

**RESTATED BY-LAWS OF
RUIDOSO JOCKEY CLUB, INC.**

(EFFECTIVE AS OF AUGUST 16, 1997)

Recommended Deletions

Recommended Additions

ARTICLE I.

Stockholders Meetings - Notice

Section 1. Stockholders' Meetings shall be held at the principal office or place of business of this company.

Section 2. The annual meeting of the stockholders of this company shall be held on the 3rd Saturday in August of each year, between the hours of 9:00 a.m. and 9:00 p.m. (AMENDED 1/16/56)

Section 3. A notice of such meeting, written or printed, shall be mailed to each stockholder, at his post office address appearing upon the records of the company, ten days before each annual meeting or special meeting, which notice, in a notice of a special meeting, shall state the object, or objects, for which it is called. (AMENDED 4/17/80)

Special meetings of the stockholders may be called by a like notice at any time by the President or by the stockholders owning 51% of the entire capital stock, whose names shall be signed to the notice of such meetings.

No business shall be transacted at a special meeting except as stated in the notice sent to stockholders, unless by the unanimous consent of all stockholders, either in person or by proxy, all of the outstanding stock being represented at the meeting.

Section 4. Whenever notice is required by statute or by these by-laws to be given to the stockholders, or the Directors, or to any officer of the company, personal notice is not meant unless expressly so stated, and any notice so required (other than by publication), shall be deemed to be sufficient if given by depositing the same in a post office box in a special postpaid wrapper, addressed to such stockholders, director or officer, at his last known post office address, and such notice shall be deemed to have been given at the time of such mailing.

Section 5. Upon failure to hold any annual meeting as herein provided, such meeting may be called by the President or by the holders of 51% of the capital stock in the same manner as a special meeting.

Section 6. At any meeting of the stockholders a quorum for the transaction of business shall consist of a majority of the voting stock of the company represented by the stockholders in person or by proxy.

Section 7. A majority of the stock present at a meeting, either in person or proxy, may adjourn such meeting from time to time, until holders of an amount of stock necessary to constitute a quorum are present.

At such adjourned meeting all business may be transacted which could or might have been transacted at the time, or date, of the original meeting.

Section 8. Directors to manage the business of the corporation shall be elected at the annual meeting of the stockholders, which election shall be held at the place designated herein and shall be by ballot. The election shall be in accordance with **the classes established in** the Articles of Incorporation **and shall consist of three directors serving staggered three year terms. At the August, 1983 meeting, nine directors will be elected: Three, First Class Directors for a one-year term shall be nominated and elected. Three, Second Class Directors for a two-year term shall be**

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nominated and elected. Three, Third Class Directors for a three-year term shall be nominated and elected. After the August, 1983 annual meeting, No director whose term expires shall be able to succeed himself/herself by being nominated and elected until the next succeeding annual meeting; it being the intent of this corporation that no director shall serve more than three consecutive years.

Section 9. At all stockholders' meetings, when questions are voted upon, each stockholder, or his proxy, may cast one vote for each share of stock owned by him. Proxies shall be duly filed with the secretary of the corporation not later than 2:00 p.m. on the day before any meeting for which they are to be used. (AMENDED 6/23/84) They shall continue in force until a written revocation of the proxy or a duly executed proxy covering the same share or shares and bearing a later date is filed. No proxies shall be received after 2:00 p.m. on the day before any meeting for which they are to be used. Any proxy may be suspended when the person executing the proxy is present at the meeting and elects to vote the share or shares, except when the proxy is coupled with an interest. (AMENDED 6/11/83)

All proxies filed before the meeting shall be submitted to and examined by the inspectors or auditors of election appointed by the President and no shares may be represented or voted under proxy found to be invalid or irregular. Each proxy filed with the secretary prior to a meeting shall be examined by him as promptly as possible after filing, and, if any apparent invalidity or irregularity is noted, he shall notify the person executing the proxy of such apparent invalidity or irregularity before such meeting if time permits.

There is no limitation on the number of proxies which may be held, and each holder of a proxy shall vote each proxy as instructed by the person who executed the proxy.

When ballots are employed to elect directors or on other questions at the annual meeting, the holder of multiple proxies may elect to vote all of his proxies en banc on one ballot or on sufficient ballots to correctly reflect his voting instructions from the person or persons who executed the proxies held by him. In no case shall more ballots be distributed to a shareholder than represented by his own vote plus the number of proxies held by him.

Section 10. Proxies shall be duly executed and signed and shall not be granted for a longer period than six months.

Section 11. The President shall call meetings of stockholders together, when they shall choose a chairman to preside over the meetings. The secretary of the corporation, or in his absence the secretary appointed by such chairman, shall keep a faithful record of the proceedings of all stockholders' meetings.

Section 12. In the event of any tie vote on an affirmative proposition, the motion shall be deemed to have been lost. No action shall be taken by virtue of any vote at a stockholders' meeting unless carried by a majority vote.

Section 13. The following order of business shall be observed at all annual and special meetings of the stockholders so far as practicable.

1. Ascertaining if quorum is present.
2. Reading, correction and approval of the minutes of the former meeting.
3. Reports of the President, Treasurer and Secretary.
4. Reports of the Committees.
5. Election of Directors.
6. Unfinished business.
7. New business.

Section 14. Not later than two months prior to each annual meeting of the shareholders, the board of directors shall appoint a nominating committee of three members who are not current directors. This committee shall consider all available candidates for the directorships and offices

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to be filled at the forthcoming meeting and shall submit a slate of candidates at the meeting. Such submission shall be deemed a nomination of each person named. The committee may recommend one or more than one candidate for each vacancy to be filled. (AMENDED 6/11/83)

Any group of shareholders may nominate a candidate for director by filing with the nominating committee the name of the candidate on a petition endorsed by ten shareholders designating the class and term for which the candidate is nominated. Such petition will state that the candidate has been contacted and has agreed to serve for the class and term to which nominated. The nominating petition must be received at the corporate office not later than 5:00 p.m. on the first Friday in August of each year, so that the nominated person's name may be printed on the ballot. Nominations from the floor for director shall be permitted at the annual meeting.

Section 15. Voting of stockholders at any meeting may be by voice vote unless the presiding officer shall otherwise direct. If ballots are employed, they may contain more than one question, proposition, or candidate and shall be prepared and distributed in such a manner by the inspectors or auditors of election so that the total voting power present may be cast on any proposition or member or any candidate or combination of candidates in exact accordance with the voting rights of each person present whether he is a stockholder or proxy holder. (AMENDED 6/11/83) Cumulative voting shall not be permitted. Write in votes shall not be permitted. A plurality of votes cast shall be sufficient to elect a director. **In the event that there are more than three nominations** the three highest vote totals **in the class of directors being voted upon** shall be declared elected. In the event of a tie vote for director, a runoff election will be immediately conducted between the individuals who are tied.

Section 16. Procedures for Election of Directors and Officers During Majority Ownership of Common Shares of Ruidoso-Sunland, Inc. held by the Ruidoso Jockey Club, Inc. (AMENDED 8/24/85)

a. Immediately following their election at the annual meeting, the duly elected Directors of Ruidoso Jockey Club, Inc. shall be canvassed by the President of the Ruidoso Jockey Club, Inc. as to whether or not they desire to serve as Directors of Ruidoso-Sunland, Inc. The President of Ruidoso Jockey Club, Inc. shall nominate all Directors who desire to serve, and he shall vote all the Ruidoso-Sunland, Inc. shares standing in the name of the Ruidoso Jockey Club, Inc. in favor of their election as Directors of Ruidoso-Sunland, Inc. for a term of one year.

b. The Directors so nominated and elected in accordance with paragraph (a) above shall nominate and elect one of their number as President of Ruidoso-Sunland, Inc.

c. The President of Ruidoso-Sunland, Inc. so nominated and elected in accordance with paragraph (b) above shall within two weeks nominate sufficient additional individuals to fill out the then existing total number of Directors for the Board of Directors of Ruidoso-Sunland, Inc. No individual ending his term as a Ruidoso Jockey Club, Inc. Director may be considered or nominated as a Ruidoso-Sunland, Inc. Director until he has not served for one year.

d. The additional members nominated by the president of Ruidoso-Sunland, Inc. in accordance with paragraph (c) shall be submitted to the Board of Directors for approval by a simple majority vote. The President of Ruidoso Jockey Club, Inc. shall ratify the election of the additional Directors selected under this paragraph (d) by voting all the Ruidoso-Sunland, Inc. shares standing in the name of Ruidoso Jockey Club, Inc. in favor of their election as Directors of Ruidoso-Sunland, Inc. for a term of one year.

e. The full complement of Directors elected in accordance with paragraphs (a) through (d) above shall then elect from among their number the balance of the officers of Ruidoso-Sunland, Inc.

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Section 17. Ex Officio Members. The immediate past President of Ruidoso-Sunland, Inc. shall be an ex officio member of the Ruidoso-Sunland, Inc. Board of Directors with full power to participate in all meetings, but he shall have no right to vote. He shall be paid and receive the same benefits as all the Directors of Ruidoso-Sunland, Inc. (AMENDED 8/24/85)

ARTICLE II.

Stock

Section 1. Certificate of Stock shall be in form adopted by the Board of Directors, and shall be signed by the President or Vice-President and the Treasurer and attested by the corporate seal.

Section 2. Certificates of Stock shall be issued in numerical order from the stock certificate book and the certificates shall be numbered consecutively. Certificates as issued shall be taken from a stub book and a full record of each entered on the corresponding stub.

Section 3. All certificates of stock transferred by endorsement thereon shall be surrendered for cancellation and new certificates issued to the purchaser or assignees. All surrendered certificates shall be endorsed with the date of cancellation and pasted to the corresponding stubs in the stock book.

Section 4. Transfers of stock may only be made upon the books of the company and no transfers shall be entered except upon the surrender of the certificate representing the transferred stock, properly endorsed. No transfers of stock shall be made within twenty days before a general election and not within ten days before the payment of a dividend.

Section 5. The Board of Directors may issue duplicate certificates of stock upon proof that any such certificates have been lost or destroyed, taking a satisfactory bond of indemnity against any loss or claim that the company may incur by reason of issuing such duplicate certificate. But the Board of Directors may impose additional conditions before issuing such certificates and shall not be compelled to issue any duplicate certificates except upon the order of a court of competent jurisdiction.

Section 6. All stock of the company which may be donated to or purchased by the company, shall be held subject to disposal by the action of the Board of Directors. It shall neither vote nor participate in dividends while so held.

ARTICLE III.

Directors and Officers

Section 1. All of said directors, shall *have a vested interest in at least one share of stock in the corporation and written approval to represent that stock and each entity shall own at least one share of stock in the corporation* each own at least one share of stock in the corporation at the time of his/her election, and in the event of disposal of the same during his/her term of office he/she shall immediately cease to be a director and the remaining directors shall then proceed to elect a successor. (AMENDED 4/21/62) The number of directors may be increased or decreased, provided that the same shall be done at a regular annual meeting, and provided further that three-fourths of the stockholders shall consent thereto. (SUPERCEDED ARTICLE V 4/17/82)

Section 2. Vacancies in the Board of Directors, by reason of death, resignation or other cause, shall be filled by the remaining directors, choosing from among the stockholders a director to fill the unexpired term.

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Section 3. In case of death, resignation or disqualification of the entire Board of Directors, a new Board may be elected for the unexpired term at a special meeting of the stockholders held for that purpose.

Section 4. Resignation of directors shall be in writing addressed to the Board.

Section 5. The Board of Directors may adopt rules and regulations for the calling and conducting of meetings of the Board and the management of the affairs of the company not inconsistent with law nor with these by-laws.

Section 6. At the first meeting of the Board of Directors each year, following the election of directors at the annual stockholders' meeting, the Board of Directors shall choose a President, Vice-President, Secretary and Treasurer, who shall serve for one year and until their successors are elected and qualify. The President and Vice-President shall be members of the Board of Directors. The same person may be elected to two of such offices.

No person shall serve as President for more than two successive one-year terms unless every member of the Board of Directors has already served at least two one-year terms as President. (AMENDED 4/19/69)

The President may replace a committee chair person if they resign or fail to fulfill their duties. (AMENDED 8/21/10)

Section 7. The Secretary-Treasurer, together with the President, shall sign on behalf of the corporation all promissory notes and other evidence of indebtedness.

The Secretary-Treasurer shall keep such books and accounts and make such reports as may be required by the Board of Directors. The Treasurer shall also be Assistant Secretary in the event the office is divided.

The Board of Directors shall have the authority to make and execute contracts, leases, notes, mortgages and any and all other agreements in writing pertaining to the business of said corporation, and shall have the express power and authority to delegate and authorize the President, or such other officer of the corporation as in the opinion of the Board may be desirable, to execute upon behalf of the corporation notes, mortgages, leases, contracts and any and all other instruments of any kind or character necessary, proper or incident to the operation of the business of the corporation.

Section 8. The secretary shall keep a faithful record of the proceedings of all corporation meetings. He shall have charge of the corporate seal and of its stock and transfer book; he shall affix the seal to such instruments as are required by the Board of Directors; and make transfers of stock upon proper request, as provided by law and these by-laws. He shall keep such other books and perform such duties as the Board of Directors may prescribe.

Section 9. Action of Directors Without a Meeting. This Board of Directors may act upon any action which may be taken by it upon any issue including the election of Directors or Officers without a meeting when business conditions or an emergency requires. (ADOPTED 8/24/85) In such instance the President shall canvass the members of the Board of Directors by a conference telephone call on the issue to be decided and record their vote for or against the action to be taken. Participation in the conference call by a quorum of Directors and the act of a majority of the quorum shall be the act of the Board of Directors.

Section 10.

1. The corporation shall indemnify, to the extent provided herein, any person who is and was a director, officer, agent or employee of the corporation, and any person who serves or served at the corporation's request as a director, officer, agent, employee, partner or trustee of another corporation or of a partnership, joint venture, trust or other enterprise. (ADOPTED 8/16/97)

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2. In case of suit by or in the right of the corporation against a person named in paragraph 1 by reason of his holding a position named in paragraph 1, the corporation shall indemnify him if he satisfies the standard in paragraph 3, for expenses (including attorney's fees but excluding amounts paid in settlement) actually and reasonably incurred by him in connection with the defense or settlement of the suit.

3. In the case of a suit by or in the right of the corporation, a person named in paragraph 1 shall be indemnified only if he is successful on the merits or otherwise, or if he acted in good faith in the transaction which is the subject of the suit and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation. However, he shall not be indemnified in respect of any claim, issue or matter as to which he has been adjudged liable for negligence or misconduct in the performance of his duty to the corporation unless (and only to the extent that) the court in which the suit was brought shall determine, upon application, that, despite the adjudication but in view of all of the circumstances, he is fairly and reasonably entitled to indemnity for such expense as the court shall deem proper.

4. In case of a suit, action or proceeding (whether civil, criminal, administrative, or investigative), other than a suit by or in the right of the corporation, together hereafter referred to as a non-derivative suit, against a person named in paragraph 1 by reason of his holding a position named in paragraph 1, the corporation shall indemnify him, if he satisfies the standard in paragraph 5, for amounts actually and reasonably incurred by him in connection with the defense or settlement of the non-derivative suit as expenses (including attorney's fees), amounts paid in settlement, judgments and fines.

5. In case of non-derivative suit, a person named in paragraph 1 shall be indemnified only if he is successful on the merits or otherwise, or if he acted in good faith in the transaction which is the subject of the non-derivative suit and in a manner he reasonably believes to be in, or not opposed to, the best interests of the corporation and, with respect to any best interests of the corporation and, with respect to any criminal action or proceeding, he had no reason to believe his conduct was unlawful. The termination of a non-derivative suit by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person failed to satisfy the standard of this paragraph.

6. A determination that the standard of paragraphs 3 or 5 has been satisfied may be made by a court; or, the determination may be made by a majority of the directors of the corporation (whether or not a quorum) who were not parties to the action, suit or proceeding, or by independent legal counsel in a written opinion, or by the shareholders of the corporation.

7. Anyone making a determination under paragraph 6 may determine that a person has met the standard as to some matters but not as to others and may reasonably pro rate amounts to be indemnified.

8. The corporation may pay in advance any expenses (including attorney's fees) which may become subject to indemnification under paragraphs 1 through 7 if the Board of Directors authorizes the specific payment and the person receiving the payment undertakes in writing to repay unless it is ultimately determined that he is entitled to indemnification by the corporation under paragraphs 1 through 7.

9. The indemnification provided by paragraphs 1 through 7 shall not be exclusive of any rights to which a person may be entitled by law, by-law, agreement, vote of shareholders or disinterested director, or otherwise.

10. The indemnification and advance payment provided by paragraphs 1 through 8 shall continue as to a person who has ceased to hold a position named in paragraph 1 and shall inure to his heirs, executors and administrators.

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11. The corporation may purchase and maintain insurance on behalf of any person who holds or who has held any position named in paragraph 1 against any liability incurred by him in any such position, or arising against any liability incurred by him in any such position, or arising out of his status as such, whether or not the corporation would have power to indemnify him against such liability under paragraphs 1 through 8.

ARTICLE IV.

Seal

Section 1. The seal of the company shall consist of two metal disks, with the name of the corporation, RUIDOSO JOCKEY CLUB, INC., RUIDOSO, NEW MEXICO, around the rim thereof so mounted as to be capable of impression of said word on paper by raised lettering.

ARTICLE V.

Dividends

Section 1. The Board of Directors may declare dividends from the surplus or net profits of the corporation, over and above the amount from time to time fixed by the Board as the amount reserved as working capital, or set aside as a surplus fund.

ARTICLE VI.
Nepotism Policy

Section 1 (a) Except as provided under Section 1 (b) below, the board of directors of the club shall insure that the general manager and business manager shall not be relatives. A relative is a spouse, by marriage or civil union, domestic partner, or the individual's or spouse's parent, child, sibling, aunt, uncle, niece, nephew, grandparent, grandchild, son-in-law, daughter-in-law, stepparent, stepchild, stepbrother, stepsister, half-brother or half-sister, whether the relative related to the individual or the individual's spouse by blood, marriage, or adoption;

Section 1 (b) Section 1 (a) does not apply to the general manager and business manager employed as of August 21, 2010.

Amendments

Section 1. These By-laws may be amended, repealed or altered at any regular meeting of the stockholders, or at any special meeting called for the purpose, upon due notice of its object by a majority vote of the stock issued and outstanding, except as herein otherwise provided.

Section 2. The Board of Directors may suspend the effect of any by-law and enact a substitute therefore to be effective until the proposed amendment, repeal or alteration shall be submitted to a stockholders' meeting, if two-thirds of all the Directors shall vote in favor of such action.

Section 3. The Board of Directors may enact any additional by-laws not inconsistent with law or the by-laws adopted by the stockholders.

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Section 4. Any member that does not pay any bill and dues due to Ruidoso Jockey Club, Inc., within 30 days after due notice, such member may be denied the privileges of the Ruidoso Jockey Club, Inc., until the Board of Directors see fit to reinstate the same. (AMENDED 1/16/56) (AMENDED 8/18/90)

If annual membership dues are not paid in full by the first day of the racing meet the Board of Directors may decide upon an interest rate to be charged that falls within the legal interest rate for the State of New Mexico. (AMENDED 8/21/10)

Section 5. If any member has a past due account to the corporation which remains uncured for 30 days after due notice by the Manager, then the Board of Directors shall direct the Manager to take legal actions through the corporate attorneys to collect the account from the delinquent member in cash or to obtain possession of and title to that member's certificate of stock in satisfaction of the past due account. (ADOPTED 6/20/93)

Section 6. If at any time the indebtedness of any shareholder to the corporation exceeds Two Thousand Five Hundred Dollars (\$2,500.00), the President may immediately cause to be mailed by certified U.S. mail, return receipt requested, a letter to the shareholder identifying the indebtedness and requiring that the same be paid in full within thirty days after receipt of the letter. If the receiving shareholder does not pay the indebtedness within thirty days after receipt of the letter, the President may declare the shares of the shareholder to be forfeited and will cause such shares to be revoked and canceled on the books of the Corporation the same as if said shares had never been issued. Upon such cancellation of shares, the shareholder's indebtedness to the Corporation will be deemed paid in full. (AMENDED 7/7/01)

Shares in the Corporation are transferable only if all indebtedness of the owner to this Corporation has been paid.

Section 7. At no time shall the Ruidoso Jockey Club provide any stockholder's contact information to include addresses, phone numbers, email addresses or other personal information unless authorized by the individual stockholder.