall be subject to the same conditions applicable under this Section 2.1 to the issuance of new Letters of Credit, and no such modification or supplement shall be issued hereunder unless the respective Letter of Credit affected thereby would have complied with such conditions had it originally been issued hereunder in such modified or supplemented form.

(g) The Company may, from time to time on any Business Day, voluntarily reduce the Commitment Amount on the Business Day so specified by the Company; provided that (i) all such reductions shall require at least three days' prior notice to the Issuing Bank and be permanent and (ii) any partial reduction of the Commitment Amount shall be in a minimum amount equal to the lesser of (A) \$1,000,000 or an integral multiple of \$250,000 in excess thereof and (B) the then aggregate unused portion of the Commitment.

Subject to Section 11, the Company hereby indemnifies and holds harmless the Issuing Bank from and against any and all claims and damages, losses, liabilities, costs or expenses that the Issuing Bank may incur (or that may be claimed against the Issuing Bank by any Person whatsoever) by reason of or in connection with the execution and delivery or transfer of or payment or refusal to pay by the Issuing Bank under any Letter of Credit; provided that the Company shall not be required to indemnify the Issuing Bank for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (x) the willful misconduct or gross negligence of the Issuing Bank in determining whether a request presented under any Letter of Credit complied with the terms of such Letter of Credit or (y) the Issuing Bank's failure to pay under any Letter of Credit after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit. Nothing in this Section 2.1 is intended to limit the other obligations of the Company or the Issuing Bank under this Agreement.

The Company assumes all risks of the acts or omission of the users of any Letter of Credit and all risks of the misuses of any Letter of Credit. Neither the Issuing Bank nor any of its correspondents shall be responsible (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document specified herein in the Application, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit or the rights or benefits thereunder or proceeds thereof in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of any draft to bear any reference or adequate reference to any Letter of Credit, or failure to any person to note the amount of any draft on the reverse of any Letter of Credit or to surrender or take up any Letter of Credit or to send forward any such document apart from drafts as required by the terms of any Letter of Credit, each of which provisions, if contained in any Letter of Credit itself, it is

agreed, may be waived by the Issuing Bank; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, swift, telex, facsimile or otherwise, whether or not they be in cipher; (v) for any error, neglect, default, suspension or insolvency of any of the Issuing Bank's correspondents, (vi) for errors in translation or for errors in interpretation of technical terms; (vii) for any loss or delay in the transmission or otherwise of any such document or draft or of proceeds thereof, or (viii) for any consequences arising from causes beyond the Issuing Bank's control. None of the above shall affect, impair, or prevent the vesting of the Issuing Bank's rights or powers hereunder nor affect the absolute and unconditional obligation of the Company to pay all amounts due and owing to the Issuing Bank hereunder without setoff, counter-claim or any other reduction whatsoever. The Issuing Bank shall have the right to transmit the terms of any Letter of Credit without translating them. If any Letter of Credit provides that payment is to be made by the Issuing Bank's correspondent, neither the Issuing Bank nor such correspondent shall be responsible for the failure of any document specified in such Letter of Credit to come into the Issuing Bank's hands or for any delay in connection therewith, and the Company's obligation to reimburse the Issuing Bank for payments made or obligations incurred shall not be effected by such failure or delay in the receipt by the Issuing Bank of any or all of such documents whether sent to the Issuing Bank in one or multiple mailings. In furtherance and extension and not in limitation of the specific provisions herein above set forth, any action taken or omitted by the Issuing Bank or by any correspondent of the Issuing Bank, under or in connection with any Letter of Credit or the related draft(s) or document(s), if taken or omitted in good faith, shall be binding upon the Company and shall not put the Issuing Bank or any correspondent of the Issuing Bank under any resulting liability to the Company.

2.2 Certain Conditions. Notwithstanding any other provision of this Agreement, the Issuing Bank shall have no obligation to issue any Letter of Credit if an Event of Default or Unmatured Event of Default exists.

2.3 Security Interests; Collateral. Pursuant to the Financing Order, as security for the full and timely payment and performance of all obligations of the Company hereunder, now existing or hereafter arising, SC Michigan has granted to the Issuing Bank a valid, binding, enforceable, duly perfected security interest in the Collateral Account and the Company has granted to the Issuing Bank a valid, binding, enforceable, duly perfected security interest in the Propco Collateral Account. Without limiting the generality of the foregoing, (a) the repayment of the Other Obligations shall be granted a first administrative priority claim by the Bankruptcy Court pursuant to Section 364(d) of the Bankruptcy Code, with priority and superpriority over (i) any and all other Liens and claims against the property of the Company or the Collateral existing on the Filing Date, and (ii) priority claims (including administrative expenses) alleging priority pursuant to Section 503, Section 506(c) or Section 507 of the Bankruptcy Code, heretofore or hereafter arising or incurred in the Chapter 11 Cases or in any superseding case or cases under any chapter of the Bankruptcy Code and (b) the repayment of the Reimbursement Obligations and all other obligations of the Company arising under this Agreement shall be secured by a first priority security interest and Lien on the Collateral pursuant to the Financing Order and the Collateral Documents.

2.4 Collateral Account.

(a) The Issuing Bank may, at any time any Reimbursement Obligation or other amount is payable by the Company under this Agreement, withdraw funds from the Collateral Account in an amount sufficient to pay the same, and apply such withdrawn funds to the payment of such Reimbursement Obligation or other amount.

(b) So long as no Event of Default or Unmatured Event of Default shall be continuing, if at any time the aggregate amount of Collateral on deposit in the Collateral Account is an amount that is greater than the Minimum Cash Collateral Amount, the Issuing Bank shall, no later than two Business Days after a request from the Company that a specified amount be withdrawn from the Collateral Account and remitted to SC Michigan, cause funds in the requested amount to be remitted to SC Michigan from the Collateral Account, provided that, after giving effect thereto, the aggregate amount of Collateral on deposit in the Collateral Account is at least equal to the Minimum Cash Collateral Amount.

(c) After the Termination Date, and subject to (i) the payment in full in cash of all Letter of Credit Liabilities and (ii) the expiration or termination (or assumption as a "Letter of Credit" under (and as defined in) the New PropCo Credit Agreement (as defined in the Plan of Reorganization)) of each Letter of Credit, the Issuing Bank shall (A) promptly terminate any control agreement or pledge agreement entered into with respect to the Collateral Account and return all Collateral on deposit therein to SC Michigan and (B) promptly terminate any control agreement or pledge agreement entered into with respect to the Propco Collateral Account and return all Collateral on deposit therein to the Company.

2.5 Discharge. The Company agrees that (i) its obligations hereunder shall not be discharged by the entry of an order confirming a plan of reorganization under the Chapter 11 Cases (and the Company, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such discharge) and (ii) any superpriority claim granted to the Issuing Bank pursuant to the Financing Order and the Liens granted to the Issuing Bank pursuant to the Financing Order and this Agreement, in each case with respect to the Letter of Credit Liabilities, shall not be affected in any manner by the entry of an order confirming a plan of reorganization under the Chapter 11 Cases.

SECTION 3. INTEREST.

3.1 Interest Rate. The Company promises to pay interest on all amounts not paid when due hereunder (other than Reimbursement Obligations) at the Interest Rate. Such interest shall be payable on demand. Interest shall be computed for the actual number of days elapsed on the basis of a year of 365 days.

SECTION 4. FEES.

4.1 Commitment Fee. Subject to Section 11, the Company agrees to pay to the Issuing Bank a commitment fee (a "Commitment Fee") on the daily average unused amount of

the Commitment, for the period from and including the date of this Agreement to but not including the Termination Date, at a rate per annum equal to one percent (1.00%). Accrued Commitment Fees shall be payable monthly in arrears on the last Business Day of each month and on the Termination Date. Commitment Fees shall be computed for the actual number of days elapsed on the basis of a year of 360 days. The Issuing Bank shall, on the date any Commitment Fee is due and owing, withdraw from the Propco Collateral Account an amount equal to the amount to be so paid to the Issuing Bank, and apply such amount to pay the amount of such Commitment Fee.

4.2 Fee Letter. Subject to Section 11, the Company agrees to pay to the Issuing Bank for its own account (i) on the Closing Date, an upfront fee equal to \$250,000, (ii) upon issuance of any Letter of Credit, an issuing fee equal to \$250 and (iii) upon any amendment of any Letter of Credit, an amendment fee equal to \$150.

SECTION 5. MAKING AND PRORATION OF PAYMENTS; SETOFF; TAXES.

5.1 Making of Payments. All payments of principal of or interest on the Reimbursement Obligations, and of all fees and other amounts payable by the Company hereunder, shall be made by the Company to the Issuing Bank in immediately available funds at the office specified by the Issuing Bank not later than 12:00 noon, New York time, on the date due; and funds received after that hour shall be deemed to have been received by the Issuing Bank on the following Business Day. .

5.2 Setoff. The Company agrees that the Issuing Bank has all rights of set-off and bankers' lien provided by applicable law, and in addition thereto, the Company agrees that at any time any Event of Default exists, the Issuing Bank may, without further order of or application to the Bankruptcy Court, apply to the payment of any obligations of the Company hereunder, whether or not then due, any and all balances, credits, deposits, accounts or moneys of the Company then or thereafter with the Issuing Bank, irrespective of whether the Issuing Bank has demanded payment.

5.3 Reserved.

5.4 Taxes. All payments of principal of, and interest on, the Reimbursement Obligations and all other amounts payable hereunder shall be made free and clear of and without deduction for any present or future income, excise, stamp or franchise taxes and other taxes, fees, duties, withholdings or other charges of any nature whatsoever imposed by any taxing authority, excluding franchise taxes and taxes imposed on or measured by the Issuing Bank's net income or receipts (all non-excluded items being called "Taxes"). If any withholding or deduction from any payment to be made by the Company hereunder is required in respect of any Taxes pursuant to any applicable law, rule or regulation, then, subject to Section 11, the Company will:

(a) pay directly to the relevant authority the full amount required to be so withheld or deducted;

(b) promptly forward to the Issuing Bank an official receipt or other documentation reasonably satisfactory to the Issuing Bank evidencing such payment to such authority; and

(c) pay to the Issuing Bank such additional amount as is necessary to ensure that the net amount actually received by the Issuing Bank will equal the full amount the Issuing Bank would have received had no such withholding or deduction been required.

Moreover, if any Taxes are directly asserted against the Issuing Bank with respect to any payment received by the Issuing Bank hereunder, the Issuing Bank may pay such Taxes and, subject to Section 11, the Company will promptly pay such additional amounts (including any penalty, interest or expense) as is necessary in order that the net amount received by such Person after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount such Person would have received had such Taxes not been asserted.

If the Company fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Issuing Bank the required receipts or other required documentary evidence, subject to Section 11, the Company shall indemnify the Issuing Bank for any incremental Taxes, interest or penalties that may become payable by the Issuing Bank as a result of any such failure.

SECTION 6. REPRESENTATIONS AND WARRANTIES.

To induce the Issuing Bank to enter into this Agreement and to induce the Issuing Bank to incur obligations in respect of Letters of Credit hereunder, the Company represents and warrants to the Issuing Bank that:

6.1 Organization. The Company is a limited liability company validly existing and in good standing under the laws of the State of Delaware.

6.2 Authorization; No Conflict. Upon entry of the Financing Order by the Bankruptcy Court, the Company is duly authorized to execute and deliver this Agreement, the Company is duly authorized to have Letters of Credit issue for its account hereunder and the Company is duly authorized to grant Liens to the Issuing Bank and perform its obligations under this Agreement. Upon entry of the Financing Order by the Bankruptcy Court, the execution, delivery and performance by the Company of this Agreement and issuance of Letters of Credit for the account of the Company hereunder, do not and will not (a) require any consent or approval of any governmental agency or authority (other than the Financing Order), (b) conflict with (i) any provision of law, (ii) the charter, by-laws or other organizational documents of the Company or (iii) any agreement, indenture, instrument or other document, or any judgment, order or decree, which is binding upon the Company or any of its properties and which was entered into after the Filing Date or (c) except as provided in the Financing Order and except for Liens in favor of the Issuing Bank, require, or result in, the creation or imposition of any Lien on any asset of the Company.

6.3 Validity and Binding Nature. Upon entry of the Financing Order by the Bankruptcy Court, this Agreement has been duly executed and delivered by the Company and is the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

6.4 Investment Company Act. The Company is not an “investment company” or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940.

6.5 Regulation U. The Company is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

6.6 No Default. No Event of Default or Unmatured Event of Default exists or would result from the issuance of any Letter of Credit hereunder.

SECTION 7. COVENANTS.

Until the expiration or termination of the Commitment and thereafter until all obligations of the Company hereunder are paid in full, the Company agrees that, unless at any time the Issuing Bank shall otherwise expressly consent in writing, it will:

7.1 Reports, Certificates and Other Information. Furnish to the Issuing Bank:

7.1.1 Reserved.

7.1.2 Reserved.

7.1.3 Reports to the SEC. Promptly upon the filing or sending thereof, copies of all regular, periodic or special reports of the Company filed with the SEC; and copies of all registration statements of the Company filed with the SEC (other than on Form S-8).

7.1.4 Notice of Default. Promptly upon becoming aware of the occurrence of any Event of Default or any Unmatured Event of Default, written notice describing the same and the steps being taken by the Company affected thereby with respect thereto.

7.1.5 Reserved.

7.1.6 Other Information. Promptly from time to time, such other information concerning the Company and its Subsidiaries as the Issuing Bank may reasonably request.

7.2 Further Assurances. Take, execute and deliver any and all such further acts, deeds, conveyances, security agreement, mortgages, assignments, estoppel certificates, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances and other instruments the Issuing Bank may reasonably request from time to time in order to perfect and maintain the validity, effectiveness and priority of the Liens on the Collateral intended to be created under the Financing Order. The Company agrees that, upon entry of the Financing Order, no further actions or filings are required to create or perfect the Liens on the Collateral of the Issuing Bank.

7.3 No Surcharge. Not assert any charges under Section 506(c) of the Bankruptcy Code against any Collateral securing the Letter of Credit Liabilities.

7.4 No Superpriority Claims. Not permit to exist any claims in respect of the Collateral entitled to a superpriority under Section 364(c)(1) of the Bankruptcy Code, other than those of the Issuing Bank.

SECTION 8. EFFECTIVENESS; CONDITIONS OF ISSUANCE, ETC.

The obligation of the Issuing Bank to issue any Letter of Credit is subject to the following conditions precedent:

8.1 Initial Credit Extension. The obligation of the Issuing Bank to issue the first Letter of Credit hereunder is, in addition to the conditions precedent specified in Section 8.2, subject to the conditions precedent that (a) the Issuing Bank shall have received a copy of the Financing Order entered by the Bankruptcy Court and the Financing Order shall be in full force and effect and shall not have been vacated, stayed, reversed, modified or amended, (b) the Issuing Bank shall be satisfied that the Issuing Bank shall have the protection of Section 364(e) of the Bankruptcy Code and (c) the Issuing Bank shall have received all of the following:

8.1.1 Payment of Fees. Evidence of payment by the Company simultaneously with the issuance of the first Letter of Credit hereunder of all accrued and unpaid fees, costs and expenses to the extent then due and payable on the Closing Date.

8.1.2 Propco Cash Collateral. The Company shall have deposited into the Propco Collateral Account an amount equal to \$300,000.

8.2 Conditions. The obligation of the Issuing Bank to issue each Letter of Credit is subject to the following further conditions precedent that:

8.2.1 Compliance with Warranties, No Default, etc. Both before and after giving effect to the issuing of any Letter of Credit, the following statements shall be true and correct:

(a) the representations and warranties of the Company and SC Michigan set forth in this Agreement and the other Letter of Credit Documents shall be true and correct in all material respects with the same effect as if then made (except to the extent stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct as of such earlier date); and

(b) no Event of Default or Unmatured Event of Default shall have then occurred and be continuing.

8.2.2 Orders. The Financing Order shall be in full force and effect and shall not have been vacated, stayed, reversed, modified or amended.

8.2.3 Notice and Application and Issuance Certificate. The Issuing Bank shall have received an Application in respect of such requested Letter of Credit, which shall include a certificate, dated the date of such requested Letter of Credit and signed by a duly authorized representative of the Company (i) as to the matters set out in Section 8.2.1 (it being understood that each request by the Company for the issuance of a Letter of Credit shall be deemed to constitute a warranty by the Company that the conditions precedent set forth in Section 8.2.1 will be satisfied at the time of the issuance of such Letter of Credit), (ii) to the effect that the proposed Letter of Credit and its intended use are consistent with the terms of this Agreement and is necessary in order to satisfy the Company's obligations in the ordinary course of business or as otherwise permitted under this Agreement, (iii) to the effect that the Company has observed

or performed all of its covenants and other agreements in, and has satisfied in all material respects every condition contained in, the Financing Order to be observed, performed or satisfied by the Company and (iv) to the effect that the requirements of Section 8.2.4 will be satisfied with respect to such Letter of Credit, together with such other documents as the Issuing Bank may reasonably request in support thereof.

8.2.4 Collateral. SC Michigan shall have deposited into the Collateral Account an amount in Dollars in immediately available funds such that, immediately after the issuance of such Letter of Credit, the aggregate amount of Collateral on deposit in the Collateral Account shall not be less than an amount equal to the Minimum Cash Collateral Amount.

SECTION 9. EVENTS OF DEFAULT AND THEIR EFFECT.

9.1 Events of Default. Each of the following shall constitute an Event of Default under this Agreement:

9.1.1 Non-Payment of Reimbursement Obligations, etc. Default (i) in the payment when due of the principal of any Reimbursement Obligation or (ii) in the payment of any interest, fee or other amount payable by the Company hereunder within two days after the same becomes due and payable.

9.1.2 Non-Compliance with Agreement. Any of the following:

(a) failure by the Company to comply with or to perform any covenant set forth in Section 7 (other than Sections 7.1.3, 7.1.6 and 7.2); or

(b) failure by the Company or SC Michigan to comply with any other provision of this Agreement or any other Letter of Credit Document, which failure shall continue for ten Business Days after notice thereof to the Company from the Issuing Bank.

9.1.3 Representations and Warranties. Any representation or warranty made by the Company or SC Michigan herein or in any other Letter of Credit Document is breached or is false or misleading in any material respect, or any schedule, certificate, financial statement, report, notice or other writing furnished by the Company or SC Michigan to the Issuing Bank at any time in connection herewith is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.

9.1.4 Dismissal or Conversion of Chapter 11 Cases. The Bankruptcy Court shall enter an order dismissing any of the Chapter 11 Cases or converting any of the Chapter 11 Cases to a case or cases under Chapter 7 of the Bankruptcy Code, or appointing a trustee in any of the Chapter 11 Cases or appointing a responsible officer or an examiner with enlarged powers relating to the operation of the Company's business (beyond those set forth in Section 1106(a)(3) or (4) of the Bankruptcy Code) under Bankruptcy Code Section 1106(b).

9.1.5 Modification of Financing Order. An order of the Bankruptcy Court shall be entered in any of the Chapter 11 Cases amending, supplementing, staying, vacating or otherwise modifying the Financing Order, or the Company shall apply for authority to do so; provided that

no Event of Default shall occur under this Section 9.1.5 to the extent that any such amendment, supplement or other modification is made in compliance with this Agreement and is not adverse in any material respect, in the reasonable judgment of the Issuing Bank, to the rights and interests of the Issuing Bank under this Agreement.

9.1.6 Contest of Claims. The Company shall support (in any such case by way of any motion or other pleading filed with the Bankruptcy Court or any other writing to another party-in-interest executed by or on behalf of the Company) any other Person's opposition of, any motion made in the Bankruptcy Court by the Issuing Bank seeking confirmation of the amount of the Issuing Bank's claim or the validity and enforceability of the Liens in favor of the Issuing Bank.

9.1.7 Disallowance of Claims. The Company shall seek to, or shall support (in any such case by way of motion or other pleading filed with the Bankruptcy Court or any other writing to another party-in-interest executed by or on behalf of the Company) any other Person's motion to, disallow in whole or in part the Issuing Bank's claim in respect of the obligations hereunder or to challenge the validity and enforceability of the Liens in favor of the Issuing Bank.

9.1.8 Financing Order. The Financing Order shall cease to be in full force and effect (or shall have been vacated, stayed, reversed, modified or amended), in each case without the consent of the Issuing Bank.

9.1.9 Failure to Comply with Financing Order. The Company shall fail to comply with the terms of the Financing Order.

9.1.10 Invalidity of Agreement, etc. This Agreement or any Collateral Document shall cease to be in full force and effect; or the Company or SC Michigan (or any Person by, through or on behalf of the Company or SC Michigan) shall contest in any manner the validity, binding nature or enforceability of this Agreement or any Collateral Document.

9.1.11 Superpriority. The entry of an order (other than the Financing Order) granting any other claim superpriority status or a Lien equal or superior to that granted to the Issuing Bank in respect of the Collateral.

9.1.12 Surcharge. The entry of an order authorizing recovery by any Person from the Collateral for any costs of preservation or disposition thereof under Section 506(c) of the Bankruptcy Code or (except as provided in the Financing Order) authorizing the use of cash collateral without consent in writing by the Issuing Bank.

9.1.13 Reserved.

9.1.14 Impairment. The filing by the Company of any motion or proceeding which could reasonably be expected to result in material impairment of the Issuing Bank's rights under this Agreement; or a final determination by the Bankruptcy Court (or any other court of competent jurisdiction) with respect to any motion or proceeding brought by any other party which results in any material impairment of the Issuing Bank's rights under this Agreement.

9.1.15 Plan of Reorganization. The filing of a plan of reorganization by the Company or the entry of an order confirming a plan of reorganization with respect to the Company which fails to provide for the payment in full of cash of the Reimbursement Obligations and other obligations hereunder and the cancellation of all outstanding Letters of Credit (or the provision of other arrangements satisfactory to the Issuing Bank to replace all such Letters of Credit or provide credit support therefor).

9.1.16 SC Michigan.

(a) (a) SC Michigan institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer is appointed without the application or consent of SC Michigan and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to SC Michigan or to all or any material part of its property is instituted without the consent of SC Michigan and continues undismitted or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding;

(b) (b) (i) SC Michigan admits in writing its inability or fails generally to pay its debts as they become due or makes a general assignment for the benefit of its creditors, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of SC Michigan, taken as a whole, and is not released, vacated or fully bonded within sixty (60) days after its issue or levy;

(c) (c) Station Casinos, Inc. shall cease to own and control all of the capital stock of SC Michigan (other than pursuant to the Plan of Reorganization); or

(d) (d) The Collateral Account or any amount on deposit therein shall cease to be subject to a perfected, first-priority security interest in favor of the Issuing Bank, free and clear of any other Lien.

9.2 Effect of Event of Default. If any Event of Default shall occur and be continuing: (i) upon one day's written notice to the Company the automatic stay under Section 362 of the Bankruptcy Code shall be deemed lifted, without further order of or application to the Bankruptcy Court, to permit the Issuing Bank to do one or more of the following (A) reduce the amount of the Commitment (if it has not theretofore terminated), (B) terminate this Agreement and/or (C) declare the Commitment (if it has not theretofore terminated) to be terminated, whereupon the Commitment (if it has not theretofore terminated) shall immediately terminate and/or all obligations hereunder shall become immediately due and payable, all without presentment, demand, protest or other notice of any kind (all of which are hereby waived by the Company); and (ii) upon three Business Days' notice to the Company (as well as counsel of

record for any statutory committee appointed in the Chapter 11 Cases (and the Office of the United States Trustee for the District in which the Chapter 11 Cases is pending), the automatic stay under Section 362 of the Bankruptcy Code shall be deemed lifted, without further order of or application to the Bankruptcy Court, to permit the Issuing Bank to (A) enforce the Liens securing the obligations hereunder, (B) exercise any and all remedies under this Agreement, the Financing Order and applicable law available to the Issuing Bank, including but not limited to, all rights and remedies as a secured creditor under the Uniform Commercial Code or in equity in respect of the Collateral, (C) take immediate possession of the Collateral and/or (D) set-off or otherwise seize amounts in any account maintained with the Issuing Bank or under their control and apply such amounts to the such deficiency. The foregoing shall not be construed to limit the Issuing Bank's discretion (to the extent provided in this Agreement) to take the actions described above at any other time. In connection with the exercise by the Issuing Bank of any remedy provided to it hereunder or under the Financing Order, the Company agrees not the object to or otherwise challenge the Issuing Bank's security interest under the Financing Order.

SECTION 10. GENERAL.

10.1 Waiver; Amendments. No delay on the part of the Issuing Bank in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any of them of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No right or remedy herein conferred upon the Issuing Bank is intended to be exclusive of any other right or remedy contained herein, and every such right or remedy shall be cumulative and shall be in addition to every other such right or remedy contained herein or therein or now or hereafter existing at law or in equity or by statute or otherwise. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed and delivered by the Issuing Bank, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

10.2 Notices. Except as otherwise provided in Section 2.1, all notices hereunder shall be in writing (including facsimile transmission) and shall be sent to the applicable party at its address shown on Schedule 10.2 or at such other address as such party may, by written notice received by the other parties, have designated as its address for such purpose. Notices sent by facsimile transmission shall be deemed to have been given when sent; notices sent by mail shall be deemed to have been given three Business Days after the date when sent by registered or certified mail, postage prepaid; and notices sent by hand delivery or overnight courier service shall be deemed to have been given when received. For purposes of Section 2.1, the Issuing Bank shall be entitled to rely on telephonic instructions from any person that the Issuing Bank in good faith believes is an authorized officer or employee of the Company, and the Company shall hold the Issuing Bank harmless from any loss, cost or expense resulting from any such reliance.

10.3 Costs, Expenses and Taxes. Subject to Section 11, the Company agrees to pay on the Termination Date, and thereafter on demand, without further order of or application to the Bankruptcy Court, all reasonable out-of-pocket costs and expenses of the Issuing Bank (including Attorney Costs) in connection with the preparation, execution, syndication, delivery and administration of this Agreement and all other documents provided for herein or delivered or

to be delivered hereunder or in connection herewith (including any amendment, supplement or waiver to this Agreement), and all out-of-pocket costs and expenses (including Attorney Costs and the reasonable fees and expenses of financial advisors to the Issuing Bank) incurred by the Issuing Bank if an Event of Default exists in connection with the enforcement of this Agreement or any such other documents, including, without limitation, the reasonable fees and expenses of Sidley Austin LLP. In addition, subject to Section 11, the Company agrees to pay, and to save the Issuing Bank harmless from all liability for, any stamp or other similar taxes (excluding income taxes and franchise taxes based on net income or receipts) which may be payable in connection with the execution and delivery of this Agreement, the borrowings hereunder, or any other document provided for herein or delivered or to be delivered hereunder or in connection herewith. All obligations provided for in this Section 10.3 shall survive the termination of expiration of the Letters of Credit and termination of this Agreement.

10.4 Reserved.

10.5 Captions. Section captions used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

10.6 Assignments.

10.6.1 Assignments. The Issuing Bank at any time assign and delegate to one or more Persons (any Person to whom such an assignment and delegation is to be made being herein called an “Assignee”) all or any fraction of the Issuing Bank’s interest in Letter of Credit Liabilities and the Commitment.

10.6.2 Participations. The Issuing Bank may at any time sell to one or more commercial banks or other Persons participating interests in any Letter of Credit Liabilities, the Commitment or any other interest of the Issuing Bank hereunder (any Person purchasing any such participating interest being herein called a “Participant”). In the event of a sale by the Issuing Bank of a participating interest to a Participant, (x) the Issuing Bank shall remain the holder of its interest in Letter of Credit Liabilities and shall remain responsible for all its obligations as a Lender hereunder for all purposes of this Agreement, (y) the Company shall continue to deal solely and directly with the Issuing Bank in connection with the Issuing Bank’s rights and obligations hereunder and (z) all amounts payable by the Company shall be determined as if the Issuing Bank had not sold such participation and shall be paid directly to the Issuing Bank. No Participant shall have any direct or indirect voting rights hereunder except with respect to any 100% Issue. The Issuing Bank agrees to incorporate the requirements of the preceding sentence into each participation agreement which the Issuing Bank enters into with any Participant. The Company agrees that if amounts outstanding under this Agreement are due and payable, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as the Issuing Bank under this Agreement.

10.7 Governing Law. This Agreement shall be a contract made under and governed by the laws of the State of New York applicable to contracts made and to be performed entirely within such State, except to the extent governed by the Bankruptcy Code. Each Letter of Credit shall be subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision)

International Chamber of Commerce, Publication No. 500, and any replacements thereof and substitutions thereof, and shall be subject to Section 5-114 (Issuer's Duty and Privilege to Honor; Right to Reimbursement) of the New York Uniform Commercial Code. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. All obligations of the Company and rights of the Issuing Bank expressed herein shall be in addition to and not in limitation of those provided by applicable law.

10.8 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

10.9 Successors and Assigns. This Agreement shall be binding upon the Company, the Issuing Bank and their respective successors and assigns, and shall inure to the benefit of the Company, the Issuing Bank and the successors and assigns of the Issuing Bank.

10.10 Indemnification by the Company. Whether or not the transactions contemplated hereby are consummated, subject to Section 11, the Company shall indemnify and hold harmless the Issuing Bank and its Affiliates, directors, officers, employees, counsel, agents, trustees, investment advisors and attorneys-in-fact (collectively the "Indemnitees") from and against any and all liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses and disbursements (including all reasonable fees, expenses and disbursements of any law firm or other external legal counsel ("Attorney Costs")) of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against any such Indemnitee in any way relating to or arising out of or in connection with (a) the execution, delivery, enforcement, performance or administration of this Agreement, any Application, any other Letter of Credit Document or any other agreement, letter or instrument delivered in connection with the transactions contemplated thereby or the consummation of the transactions contemplated thereby, (b) any Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit) or (c) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory (including any investigation of, preparation for, or defense of any pending or threatened claim, investigation, litigation or proceeding) and regardless of whether any Indemnitee is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"), in all cases, whether or not caused by or arising, in whole or in part, out of the negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses or disbursements resulted from the gross negligence or willful misconduct of such Indemnitee or of any affiliate, director, officer, employee, counsel, agent or attorney-in-fact of such Indemnitee, in each case as determined by a final, non-appealable judgment. No Indemnitee shall be liable for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information

transmission systems in connection with this Agreement, nor shall any Indemnitee or the Company have any liability for any special, punitive, indirect or consequential damages relating to this Agreement, any other Letter of Credit Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date). In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 10.10 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Company, its directors, stockholders or creditors or an Indemnitee or any other Person, whether or not any Indemnitee is otherwise a party thereto and whether or not any of the transactions contemplated hereunder or under any Application is consummated. All amounts due under this Section 10.10 shall be paid within ten (10) Business Days after demand therefor; provided, however, that such Indemnitee shall promptly refund such amount to the extent that there is a final judicial or arbitral determination that such Indemnitee was not entitled to indemnification or contribution rights with respect to such payment pursuant to the express terms of this Section 10.10. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 10.10 may be unenforceable in whole or in part because they are violative of any applicable law or public policy, the Company shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all indemnified liabilities incurred by any Indemnitee. All obligations provided for in this Section 10.10 shall survive expiration or termination of the Letters of Credit, any foreclosure under, or any modification, release or discharge of, any or all of the Collateral Documents and termination of this Agreement

10.11 Nonliability of the Issuing Bank. The relationship between the Company on the one hand and the Issuing Bank on the other hand shall be solely that of debtor and creditor. The Issuing Bank shall not have any fiduciary responsibility to the Company. The Issuing Bank undertakes no responsibility to the Company to review or inform the Company of any matter in connection with any phase of the Company's business or operations. The Company agrees that the Issuing Bank shall not have liability to the Company (whether sounding in tort, contract or otherwise) for losses suffered by the Company in connection with, arising out of, or in any way related to the transactions contemplated and the relationship established by this Agreement, or any act, omission or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of competent jurisdiction that such losses resulted from the gross negligence or willful misconduct of the party from which recovery is sought.

10.12 Forum Selection and Consent to Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE ISSUING BANK OR THE COMPANY SHALL BE BROUGHT IN THE BANKRUPTCY COURT, AND IF THE BANKRUPTCY COURT DOES NOT HAVE (OR ABSTAINS FROM) JURISDICTION, ANY STATE OR FEDERAL COURT IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK. THE COMPANY HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH SUCH LITIGATION. THE COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY

REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR OUTSIDE OF THE STATE OF NEW YORK. THE COMPANY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

10.13 Waiver of Jury Trial. THE ISSUING BANK AND THE COMPANY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE ISSUING BANK OR THE COMPANY. THE COMPANY ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE ISSUING BANK ENTERING INTO THIS AGREEMENT.

SECTION 11. LIMITED RECOURSE. Notwithstanding anything to the contrary herein, the Issuing Bank shall have recourse only to the Collateral on deposit in the Collateral Account for the purpose of satisfying any Reimbursement Obligation, and the Issuing Bank shall not have any recourse to the Company for payment of any Reimbursement Obligation if, for any reason, funds in the Collateral Account are insufficient to pay the amount of any Reimbursement Obligation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

FCP PROPCO LLC

By: _____
Name:
Title:

DEUTSCHE BANK AG, NEW YORK BRANCH,
as Issuing Bank

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 10.2

ADDRESSES FOR NOTICES

Company:

[_____]

Attention: [_____]

Telephone: [_____]

Facsimile: [_____]

with a copy to:

[_____]

[_____]

[_____]

Telephone: [_____]

Facsimile: [_____]

Issuing Bank:

[_____]

Letter of Credit Manager

[_____]

[_____]

Telephone: [_____]

Facsimile: [_____]

Email: [_____]

with a copy to:

[_____]

[_____]

[_____]

Telephone: [_____]

Facsimilie: [_____]

Email: [_____]

EXHIBIT A

Form of Issuance Certificate and Application

FCP PROPCO, LLC

Date: [_____] , 20[___]

This Issuance Certificate and Application (this "Application") is given by FCP PropCo, LLC, a Delaware limited liability company (the "Company"), pursuant to Section 8.2.3 of the Post-Petition Letter of Credit Agreement, dated as of May [___], 2011 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Agreement"), between the Company and Deutsche Bank AG, New York Branch, as issuing bank (in such capacity, the "Issuing Bank"), and in respect of the request by the Company on the date hereof for the Issuing Bank to issue [a Letter of Credit] [Letters of Credit] (the "Proposed LC"). Terms used but not defined in this Application shall have the meanings assigned thereto in the Agreement.

The officer executing this Application is duly authorized to execute and deliver this Application on behalf of the Company. By executing this Application such officer hereby certifies (in his or her representative capacity without personal liability) to the Issuing Bank that on behalf of the Company:

- (a) the representations and warranties of the Company set forth in the Agreement are true and correct in all material respects with the same effect as if made on the date hereof (except to the extent stated to relate to a specific earlier date, in which case such representations and warranties are true and correct as of such earlier date);
- (b) no Event of Default or Unmatured Event of Default has occurred or is continuing;
- (c) the Proposed LC and its intended use are consistent with the terms of the Agreement and is necessary in order to satisfy the Company's obligations in the ordinary course of business or as otherwise permitted under the Agreement;
- (d) the Company has observed or performed all of its covenants and other agreements in, and has satisfied in all material respects every condition contained in, the Financing Order to be observed, performed or satisfied by the Company; and
- (e) SC Michigan has deposited into the Collateral Account an amount in Dollars in immediately available funds such that, immediately after the issuance of the Proposed LC, the aggregate credit balance of the Collateral Account will not be less than the Minimum Cash Collateral Amount.

IN WITNESS WHEREOF, the Company has caused this Application to be executed by its _____ this __ day of _____, 20__.

STATION CASINOS, INC.

By _____
Name:
Title:

(e) Deutsche Bank AG

APPLICATION FOR

New York Branch
CREDIT
 60 Wall Street,

IRREVOCABLE STANDBY LETTER OF

(i) New York, New York 10005-2858

Tel: (212) 250-1014 Fax: (212) 797-0403

SECTION 2. SWIFT ID: DEUTUS33

SECTION 3. <u>DATE:</u> _____
OUR REF.: _____

SECTION 4. PLEASE TYPE AND COMPLETE ALL REQUIRED INFORMATION

(a) APPLICATION

SECTION 5. PLEASE ISSUE YOUR IRREVOCABLE STANDBY LETTER OF CREDIT AND NOTIFY THE BENEFICIARY BY:

MAIL OVERNIGHT COURIER SWIFT/TELEX PICK-UP MESSENGER

BENEFICIARY	FOR ACCOUNT OF (APPLICANT)
(SHOW FULL NAME & COMPLETE ADDRESS)	(SHOW FULL NAME AND ADDRESS)
ATTN.: MESSENGER)	(REQUIRED FOR DELIVERY VIA OVERNIGHT COURIER OR
TELEPHONE NO.: MESSENGER)	(REQUIRED FOR DELIVERY VIA OVERNIGHT COURIER OR

ADVISING BANK (IF APPLICABLE)	CURRENCY & AMOUNT:

_____	AMOUNT IN WORDS:
_____	_____

_____	DRAFTS AND DOCUMENTS MUST BE PRESENTED AT THE COUNTERS OF DEUTSCHE BANK AG, NEW YORK BRANCH
	ON OR BEFORE: _____
	(IF CREDIT IS CONFIRMED OR COUNTER
INDEMNIFYING	ANOTHER BANK, THEN PRESENTATION AT THE
COUNTER	

OF _____).

AVAILABLE BY DRAFT(S) DRAWN ON YOU AT SIGHT WHEN ACCOMPANIED BY THE FOLLOWING DOCUMENT(S):

- BENEFICIARY'S CERTIFICATE, PURPORTEDLY SIGNED BY AN AUTHORIZED SIGNATORY, STATING NAME AND TITLE, STATING AS FOLLOWS:

[PLEASE INDICATE BELOW THE EXACT WORDING, WHICH IS TO APPEAR IN THE STATEMENT TO BE PRESENTED WITH THE DRAFT(S)].

OTHER DOCUMENT(S) IF ANY:

CHECK IF PARTIAL DRAWINGS ARE NOT ALLOWED

THE STANDBY LETTER OF CREDIT IS TO BE ISSUED WITH THE TERMS AND CONDITIONS AS SET FORTH IN THE ATTACHED SPECIMEN.

CORRESPONDENT CHARGES (IF APPLICABLE) ACCOUNT

FOR OUR ACCOUNT

FOR BENEFICIARY'S

UTILIZATION(S) UNDER THE STANDBY LETTER OF CREDIT AS WELL AS FEES AND CHARGES ARE TO BE DEBITED TO OUR ACCOUNT NUMBER: _____.

(i)

FOR DBAG INTERNAL USE ONLY

APPLICANT'S SIGNATURE(S) VERIFIED BY:

**PRINT NAME AND TITLE OR SIGNATURE
STAMP**

CREDIT APPROVAL GRANTED BY:

PRINT NAME AND TITLE OR SIGNATURE STAMP

(*)

*** INTERNAL CREDIT APPROVAL PROVIDED VIA EMAIL TRANSMISSION IS
ACCEPTABLE.**

PRICING

ISSUING FEE: \$250.00

STANDBY COMM: _____

SCHEDULE: QAR QAD YAD YAR SEMI-ANNUALLY CALENDAR QAR CALENDAR
QAD

OTHER CYCLE, PLEASE SPECIFY _____.

**AMENDMENT COMM: STANDARD \$150.00 PER AMENDMENT. OTHER AMOUNT, PLEASE SPECIFY
_____.**

**NEGOTIATION COMM: STANDARD .125%, MIN. \$250.00 PER NEGOTIATION. OTHER AMOUNT, PLEASE
SPECIFY _____.**

**COURIER CHRГ: MINIMUM \$30.00 WITHIN THE U.S.A. \$MINIMUM 60.00 ABROAD
PLUS ANY OTHER OUT-OF-POCKET EXPENSES.**

FACILITY ID: _____ CUSTOMER'S ACCOUNT NO.

_____.

ANY OTHER SPECIAL ARRANGEMENTS: _____.