SPEEDWAY MOTORSPORTS INC

FORM 10-K405

(Annual Report (Regulation S-K, item 405))

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Sector	Services
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2001

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission file number 1-13582

SPEEDWAY MOTORSPORTS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	51-0363307
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

5555 Concord Parkway South, Concord, North Carolina 28027
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (704) 455-3239

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
$.01 Par Value Common Stock	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: NONE

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [_] No

The aggregate market value of the voting stock held by non-affiliates of the registrant was approximately $319,243,531 based upon the closing sales price of the registrant's Common Stock on March 11, 2002 of $24.83 per share. At March 11, 2002, 41,881,270 shares of the registrant's Common Stock, $.01 par value per share, were outstanding.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the Annual Meeting of Stockholders to be held May 9, 2002 are incorporated by reference into Part III of this report.

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Part I

The following discussion and analysis should be read along with the Consolidated Financial Statements, including the Notes thereto, appearing later in this report. Statements in this Annual Report on Form 10-K that reflect projections or expectations of our future financial or economic performance, and statements of our plans and objectives for future operations, including those contained in "Business", "Properties", "Legal Proceedings", and "Management's Discussion and Analysis of Financial Condition and Results of Operations", or relating to our future capital projects, hosting of races, broadcasting rights or sponsorships, are "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and
Section 21E of the Securities Exchange Act of 1934, as amended. Words such as "expects", "anticipates", "approximates", "believes", "estimates", "hopes", "intends", and "plans", and variations of such words and similar expressions are intended to identify such forward-looking statements. No assurance can be given that actual results or events will not differ materially from those projected, estimated, assumed or anticipated in any such forward-looking statement. Important factors that could result in such differences, in addition to other factors noted with such forward-looking statements, include those discussed in Exhibit 99.1 filed with the SEC as an exhibit to this report.

Part I

Item 1. Business

Speedway Motorsports, Inc. (the "Company", "SMI", "we", "us", and "our"), owns and operates Atlanta Motor Speedway ("AMS"), Bristol Motor Speedway ("BMS"), Lowe's Motor Speedway at Charlotte (formerly known as Charlotte Motor Speedway) ("LMSC"), Las Vegas Motor Speedway ("LVMS"), Sears Point Raceway ("SPR"), and Texas Motor Speedway ("TMS"), and is a leading promoter, marketer and sponsor of motorsports activities in the United States. We also provide event food, beverage, and souvenir merchandising services through our Finish Line Events ("FLE") subsidiary, and manufacture and distribute smaller-scale, modified racing cars and parts through our 600 Racing subsidiary. We currently will sponsor 17 major annual racing events in 2002 sanctioned by the National Association for Stock Car Auto Racing, Inc. ("NASCAR"), including ten races associated with the Winston Cup stock car racing series ("Winston Cup") and seven races associated with the Busch Grand National ("Busch") series. We will also sponsor two Indy Racing League Series ("IRL") racing events, three NASCAR Craftsman Truck Series racing events, four major National Hot Rod Association ("NHRA") racing events, and six World of Outlaws ("WOO") racing events in 2002. SMI was incorporated in the State of Delaware in 1994.

Recent Developments

Long-Term Management Contract and Asset Sale in Fiscal 2002. In February 2002, several of our subsidiaries and Levy Premium Foodservice Limited Partnership and Compass Group USA, Inc. (collectively, the "Levy Group") consummated a long-term food and beverage management agreement and an asset purchase agreement. The Levy Group will have exclusive rights to provide on-site food, beverage, and hospitality catering services for essentially all events and operations of our six speedways and other outside venues beginning February 2002. These services were previously provided by our Finish Line Events subsidiary. The agreements provide for, among other items, specified annual fixed and periodic gross revenue based commission payments to us over the contract period. The contract period is initially ten years with renewal options for an additional ten year period. The Levy Group also purchased certain food and beverage machinery and equipment of FLE for approximately $10,000,000 in cash, representing net book value as of December 31, 2001. See Note 4 to the Consolidated Financial Statements for additional information on the transaction.

Redemption of Convertible Subordinated Debentures. At December 31, 2001, we had $53.7 million of 5 3/4% convertible subordinated debentures due 2003 ("Convertible Subordinated Debentures") which are presently redeemable at our option at 101.64%, and under which 1,726,000 shares of common stock would be issuable upon conversion. We plan to redeem all such convertible debentures on April 19, 2002. We believe redemption is in our long-term interest and an appropriate use of available funds. Redemption would reduce future interest expense and eliminate the associated dilution effect on our earnings per share. The redemption is expected to be funded entirely from available cash and cash investments on hand. As such, our cash and cash investments and long-term debt would be reduced by approximately $53.7 million upon redemption, excluding redemption premium, accrued interest and transaction costs. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Near term Operating Factors" and Notes 5 and 6 to the Consolidated Financial Statements for additional information on this redemption, and related terms and conditions, including redemption and conversion features.

General Overview

We have one of the largest total permanent speedway seating capacities in the motorsports industry. We believe that long-term spectator demand for our largest events exceeds existing permanent seating capacity at each of our speedways. At December 31, 2001, our total permanent seating capacity was approximately 731,000 located at the following facilities:

Speedway	Location	Approx. Acreage	Length (miles)	Luxury Suites(1)	Permanent Seating(2)
Atlanta Motor Speedway	Hampton, GA	820	1.5	141	124,000
Bristol Motor Speedway	Bristol, TN	650	0.5	106	146,000
Las Vegas Motor Speedway	Las Vegas, NV	1,000	1.5	102	114,000
Lowe's Motor Speedway at Charlotte (formerly Charlotte Motor Speedway)	Concord, NC	1,140	1.5	120	171,000
Sears Point Raceway	Sonoma, CA	1,600	2.5	11	19,000(3)
Texas Motor Speedway	Ft. Worth, TX	1,760	1.5	194	157,000
				674	731,000

(1) Excluding dragway and dirt track suites.
(2) Excluding infield admission, temporary seats, general admission, and dragway and dirt track seats.
(3) In 2001, SPR added more than 19,000 permanent seats. SPR currently has limited permanent seating capacity which is supplemented by temporary seating for approximately 17,000 spectators and other general admission seating arrangements along its 2.52 mile road course. See "Properties--Sears Point Raceway" for additional information on our ongoing multi-year expansion and modernization of SPR.

We derive revenues principally from the following activities:

. the sale of tickets to automobile races and other events held at our speedways;

. the licensing of television, cable network and radio rights to broadcast such events;

. the sale of food, beverages and souvenirs during such events; and

. the sale of sponsorships to companies that desire to advertise or sell their products or services at such events.

In 2001, we derived approximately 76% of our total revenues from NASCAR-sanctioned events. We have experienced substantial growth in revenues and profitability as a result of the following factors:

. continued improvement, expansion and investments in our facilities;

. our participation in the consolidated NASCAR television and ancillary rights agreements;

. consistent marketing and promotional efforts; and

. the overall increase in popularity of Winston Cup, Busch, IRL, NHRA, WOO and other motorsports events in the United States.

Television Broadcasting Rights. The domestic television broadcast rights for NASCAR Winston Cup and Busch Grand National Series events are now consolidated for us, NASCAR and others in the motorsports industry. Prior to 2001, we had negotiated directly with network and cable television companies for live coverage of our NASCAR-sanctioned races. Beginning with the 2001 racing season, NASCAR has negotiated industry-wide television media rights agreements for all Winston Cup and Busch Series racing events. These domestic television broadcast rights agreements are for six years with NBC Sports and Turner Sports, and eight years with FOX and FX cable networks. NASCAR has announced that industry-wide total net television broadcast revenues for the domestic rights will approximate $257 million in 2001, increasing to approximately $534 million in 2006. Annual increases range from approximately 15% to 21%, averaging 17% annually, over the agreement terms. In fiscal 2001, the first year of this multi-year contract, our television broadcast revenue was approximately $67.5 million.

Ancillary Broadcasting Rights. In 2001, an ancillary rights package for NASCAR.com, the NASCAR Channel, international and satellite broadcasting, NASCAR images, SportsVision, FanScan, specialty pay-per-view telecasts, and other items was reached with us, NASCAR and others in the motorsports industry. NASCAR has announced industry-wide total ancillary rights fees, which began in 2001, are estimated to approximate $245 million over a 12-year period, excluding a profit participation aspect. Industry-wide total fees are estimated to approximate $6.0 million in 2001, increasing to approximately $38 million in 2006. Annual increases will average approximately 35% from 2001 to 2006.

These revenue estimates are based on NASCAR Winston Cup and Busch Series races as scheduled for the 2002 racing season. Future changes in race schedules would impact these estimates. Similar to many televised sports, overall seasonal averages for motorsports may increase or decrease from year to year, while television ratings for certain individual events may decline one year and increase the next for any number of reasons.

Industry Overview

Motorsports is currently the fastest growing spectator sport in the United States, with NASCAR the fastest growing industry segment. In 2001, NASCAR sanctioned 95 Winston Cup, Busch and Craftsman Truck Series races. Races are generally heavily promoted, with a number of supporting events surrounding the main event, for a total weekend experience.

Television broadcast and ancillary rights values continue to rise significantly. Nielsen Media Research reported a 38% ratings increase and a 36% increase in households for the 2001 Winston Cup Series racing season. More significantly, the NASCAR television package continues to bring higher audience levels to motorsports in 2002. Published NASCAR Winston Cup and Busch television ratings indicate that so far the average ratings for the 2002 racing season have increased over 2001. Although early in the season, these increases in the second year of the new television broadcasting contract are positive indications that the popularity of NASCAR racing continues to grow and is appealing to an ever-widening demographic audience. We believe the consolidated NASCAR domestic television broadcast and ancillary rights packages are significantly increasing media intensity, while expanding sponsorship, merchandising and other marketing opportunities. We also believe that the ancillary rights package for internet, specialty pay-per-view, foreign distribution and other international television broadcasting media will intensify corporate and fan interest and create increased demand for NASCAR racing and related merchandising in foreign, internet and other untapped markets.

In recent years, television coverage and corporate sponsorship have increased for NASCAR and other motorsports events. All NASCAR Winston Cup and Busch, IRL, and major NHRA events, as well as several WOO and other events sponsored by us are currently televised nationally. According to NASCAR, major national corporate sponsorship of NASCAR-sanctioned events (which currently includes over 70 Fortune 500 companies) also continues to increase significantly. Sponsors include such companies as Coca-Cola, Dodge, General Motors, DaimlerChrysler, NAPA, Save Mart, United Auto Workers, Food City, MBNA, Sharpie of Sanford North America Corporation, Samsung,

RadioShack, Coleman, Bank of the West, and RJR Nabisco. The challenging economy, particularly in 2001, affected consumer and corporate spending sentiment. Current economic conditions have created difficulties for some race team owners in obtaining desired levels of sponsorship and other promotional support. However, we believe long-term ticket demand, including corporate marketing and promotional spending, should increase as the inevitable improvement in the economy occurs. Those factors, along with the continuing increases in media intensity and the attractiveness of the advertising demographics surrounding motorsports, are expected to drive increases in the long-term value of sponsorship and other marketing rights.

Although somewhat common in other major sports venues, our facility naming rights agreement with Lowe's Home Improvement Warehouse was the first in the motorsports industry. This ten year agreement, as well as other sponsorships like our three year comprehensive marketing agreement with Nationwide Insurance focusing on safety and customer assistance, illustrates the increasingly broad spectrum of major national corporate sponsorship interest. It also illustrates the long-term confidence and marketing value being placed in first-class facilities in premium markets. In 2001, Dodge reentered NASCAR racing. This country's "big-three" automakers began competing against each other again for the first time since 1985, bringing many Chrysler loyalists back to motorsports. In addition, corporate sponsorships from industries somewhat new to NASCAR, and motorsports in general, are another strong indicator of the increasing marketing appeal to widening demographics. For example, companies such as MBNA, RadioShack, Sharpie of Sanford North America Corporation, Coleman, Bank of the West, as well as others have recently become major sponsors of ours.

The dramatic increase in corporate interest in the sport has been driven by the attractive advertising demographics of stock car and other motorsports racing fans. A recent Street & Smith's Business Journal survey shows NASCAR continues to lead in sponsor satisfaction in the eyes of national sports sponsors. In addition, brand loyalty (as measured by fan usage of sponsors' products) is the highest of any nationally televised sport according to a study published by Performance Research in 2001. Speedway operations generate high operating margins and are protected by high barriers to competitive entry, including capital requirements for new speedway construction, marketing, promotional and operational expertise, and license agreements with NASCAR and other sanctioning bodies. Industry competitors are actively pursuing internal growth and industry consolidation due to the following factors:

. popular and accessible drivers;

. strong fan brand loyalty;

. a widening demographic reach;

. increasing appeal to corporate sponsors; and

. rising broadcast revenues.

Operating Strategy

Our operating strategy is to increase revenues and profitability through the promotion and production of racing and related events at modern facilities, which serve to enhance customer loyalty. We market our scheduled events throughout the year both regionally and nationally via television, radio and newspaper advertising, facility tours, satellite links for media outlets, direct mail campaigns, pre-race promotional activities and other innovative marketing activities. The key components of this strategy are as follows:

Commitment to Quality and Customer Satisfaction. Since the 1970's, we have embarked upon a series of capital improvements including:

. the construction and expansion of additional premium permanent grandstand seating;

. new luxury suites;

. first-class trackside dining and entertainment facilities; and

. condominium complexes overlooking three of our speedways.

In 1992, LMSC became the first and only superspeedway in North America to offer nighttime racing, and now all of our speedways, except SPR, offer it. We continue to improve and construct new food concessions, restrooms and other fan amenities at our speedways to increase spectator comfort and enjoyment. For example, BMS and LMSC have unique mezzanine level concourses with convenient souvenir, concessions and restroom facilities, and permanent seating featuring new stadium-style terrace sections to increase spectator convenience and accessibility. BMS, LMSC, LVMS and TMS also have premium stadium-style seating featuring outstanding views, convenient elevator access and popular food courts. In 2001, we widened certain front-stretch concourses at LMSC to improve spectator convenience and accessibility. We continue to reconfigure traffic patterns, provide additional entrances, and expand on-site roads and available parking at our speedways to ease spectator congestion and improve traffic flow. These improvements complement our significant upgrade and modernization of SPR's facilities featuring expanded seating, suites, fan amenities and pedestrian infrastructure. Both LVMS and TMS were designed to maximize spectator comfort and enjoyment, and we continue to make improvements as we acquire further operating experience with these new facilities.

Innovative Marketing and Event Promotion. We believe that it is important to market our scheduled events throughout the year, both regionally and nationally. In addition to innovative television, radio, newspaper, trade publication and other promotions, we market our events and services by offering the following:

. tours of our facilities;

. providing satellite links for media outlets;

. marketing on emerging internet sites with motorsports news and entertainment;

. conducting direct mail campaigns; and

. staging pre-race promotional activities such as live music, skydivers and daredevil stunts.

Our marketing program also includes soliciting prospective event sponsors. Sponsorship provisions for a typical NASCAR-sanctioned event include luxury suite rentals, block ticket sales and company-catered hospitality, as well as souvenir race program and track signage advertising. Our innovative marketing is exemplified by progressive programs such as offering Preferred Seat Licenses at TMS and obtaining a ten-year facility naming rights agreement with Lowe's Home Improvement Warehouse--both industry firsts. We also believe the recently announced long-term agreement with the Levy Group offers corporate and other clientele first-class food, beverage and catering services, and will facilitate the marketing of luxury suites and hospitality functions at each of our speedways.

SMI owns The Speedway Club at LMSC and The Texas Motor Speedway Club, both featuring exclusive dining and entertainment facilities and executive offices adjoining the main grandstands and overlooking the super speedways. These VIP clubs contain first-class restaurant-entertainment clubs, offering top quality catering and corporate meeting facilities, and TMS includes a health-fitness membership club. Open year-round, these two VIP clubs are focal points of our ongoing efforts to improve amenities, attract corporate and other clientele, and provide enhanced facility comfort for the benefit of our spectators.

SMI has constructed 46 trackside condominiums at AMS and 76 condominiums at TMS, of which 44 and 70, respectively, have been sold as of December 31, 2001. We have also built and sold 52 trackside condominiums at LMSC in the 1980's and early 1990's. Many are used by team owners and drivers, which is believed to enhance their commercial appeal.

Utilization of Media. We are currently strategically positioned with speedways in six of the premier markets in the United States, including three of the top ten television markets. We believe owning first-class facilities in premium markets offers long-term, highly-attractive media markets that should benefit from the accelerating growth of the motorsports industry. We intend to increase the exposure of our current Winston Cup, Busch, IRL, NHRA and WOO events. We also intend to increase television coverage of other speedway events, increase broadcast and sponsorship revenues and schedule additional racing and other events at each of our speedway facilities.

As discussed above, expanded network and cable television coverage of our NASCAR-sanctioned races are now part of the motorsports industry's consolidated domestic television and ancillary broadcast rights agreements. We believe the increased media attention focused on motorsports will result in expanding sponsorship, merchandising and other marketing opportunities. We also believe the ancillary rights package, including the NASCAR Channel, NASCAR.com, and international, satellite and other emerging media outlets, will offer new and innovative marketing opportunities. The expanding media exposure is expected to appeal to a broadening demographic base, including younger and foreign racing enthusiasts, thereby intensifying corporate and fan interest and creating increased demand for NASCAR racing and related merchandising in foreign, internet and other new markets.

We also broadcast substantially all of our NASCAR Winston Cup and Busch Series racing events, as well as other events, at each of our speedways over our proprietary radio Performance Racing Network ("PRN"). PRN is syndicated nationwide to more than 500 stations. Along with the broadcasting of our racing events, PRN sponsors four weekly racing-oriented programs throughout the NASCAR season. We also own Racing Country USA, a national radio show syndicated to more than 250 affiliates nationwide. Its combination with PRN provides us with access to more than 11 million listeners nationwide plus over 750 radio stations throughout North America--offering sponsors a very powerful and expansive promotional network. We plan to carry additional events over PRN and Racing Country USA in 2002.

We also seek to increase the visibility of our racing events and facilities through local and regional media interaction. For example, each January we sponsor a four-day media tour at LMSC to promote the upcoming Winston Cup season. In 2002, this event featured Winston Cup drivers and attracted media personnel representing television networks and stations from throughout the United States. TMS also stages a similar media tour each year before the racing season begins featuring Winston Cup drivers and is attended by numerous media personnel from throughout the United States.

Growth Strategy

We believe that we can achieve our growth objectives by increasing attendance and broadcasting, sponsorship and other revenues at existing facilities, and by expanding our promotional and marketing expertise to take advantage of opportunities in attractive existing and new markets. We intend to continue implementing this growth strategy through the following means:

Expansion and Improvement of Existing Facilities. We believe that long-term spectator demand for our largest events exceeds existing permanent seating capacity. We plan to continue modernizing and making other significant improvements at our speedways in 2002, as further described in "Properties" and "Management's Discussion and Analysis of Financial Condition and Results of Operations--Capital Expenditures." We completed major renovations at AMS in 1997, including reconfiguration into a state-of-the-art 1.54-mile, lighted, quad-oval superspeedway, adding approximately 22,000 permanent seats, including 58 new suites, and changing the start-finish line location. AMS installed lighting for its inaugural IRL night race in 1998, and now all of our speedways, except SPR, offer nighttime racing. In 1998, BMS continued its expansion by adding approximately 19,000 permanent seats, including 42 new luxury suites, and LMSC added approximately 12,000 permanent seats, including 12 new luxury suites. SPR was partially reconfigured in 1998 into a stadium-style road course featuring "The Chute" which provides spectators improved sight lines and expanded viewing areas for increased spectator comfort and enjoyment. In 1999, BMS completed the reconstruction and expansion of its dragstrip into a state-of-the-art dragway, "Thunder Valley", with permanent grandstand seating, luxury suites, and extensive fan amenities.

In 2000, we added approximately 12,000 permanent seats at BMS, 14,000 at LMSC, and 7,000 at LVMS, as well as completed construction of 4/10-mile, modern, lighted, dirt track facilities at LMSC and TMS. Also in 2000, LVMS completed reconstruction and expansion of one of its dragstrips into a state-of-the-art dragway, "The Strip at Las Vegas", featuring permanent grandstand seating, luxury suites, and extensive fan amenities. We continue to expand and modernize SPR into a "stadium-style" road racing course, adding up to 11,000 new grandstand seats, 16,000 new hillside terrace seats, and 16 new luxury suites. As in recent years, we continue to improve and expand concessions, restroom and other fan amenities at each of our speedways. Also, we have purchased adjoining land at several of our speedways to provide additional entranceways and expand our parking areas, as well as reconfigured traffic patterns and expanded on-site roads to improve traffic flow and ease congestion caused by the increases in attendance, all consistent with our commitment to quality and customer satisfaction. We believe that the expansion and improvements will generate additional admissions and event related revenues. In 2002, after planning to add up to 27,000 new seats at SPR, our total permanent speedway seating capacity would exceed 758,000.

Maximization of Media Exposure and Enhancement of Broadcast and Sponsorship Revenues. NASCAR-sanctioned stock car racing has experienced significant growth in television viewership and spectator attendance during the past several years. This growth has allowed us to expand our television coverage to include more races and to participate in negotiating more favorable broadcast rights fees with television networks, as well as to negotiate more favorable contract terms with sponsors. We believe that spectator interest in stock car racing will continue to grow, thereby increasing broadcast media and sponsor interest in the sport. We intend to increase media exposure of our current NASCAR, IRL and NHRA events, to add television coverage to other speedway events and to further increase broadcast and sponsorship revenues. For instance, with over 30 million people visiting Las Vegas annually, we believe LVMS has the potential to significantly increase our industry's broadcasting and sponsorship revenues.

We are currently strategically positioned with speedways in six of the premier markets in the United States, including three of the top ten television markets. The LVMS acquisition was a major strategic transaction for us. Also, the acquisition of SPR marked our entry into Northern California media markets, which currently has the fifth largest television market in the United States. These acquisitions achieve a critical mass west of the Mississippi River that enhances our overall operations, as well as broadcast and sponsorship opportunities. We intend to capitalize on these top market entertainment venues to further grow our company, the sport of NASCAR and other racing series.

Published NASCAR Winston Cup and Busch Grand National television ratings indicate that so far the average ratings for the 2002 racing season have increased over 2001. These increases, although early in the season, are positive indicators of NASCAR's continuing growth in popularity and appeal to an ever-widening demographic audience. In addition, our first facility naming rights agreement with Lowe's Motor Speedway contains gross fees aggregating approximately $35,000,000 over our ten year term. We believe these positive developments bode well for our future naming rights possibilities and other innovative marketing opportunities.

Further Development of Finish Line Events, 600 Racing Legends Car and Performance Racing Network Businesses. FLE provides event food, beverage, and souvenir merchandising services, as well as hospitality, catering and other ancillary support services, to all of our facilities and other outside sports-related venues. As discussed above, we believe the long-term Levy Group agreement will enable us to provide better products and expanded services to our customers, enhancing their overall entertainment experience, while allowing us to achieve substantial operating efficiencies. In addition, the long-term alliance is expected to facilitate the marketing of luxury suites, hospitality and other high-end venues to corporate and other clientele desiring premium-quality menu choices and service.

Introduced in 1992, SMI developed the Legends Circuit for which we manufacture and sell cars and parts used in Legends Circuit racing events and are the official sanctioning body. Legends Cars are 5/8-scale versions of the modified classic sedans and coupes driven by legendary early NASCAR racers, and are designed primarily to race on "short" tracks of 3/8-mile or less. In late 1997, as an extension of the Legends Car concept, 600 Racing released a new "Bandolero" line of smaller, lower-priced, entry level stock cars, which appeals to younger racing enthusiasts. Then in late 2000, SMI released a new faster "Thunder Roadster" stock car modeled after older-style roadsters that competed in past Indianapolis 500's in the early 1960's.

We believe that the Legends Car is one of only a few complete race cars manufactured in the United States for a retail price of less than $13,000. With retail prices of less than $7,000 for the Bandolero and $17,000 for the Thunder Roadster, we believe these cars are affordable by a new and expanding group of racing enthusiasts who otherwise could not race on an organized circuit. The Legends Car, the Bandolero, and

the Thunder Roadster (hereafter referred to collectively as "Legends Cars") are not designed for general road use. Cars and parts are currently marketed and sold through approximately 50 distributors doing business throughout the United States, Canada, and Europe. Legends Car revenues from this business have grown from $5.7 million in 1994 to $7.3 million in 2001.

Legends Circuit races continue to be the fastest growing short track racing division in motorsports. More than 1,300 sanctioned races were held nationwide in 2001, and 600 Racing is the third largest short track sanctioning body in terms of membership behind NASCAR and IMCA. Currently, sanctioned Legends Car races are conducted at all of our speedways except BMS. We plan to continue broadening the Legends Car Circuit, increasing the number of sanctioned races and tracks at which Legends Car races are held.

We broadcast substantially all of our NASCAR Winston Cup and Busch Grand National Series racing events over our proprietary radio Performance Racing Network. PRN also sponsors four weekly racing-oriented programs throughout the NASCAR season, which along with event broadcasts, are nationally syndicated to more than 500 stations. We also own Racing Country USA, a national radio show syndicated to more than 250 affiliates nationwide. Founded in 1990, and acquired by us in 2000, Racing Country USA is a two-hour radio show featuring country music hits and NASCAR-related programming. This combined programming with PRN provides us access to more than 11 million listeners nationwide, plus over 750 radio stations throughout North America. It also allows us to further promote our events and facilities on a weekly basis and offers sponsors a very powerful and expansive promotional network. We plan to carry other events over PRN and Racing Country USA in 2002.

Increased Daily Usage of Existing Facilities. We constantly seek revenue-producing uses for our speedway facilities on days not committed to racing events. Such other uses include car and truck shows, supercross motorcycle racing, auto fairs, driving schools, vehicle testing, settings for television commercials, concerts, holiday season festivities, print advertisements and motion pictures. We host a summer Legends Car series at several of our speedways. Also, we are currently hosting three annual NHRA Nationals events, other NHRA and bracket racing events, as well as various auto shows throughout the year at the newly modernized BMS and LVMS dragways.

In 2000, LMSC and TMS completed construction of 4/10-mile, modern, lighted, dirt track facilities where nationally-televised events such as World of Outlaws Series, as well as American Motorcycle Association ("AMA") and other racing events are held annually. The Pennzoil World of Outlaws Sprint Car Series is the fifth most popular motorsports series in the United States. Other examples of increased usage include AMS's hosting of Harley Davidson's 100th Anniversary Celebration in 2002, LVMS's hosting of a major country music concert in 2001, and TMS's spring Autofest featuring Pate Swap Meets. TMS currently promotes one of the largest number of major motorsports racing series in the world. We are attempting to schedule music concerts at certain other facilities. In addition, our larger road courses at AMS, LMSC, LVMS and TMS are increasingly being rented for various activities such as series racing, driving schools and vehicle testing. Non-race-day track rental revenues amounted to $10,527,000 in 2001, $10,034,000 in 2000, and $7,802,000 in 1999.

Along with such increased daily usage of our facilities, we hosted three IRL and two American LeMans racing events company-wide in 2001. With more than twelve different track configurations at LVMS, including a 2.5-mile road course, 1/4-mile dragstrip, 1/8-mile dragstrip, 1/2-mile clay oval, 3/8-mile paved oval and several other race courses, we plan to capitalize on LVMS's top market entertainment value to further grow the speedway and other racing series, and to promote new expanded venues.

Acquisition and Development of Additional Motorsports Facilities. We also consider growth by acquisition and development of motorsports facilities as appropriate opportunities arise. We acquired Bristol Motor Speedway in January 1996, Sears Point Raceway in November 1996, and Las Vegas Motor Speedway in December 1998. In 1997, we completed construction of Texas Motor Speedway. We continuously seek to locate, acquire, develop and operate venues which we feel are underdeveloped or underutilized and to capitalize on markets where the pricing of sponsorships and television rights are considerably more lucrative.

Operations

Our operations consist principally of motorsports racing and related events. We also conduct various other activities that generally are ancillary to our core business of racing as further described in "Other Operating Revenue" below.

Racing and Related Events

NASCAR-sanctioned races are held annually at each of our speedways. The following are summaries of racing events scheduled in 2002 at each speedway. We constantly pursue the scheduling of additional motorsports racing and other events.

AMS. In March 2002, AMS conducted the MBNA America 500 Winston Cup race and an ARCA race. AMS is scheduled to hold an additional Winston Cup race and a Busch Grand National race, as well as several other races and events. Its NASCAR-sanctioned racing schedule is as follows:

Date	Event	Circuit
March 10	"MBNA America 500"	Winston Cup
October 26	"Aaron's 312"	Busch Grand National
October 27	"NAPA 500"	Winston Cup

In 2002, AMS is also scheduled to hold other races and events.

BMS. In March 2002, BMS conducted the Food City 500 Winston Cup race and the Channellock 250 Busch Grand National race. BMS is scheduled to hold an additional Winston Cup race and Busch Grand National race, as well as several other races and events. Its NASCAR-sanctioned racing schedule is as follows:

Date	Event	Circuit
March 23	"Channellock 250"	Busch Grand National
March 24	"Food City 500"	Winston Cup
August 23	"Food City 250"	Busch Grand National
August 24	"Sharpie 500"	Winston Cup

In 2002, BMS is also scheduled to hold one NHRA Nationals event, as well as several other races and events.

LMSC. In 2002, LMSC is scheduled to hold three Winston Cup races and two Busch Grand National races, as well as several other races and events. Its NASCAR-sanctioned racing schedule is as follows:

Date	Event	Circuit
May 18	"The Winston"	Winston Cup (all-star race)
May 25	"CARQUEST Auto Parts 300"	Busch Grand National
May 26	"Coca-Cola 600"	Winston Cup
October 12	"Little Trees 300"	Busch Grand National
October 13	"UAW-GM Quality 500"	Winston Cup

In 2002, LMSC is also scheduled to hold two ARCA races, two WOO events, one AMA event, as well as several other races and events.

LVMS. In March 2002, LVMS conducted the UAW-DaimlerChrylser 400 Winston Cup race and the Sam's Town 300 Busch Grand National race, as well as other races and events. Its NASCAR-sanctioned racing schedule is as follows:

Date	Event	Circuit
March 2	"Sam's Town 300"	Busch Grand National

March 3 "UAW-DaimlerChrysler 400" Winston Cup

In 2002, LVMS is also scheduled to hold one NASCAR Craftsman Truck Series race, two NHRA Nationals events, two WOO events, two NASCAR Winston West events, as well as several other races and events.

SPR. In 2002, SPR is scheduled to hold one Winston Cup race, as well as several other races and events. Its NASCAR-sanctioned racing schedule is as follows:

Date	Event	Circuit
June 23	"Dodge /Save Mart 350"	Winston Cup

In 2002, SPR is also scheduled to hold one NHRA Nationals event, one NASCAR Winston Southwest Series event, one American LeMans event, and various AMA, Sports Car Club of America and other racing events.

TMS. In 2002, TMS is scheduled to hold one Winston Cup race and one Busch Grand National race, as well as several other races and events. Its NASCAR-sanctioned racing schedule is as follows:

Date	Event	Circuit
April 6	"O'Reilly 300"	Busch Grand National

April 7 "Samsung / RadioShack 500" Winston Cup

In 2002, TMS is also scheduled to hold two NASCAR Craftsman Truck Series races, two IRL events, two WOO events, as well as several other races and events.

The following table shows selected revenues for the three years ended December 31, 2001:

	2001	2000	1999
	(in thousands)		
Admissions	$136,362	$142,160	$132,694
NASCAR broadcasting revenue	67,488	29,297	25,363
Sponsorship revenue	33,317	33,977	29,202
Other event related revenue	100,715	100,360	93,751
Other operating revenue	38,796	48,503	36,483
Total	$376,678	$354,297	$317,493

Admissions. Grandstand ticket prices at our NASCAR-sanctioned events in 2001 range from $10.00 to $135.00. In general, we establish ticket prices based on spectator demand and cost of living increases.

NASCAR Broadcasting Revenue. We have negotiated contracts with NASCAR for domestic television station and network broadcast coverage of all of our NASCAR-sanctioned events. NASCAR broadcasting revenue consists of rights fees obtained for domestic television broadcasts of NASCAR-sanctioned events held at our speedways. NASCAR broadcasting revenue accounted for 18% of total revenues in 2001.

Sponsorship Revenue. Our revenue from corporate sponsorships is paid in accordance with negotiated contracts. The identities of sponsors and the terms of sponsorship change from time to time. We currently have sponsorship contracts with such major manufacturing and consumer products companies as Coca-Cola, DaimlerChrysler, Dodge, General Motors, Miller Brewing Company, Anheuser-Busch, RJR Nabisco, NAPA, Save Mart, Food City, MBNA, Samsung, RadioShack, Chevrolet and Ford. Some contracts allow sponsors to name a particular racing event, as in the "Coca-Cola 600", "UAW-DaimlerChrylser 400", and the "UAW-GM Quality 500." Other considerations range from "Official Car" or "Official Truck" designations at our speedways including Ford, Chevrolet, Dodge, and Pontiac, to exclusive advertising and promotional rights in sponsor product categories such as Anheuser-Busch and Miller. Also, our ten-year facility naming rights agreement renamed Charlotte Motor Speedway as Lowe's Motor Speedway at Charlotte. None of our event sponsors accounted for as much as 5% of total revenues in 2001.

Other Event Related Revenue. We derive revenue from the sale of food, beverages, and souvenirs during racing and non-racing events, speedway giftshop sales of souvenirs throughout the year, and from fees paid for speedway catering "hospitality" receptions and private parties. Food, beverages, and souvenir merchandise is sold primarily in concession areas located on or near speedway concourses and other areas surrounding our speedway facilities, and in luxury suites, giftshops, club-style seating and food-court areas located within the speedway facilities, to individual, group, corporate and other customers.

We derive other revenue from luxury suite and track rentals, from parking and other event and speedway related revenue. As of December 31, 2001, our speedways had a total of approximately 674 luxury suites available for leasing to corporate sponsors or others at current 2001 annual rates generally ranging from $22,000 to $100,000. LMSC has also constructed 40 open-air boxes, each containing 32 seats, which are currently available for renting by corporate sponsors or others at annual rates of up to $38,000. Our speedways and related facilities are frequently leased to others for use in driving schools, testing, research and development of race cars and racing products, settings for commercials and motion pictures, and other outdoor events.

We broadcast substantially all of our NASCAR Winston Cup and Busch Series races over our proprietary Performance Racing Network, which also sponsors four weekly racing-oriented programs throughout the NASCAR season. We derive revenue from the sale of commercial time on PRN, which is syndicated nationwide to more than 750 stations. We have negotiated contracts with NASCAR for ancillary broadcasts associated with NASCAR.com, the NASCAR Channel, international, satellite and other media. None of our other event related contracts accounted for as much as 5% of total revenues in 2001.

Other Operating Revenue. We derive other operating revenue from The Speedway Club at LMSC and The Texas Motor Speedway Club, dining and entertainment facilities located at the respective speedways, which serve individual, group, corporate and other clientele. We also derive other operating revenue from Legends Car operations, from Motorsports By Mail, LLC ("MBM"), a wholesale and retail distributor of racing and other sports related souvenir merchandise and apparel, from Oil-Chem Research Corp. ("Oil-Chem"), which produces an environmentally-friendly metal-energizer, from SoldUSA, Inc., an internet auction and e-commerce company, and from Wild Man Industries ("WMI"), a screen printing and embroidery manufacturer and distributor of wholesale and retail apparel. MBM is a wholly-owned subsidiary of FLE, Oil-Chem and SoldUSA are substantially wholly-owned subsidiaries of SMI, and WMI is a division of FLE.

Competition

We are the leading motorsports promoter in the local and regional markets served by our six speedways, and compete regionally and nationally with other speedway owners to sponsor events, especially NASCAR, IRL, CART, NHRA and WOO sanctioned events. We also

compete for spectator interest with all forms of professional and amateur spring, summer and fall sports, and with a wide range of other available entertainment and recreational activities, conducted in and near Atlanta, Bristol, Charlotte, Las Vegas, Fort Worth, and Sonoma.

Employees

As of December 31, 2001, we had approximately 753 full-time employees and 180 part-time employees. We hire temporary employees to assist during periods of peak attendance at our events. None of our employees are represented by a labor union. We believe that we enjoy a good relationship with our employees. After closing of the Levy Group transaction in February 2002, we had approximately 642 full-time employees and 101 part-time employees.

Environmental Matters

Solid waste landfilling has occurred on and around LMSC's property for many years. Landfilling of general categories of municipal solid waste on the LMSC property ceased in 1992. However, there is one landfill at LMSC currently being permitted to receive inert debris and waste from land clearing activities ("LCID" landfill), and one LCID landfill that was closed in 1999. Two other LCID landfills on the LMSC property were closed in 1994. LMSC intends to allow similar LCID landfills to be operated on the LMSC property in the future. Prior to 1999, LMSC leased a portion of our property to Allied Waste Industries, Inc. ("Allied") for use as a construction and demolition debris landfill (a "C&D" landfill), which can receive solid waste resulting solely from construction, remodeling, repair or demolition operations on pavement, buildings or other structures, but cannot receive inert debris, land-clearing debris or yard debris. In addition, Allied owns and operates an active solid waste landfill adjacent to LMSC. We believe that the active solid waste landfill was constructed in such a manner as to minimize the risk of contamination to surrounding property.

Portions of the inactive solid waste landfill areas on the LMSC property are subject to a groundwater monitoring program and data are submitted to the North Carolina Department of Environment and Natural Resources ("DENR"). DENR has noted that data from certain groundwater sampling events have indicated levels of certain regulated compounds that exceed acceptable trigger levels and organic compounds that exceed regulatory groundwater standards. DENR has not required any remedial action by us at this time with respect to this situation. In the future, DENR could possibly require us to take certain actions with respect to this situation that could result in us incurring material costs.

We believe that our operations, including the landfills on our property, are in substantial compliance with all applicable federal, state and local environmental laws and regulations. Nonetheless, if damage to persons or property or contamination of the environment is determined to have been caused by the conduct of our business or by pollutants, substances, contaminants or wastes used, generated or disposed of by us, or which may be found on our property, we may be held liable for such damage and may be required to pay the cost of investigation or remediation, or both, of such contamination or damage caused thereby. The amount of such liability, as to which we are self-insured, could be material. Changes in federal, state or local laws, regulations or requirements, or the discovery of previously unknown conditions, could require additional expenditures.

Patents and Trademarks

We have federally registered trademark and service mark rights in "Speedway Motorsports", "Atlanta Motor Speedway", "Bristol Motor Speedway", "Charlotte Motor Speedway", "Las Vegas Motor Speedway", "Sear Point Raceway", "Finish Line Events", and "zMAX". We also have federally registered trademark and service mark rights concerning "AutoFair", "Lug Nut", and "The Speedway Club" and our corporate logos. Federal trademark and service mark registrations are pending with respect to "600 Racing Thunder Roadster", "Bandolero", "Legends Cars", "Texas Motor Speedway", "Wild Man Industries", and "Motorsports By Mail", among others. We also have six patents and five patents pending related to our Legends Car and Bandolero Car design and technology, respectively. Our policy is to protect our intellectual property rights zealously, including litigation, to protect their proprietary value in sales and market recognition.

Item 2. Properties

Our principal executive offices are located at 5555 Concord Parkway South, Concord, North Carolina, 28027, and our telephone number is (704) 455-3239. A description of each SMI speedway follows:

Atlanta Motor Speedway. AMS is located on 820 acres in Hampton, Georgia, approximately 30 miles south of downtown Atlanta. Built in 1960, and owned by us since 1990, today AMS is a modern, attractive facility. In 1996, we completed 17 new suites at AMS, reconfigured AMS's main entrances and expanded on-site roads to ease congestion caused by the increases in attendance. In 1997, we completed major renovations at AMS, including its reconfiguration into a "state-of-the-art" 1.54-mile, lighted, asphalt, quad-oval superspeedway, the addition of 22,000 permanent seats, including 58 luxury suites, and changing the start-finish line location. Lighting was installed for its inaugural IRL night race in August 1998. Other significant improvements include new scoreboards, new garage areas, and new infield media and press box centers. At December 31, 2001, AMS had permanent seating capacity of approximately 124,000, including 141 luxury suites. AMS has

constructed 46 condominiums overlooking the Atlanta speedway and is marketing the two remaining unsold condominiums. Similar to 2001, AMS plans to continue improving and expanding its on-site roads and available parking, and reconfiguring traffic patterns and entrances in 2002 to ease congestion and improve traffic flow.

Bristol Motor Speedway. We acquired BMS in January 1996. BMS is located on approximately 650 acres in Bristol, Tennessee and is a one-half mile, lighted, 36-degree banked concrete oval. BMS also owns and operates a one-quarter mile modern, lighted dragway. BMS is the most popular facility on the Winston Cup circuit among race fans due to its 36 degree banked turns and lighted nighttime races. We believe that spectator demand for our Winston Cup events at BMS exceeds existing permanent seating capacity. In 1996, BMS added 6,000 permanent grandstand seats and relocated various souvenir, concessions and restroom facilities to the mezzanine level to increase spectator convenience and accessibility. In 1997, BMS added 39,000 permanent grandstand seats and constructed 55 new suites for a net increase of 31. In 1998, BMS added 19,000 permanent grandstand seats, including 42 new luxury suites, again featuring a new stadium-style terrace section and mezzanine level facilities for enhanced spectator convenience and accessibility. In 1999, BMS completed reconstruction and expansion of its dragstrip into a state-of-the-art dragway, "Thunder Valley" featuring permanent grandstand seating, luxury suites, and extensive fan amenities. In 2000, BMS added 12,000 stadium-style seats, featuring outstanding views, convenient elevator access and popular food courts. At December 31, 2001, BMS had permanent seating capacity of approximately 146,000, including 106 luxury suites. In 2002, BMS plans to continue improving and expanding fan amenities, and make other site improvements.

Lowe's Motor Speedway (formerly known as Charlotte Motor Speedway). LMSC is located on approximately 1,140 acres in Concord, North Carolina, approximately 12 miles northeast of uptown Charlotte. LMSC was among the first superspeedways built and today is a modern, attractive facility. The principal track is a 1.5-mile banked asphalt quad-oval facility, and was the first superspeedway in North America lighted for nighttime racing. LMSC also has several lighted "short" tracks (a 1/5-mile asphalt oval, a 1/4-mile asphalt oval and a 1/5-mile dirt oval), as well as a 2.25-mile asphalt road course. We have consistently improved and increased spectator seating arrangements at LMSC, and it is now the second largest capacity sports facility in the United States. In 1997, LMSC added a state-of-the-art 25,000 seat grandstand, featuring a unique mezzanine level concourse and 26 new suites. In 1998, LMSC added 12,000 permanent seats, including 12 new luxury suites, again featuring a new stadium-style terrace section and mezzanine level facilities for enhanced spectator convenience and accessibility. In 1999, LMSC added 10,000 permanent seats, and further expanded parking areas to accommodate the increases in attendance and to ease congestion. In 2000, LMSC added 14,000 stadium-style terrace seats, featuring outstanding views, convenient elevator access and popular food courts. In 2000, LMSC also completed construction of a 4/10-mile, modern, lighted, dirt track facility. In 2001, LMSC widened certain front-stretch concourses and entranceways to improve spectator convenience and accessibility, and made other site improvements. At December 31, 2001, LMSC had permanent seating capacity of approximately 171,000, including 120 luxury suites. In 2002, LMSC plans to continue improving and expanding concessions, restroom and other fan amenities, expand available parking to ease congestion and improve traffic flow, and make other site improvements.

Las Vegas Motor Speedway. We acquired LVMS in December 1998. LVMS, located on approximately 1,000 acres in Las Vegas, Nevada, is a 1.5-mile, lighted, asphalt, quad-oval superspeedway, and includes several other on-site paved and dirt race tracks. The other race tracks include a 1/4-mile dragstrip, 1/8-mile dragstrip, 2.5-mile road course, 1/2-mile clay oval, 3/8-mile paved oval, motocross and other off-road race courses. LVMS hosted its first major NASCAR Winston Cup race in March 1998. In 1999 and 2000, LVMS expanded concessions, restroom and other fan amenities and added 7,000 permanent seats. In 2000, LVMS also completed reconstruction and expansion of one of its dragstrips into a state-of-the-art dragway, "The Strip at Las Vegas", with permanent grandstand seating, luxury suites, and extensive fan amenities. In 2001, LVMS further expanded its restroom facilities, renovated its 3/8-mile paved racetrack, "The Bullring", and made other facility improvements. LVMS has significant club-style seating with convenient access to restaurant quality food and beverage service. The superspeedway's configuration readily allows for significant future expansion. At December 31, 2001, LVMS had permanent seating capacity of approximately 114,000, including 102 luxury suites. In 2002, LVMS plans to continue improving and expanding fan amenities and make other site improvements.

Sears Point Raceway. We acquired SPR in November 1996. SPR, located on approximately 1,600 acres in Sonoma, California, consists of a 2.52-mile, twelve-turn road course, a one-quarter mile dragway, and a 157,000 square foot industrial park. SPR currently has permanent seating capacity of approximately 19,000, including 11 suites, and provides temporary seating and suites and other general admission seating arrangements along its 2.52-mile road course. In 1997, SPR made various parking, road improvements and grading changes to improve spectator sight lines, and to increase and improve seating and facilities for spectator and media amenities. In 1998, SPR acquired adjoining land to provide an additional entrance and expanded spectator parking areas to accommodate the increases in attendance and to ease congestion. In 1998, SPR also was partially reconfigured into a 1.9-mile stadium-style road course featuring "The Chute" providing spectators with improved sight lines and expanded viewing areas. The Chute provides multiple configurations within SPR's overall 2.52-mile road course. In 2001, SPR added approximately 19,000 new permanent seats. In 2002, we plan to continue major renovations at SPR, including its ongoing reconfiguration and modernization into a "stadium-style" road racing course, adding up to 11,000 new grandstand seats, 16,000 new hillside terrace seats, and 16 new luxury suites. In addition, SPR plans to continue improving and expanding its on-site roads system and available parking, and reconfiguring traffic patterns and entrances to ease congestion and improve traffic flow. Other enhancements will include underground pedestrian tunnels, a new world-class karting center, permanent garages for race teams, an expanded industrial park, an enlarged pit road and improved sight lines. Modernization and reconstruction of SPR's dragway also continues featuring permanent seating, luxury suites, and extensive fan amenities. Substantial completion of the SPR renovations is presently scheduled for 2002 and into 2003.

Texas Motor Speedway. TMS, located on approximately 1,760 acres in Fort Worth, Texas, is a 1.5-mile, lighted, banked, asphalt quad-oval superspeedway, with an on-site 2.5 mile road course. TMS has constructed 76 condominiums overlooking turn two of the speedway and is marketing six remaining unsold condominiums. TMS also has an executive office tower adjoining the main grandstand and overlooking the speedway which houses The Texas Motor Speedway Club. TMS, one of the largest sports facilities in the United States in terms of permanent seating capacity, hosted its first major NASCAR Winston Cup race in April 1997. TMS was designed to maximize spectator comfort and enjoyment, and further design improvements continue as we acquire operating experience with the facility. The TMS facilities are subject to a lease transaction with the Fort Worth Sports Authority as of December 31, 2001. See Note 2 to the Consolidated Financial Statements for information on the terms and conditions of the lease transaction. In 1999, TMS added 4,000 permanent seats, expanded its parking areas and improved traffic control dramatically reducing travel congestion. In 2000, TMS completed construction of a 4/10-mile, modern, lighted, dirt track facility. In 2001, TMS converted approximately 50 suites to speedway club-style seating areas to help meet demand for premium seating and services at its largest events. At December 31, 2001, TMS had permanent seating capacity of approximately 157,000, including 194 luxury suites. Similar to 2001, TMS plans to continue expanding and increasing surrounding interstate access roads and interchanges, improving and expanding its on-site roads and available parking, and reconfiguring traffic patterns and entrances in 2002 to ease congestion and improve traffic flow.

Item 3. Legal Proceedings

On May 1, 1999, during the running of an Indy Racing League Series racing event at LMSC, an on-track accident occurred that caused race debris to enter the spectator seating area. On February 13, 2001, the parents of Haley A. McGee filed a personal injury action related to this accident against SMI, LMSC and IRL in the Superior Court of Mecklenburg County, North Carolina. This lawsuit seeks unspecified damages and punitive damages related to the injuries of the minor, Haley A. McGee, as well as the medical expenses incurred and wages lost by her parents. On April 23, 2001, we filed our answer in this action. We intend to defend ourselves and to deny the allegations of negligence as well as related claims for punitive damages. We do not believe the outcome of this lawsuit will have a material adverse effect on our financial position or future results of operations.

On February 8, 2000, a lawsuit by Robert L. "Larry" Carrier against SMI and BMS was filed in the Chancery Court for Sullivan County, Tennessee. This suit alleges that SMI and BMS interfered with the use of a leasehold property rented to the plaintiff by BMS. The complaint seeks $15 million in compensatory and $60 million in punitive damages as well as injunctive relief. On August 8, 2001, the trial court denied all motions for summary judgment previously filed by plaintiff and the defendant and is scheduling the matter for trial. We believe that the allegations are without merit and will vigorously contest this matter. We do not believe the outcome of this lawsuit will have a material adverse effect on our financial position or future results of operations.

On May 20, 2000, near the end of a NASCAR-sanctioned event hosted at LMSC, a portion of a pedestrian bridge leading from its track facility to a parking area failed. In excess of 100 people were injured to varying degrees. Preliminary investigations indicate the failure resulted from excessive interior corrosion resulting from improperly manufactured bridge components. Tindall Corporation designed, manufactured and constructed the portion of the pedestrian bridge that failed. Tindall contends that a product that Tindall purchased from Anti-Hydro International, Inc. and that Tindall incorporated into the bridge caused the corrosion.

To date, individuals claiming injuries from the bridge failure on May 20, 2000, have filed 34 separate lawsuits including one new lawsuit filed since the beginning of the fourth quarter of 2001. Generally, the plaintiffs filed these negligence and wrongful death lawsuits against SMI, LMSC, Tindall Corporation and Anti-Hydro International, Inc., in the North Carolina Superior Courts of Cabarrus, Mecklenburg, Rowan, Union and Wake Counties, and in the United States District Courts for the Middle District and Western District of North Carolina, seeking unspecified compensatory and punitive damages.

The following plaintiffs have filed claims in this matter since the beginning of 2001 on the dates indicated:

Date Filed	LMSC Bridge Collapse Plaintiffs
5/31/00	Kenneth Michael Brown, Sandra D. Melton, Robert Morris Melton, Jr., Robert Christopher Melton, Cammie L. Yarborough, Charles Lynn Yarborough, Cammie Yarborough as parent and natural guardian of Alexandria V. Yarborough
8/24/00	Thomas A. Joyner, Jr. and Cathy B. Joyner
10/12/00	Bryan Heath Baker, Susan D. Baker, John A. Hepler, III, Tammy L. Hepler, Curtis D. Hepler and Patricia B. Hepler
11/13/00	Richard F. Brenner and Eileen M. Brenner; William A. Malesich; Alexander Watson; Matthew T. Watson; David G. Yetter and Ruth M. Yetter
12/4/00	Hugh E. Merchant and Dallas B. Merchant
12/18/00	Henry Stevenson Crawford and Carolyn E. Crawford; Michael L. Propes and Susan Propes
12/27/00	James H. Merchant, Melissa K. Merchant, James Shelby Merchant and Melissa K. Merchant as parent and Guardian Ad Litem for Logan A. Merchant, minor
2/16/01	Terrell Kearse, Deborah Kearse, Michael Kearse and Pam Kearse
2/23/01	John Emery; Tracy Foster
3/21/01	Steven Gregory Southern; Susie O'Parrish
3/29/01	Terry L. Dennie; Tammy L. Potter-Dennie
4/23/01	Billy Ashburn, Teresa Ashburn and Shea Ashburn, a minor appearing by and through his Guardian Ad Litem, Eric C. Morgan; Jack Medlin and Anne Medlin; Deborah Lynn Ketner and Steve Ketner; John Nicola, Jr., Ellen Nicola and John Nicola, Sr.; Susan Ann Anderson
5/1/01	Kandi Tipton
5/2/01	Michael Kevin Neal and Torene Rumfelt Neal
5/14/01	Jack T. Blevins, Sr., Tina Louise Blevins and Bridget Repsher
5/30/01	Jeff Hill and Jodi Hill
6/21/01	Cindy Taylor, Arthur M. Taylor and Brody Patrick Wright (a minor)
7/23/01	Hurley Long and Pauline Long
8/27/01	Edwin L. King and Patricia C. King
8/28/01	Scott A. Hansen and Pamela C. Hansen
9/6/01	William R. Coltrane
12/17/01	Mark Craven and Tim Roegge

Discovery is proceeding in all of the cases but will not be completed until June 2002. All of the state court lawsuits were consolidated before one judge and are pending in Mecklenburg County. The federal lawsuits are progressing under the same discovery plan that the parties are following in the consolidated state court lawsuit. We are vigorously defending ourselves and deny the allegations of negligence as well as the related claims for punitive damages. Additional lawsuits involving this incident may be filed in the future. We do not believe the outcome of these lawsuits or this incident will have a material adverse effect on our financial position or future results of operations.

On May 24, 2000, a Petition for Writ of Mandate, Declaratory Relief and Injunctive Relief was filed in the Superior Court of California, Sonoma County by Yellow Flag Alliance, Tony Lilly and Nancy Lilly against Sonoma County and Sonoma County Board of Supervisors. This action challenges the Sonoma County Board of Supervisors' authorization of a SPR renovation project. In particular, the petitioners claim that the County board failed to follow California statutes requiring environmental assessments of the SPR project on issues such as noise, traffic, visual impairments, land use and zoning. Although neither SMI nor SPR is named in the action, an adverse outcome could impact our ability to expand the SPR facility as planned. We believe that the Petition has no basis and will defend ourselves vigorously. We do not believe the outcome of this incident will have a material adverse effect on our financial position or future results of operations.

On August 23, 2000, a shareholder derivative complaint was filed against SMI and our directors in the Delaware Chancery Court for New Castle County. The complaint, styled Crandon Capital Partners v. O. Bruton Smith, H.A. "Humpy" Wheeler, William R. Brooks, Edwin R. Clark, William P. Benton, Mark M. Gambill, Jack L. Kemp and Speedway Motorsports, Inc., alleges that in February 2000, SMI sold the Las Vegas Industrial Park--R&D Industrial Campus and approximately 300 acres of undeveloped adjacent land to O. Bruton Smith, our Chief Executive Officer, Chairman and majority stockholder, at less than these properties' fair market value, which transaction allegedly constituted a breach of fiduciary duties and corporate waste. Plaintiffs are seeking unspecified damages, our establishment of a system of internal controls and procedures, rescission of the transaction with Mr. Smith or, alternatively, unspecified rescissory damages from Mr. Smith, and plaintiff's costs and attorney fees. On September 13, 2000, a second complaint by Kathy Mayo was filed in the same court raising the same allegations and seeking the same relief as the Crandon complaint. We filed answers denying the allegations of both complaints. The Delaware court then consolidated the two cases. We believe that the consolidated complaints have no basis and will defend the action vigorously. The Delaware Court has since dismissed the Mayo complaint. Discovery in the Crandon matter is ongoing. We do not believe the outcome of this lawsuit will have a material adverse effect on our financial position or future results of operations.

On January 31, 2001, the Federal Trade Commission filed a complaint against SMI and our subsidiary, Oil-Chem, in the United States District Court, Middle District of North Carolina. The FTC is seeking a judgment to enjoin SMI and Oil-Chem from advertising zMax Power System for use in motor vehicles and to award equitable relief to redress alleged injury to consumers. We filed our answer and have begun discovery in this action. We do not believe the outcome of this lawsuit will have a material adverse effect on our financial position or future results of operations.

On March 8, 2001, Larry L. Johnson filed a class action compliant against SMI and Oil-Chem in the Superior Court of Gaston County, North Carolina. The plaintiff is seeking unspecified damages for violation of the North Carolina Unfair and Deceptive Trade Practices Act. The

facts alleged to support this claim are substantially identical to those of the complaint filed by the FTC. The court has not certified the class, but the parties have begun discovery. We intend to defend ourselves vigorously. We do not believe the outcome of this lawsuit will have a material adverse effect on our financial position or future results of operations.

On April 18, 2001, Cracker Barrel Old Country Store, Inc. filed a complaint against AMS, SMI, NASCAR and Fox Entertainment Group, Inc. in the Chancery Court for Wilson County, Tennessee. The action was removed by the Defendants to the United States District Court for the Middle District of Tennessee. Cracker Barrel alleges that AMS breached its sponsorship contract for the March 11, 2001 Cracker Barrel 500 Winston Cup event at AMS, and alleges that SMI tortiously interfered with this contract. Cracker Barrel contends that as a result of the sponsorship contract, it was entitled to receive certain exposure from the national broadcast of the race. AMS and SMI deny the allegations. Cracker Barrel seeks unspecified compensatory, punitive and treble damages, as well as costs and attorneys fees. We have filed an answer in this matter and the parties have begun discovery. We do not believe the outcome of this lawsuit will have a material adverse effect on our financial position or future results of operations.

On February 13, 2002, Francis Ferko, as a shareholder of SMI, filed a lawsuit in the United States Federal Court for the Eastern District of Texas against NASCAR and International Speedway Corporation ("ISC") alleging, among other things, that NASCAR and ISC unlawfully refused to award SMI a NASCAR Winston Cup Series race date at TMS. The plaintiff demands judgment against defendants NASCAR and ISC for a Winston Cup race date at TMS, monetary damages and other relief. We were named as a necessary party to the lawsuit, since the lawsuit is being brought on behalf of the shareholder. We have taken no position on this matter.

A major Championship Auto Racing Teams ("CART") racing event originally scheduled at TMS on April 29, 2001 was not conducted as a result of a decision made by CART's sanctioning body. We offered refunds of paid tickets and certain other event revenues to our customers. On May 3, 2001, we filed an action against CART in the United States District Court for the Eastern District of Texas, claiming, among other things, that CART was negligent and that it breached its contract. On October 12, 2001, this legal action was settled for approximately $5.0 million, representing our recovery of the associated sanction fees, race purse, various expenses, lost revenues and other damages.

LMSC's property includes areas used as solid waste landfills for many years. Landfilling of general categories of municipal solid waste on the LMSC property ceased in 1992, but LMSC currently allows certain property to be used for land clearing and inert debris landfilling ("LCID") and for construction and demolition debris landfilling ("C&D"). We believe that our operations, including the landfills on our property, comply with all applicable federal, state and local environmental laws and regulations. We are not aware of any situation related to landfill operations which would adversely affect our financial position or future results of operations.

Our company is a party to other litigation incidental to our business. We do not believe that the resolution of any or all of such litigation is likely to have a material adverse effect on our financial condition or future results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

During the fourth quarter of 2001, no matters were submitted to a vote of our security holders.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

SMI's common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "TRK." As of March 11, 2002, 41,881,270 shares of common stock were outstanding and held by approximately 3,020 record holders.

We intend to retain future earnings to provide funds for the operation and expansion of our business. As a holding company, SMI will depend on dividends and other payments from each of our speedways and our other subsidiaries to pay cash dividends to stockholders, as well as to meet debt service and working capital requirements. We do not anticipate paying any cash dividends in the foreseeable future. Any decision concerning the payment of dividends on the common stock will depend upon SMI's results of operations, financial condition and capital expenditure plans, as well as such other factors as our Board of Directors, in its sole discretion, may consider relevant. Furthermore, our long-term, secured, senior revolving credit facility under a Credit Agreement dated May 28, 1999 (the "Credit Facility") and the instruments governing our 81/2% Senior Subordinated Notes due 2007 (the "Senior Subordinated Notes") include covenants which preclude the payment of dividends. See Note 5 to the Consolidated Financial Statements for further information concerning the Credit Facility and the Senior Subordinated Notes.

The following table sets forth the high and low closing sales prices for SMI's common stock, as reported by the NYSE Composite Tape for each calendar quarter during the periods indicated.

2001	High	Low
First Quarter.	$26.440	$22.210
Second Quarter	29.900	21.000
Third Quarter.	26.580	19.050
Fourth Quarter	26.230	18.850

2000	High	Low
First Quarter.	$35.000	$23.750
Second Quarter	24.438	19.875
Third Quarter.	26.250	20.813
Fourth Quarter	24.375	16.875

Item 6. Selected Financial Data

The following selected financial data for the five years ended December 31, 2001 have been derived from audited financial statements. The financial statements for each of the three years ended December 31, 2001 were audited by Deloitte & Touche LLP, and these financial statements and independent auditors' report are contained elsewhere in this report. All of the data set forth below are qualified by this reference to, and should be read in conjunction with, SMI's Consolidated Financial Statements (including the Notes thereto), and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this report.

	Year Ended December 31:				
	2001	2000	1999	1998	1997
	(in thousands, except per share data)				
Income Statement Data (1)					
Revenues:					
Admissions	$ 136,362	$142,160	$132,694	$107,601	$ 94,032
Event related revenue	134,032	134,337	122,953	87,684	67,464
NASCAR broadcasting revenue	67,488	29,297	25,363	17,775	15,713
Other operating revenue	38,796	48,503	36,483	16,736	14,917
Total revenues	376,678	354,297	317,493	229,796	192,126
Expenses and Other:					
Direct expense of events	77,322	79,048	74,802	57,126	43,321
NASCAR purse and sanction fees	54,479	38,181	35,848	25,920	22,026
Other direct operating expense	36,292	44,432	32,241	10,975	9,181
General and administrative	60,313	53,794	47,375	34,279	31,623
Depreciation and amortization	33,182	31,192	28,536	21,701	15,742
Interest expense, net	24,382	26,973	27,686	12,228	5,313
Cancelled CART race settlement, net (2)	(1,361)	--	--	--	--
Concession contract rights resolution (3)	--	3,185	--	--	--
Acquisition loan cost amortization (4)	--	--	3,398	752	--
Other income, net	(2,864)	(1,740)	(959)	(3,202)	(991)
Preoperating expense of new facility (5)	--	--	--	--	1,850
Total Expenses and Other	281,745	275,065	248,927	159,779	128,065
Income before income taxes and cumulative effect of accounting change	94,933	79,232	68,566	70,017	64,061
Provision for income taxes	37,341	31,100	27,123	27,646	25,883
Income before cumulative effect of accounting change	57,592	48,132	41,443	42,371	38,178
Cumulative effect of accounting change for club membership fees (6)	--	(1,257)	--	--	--
Net income	$ 57,592	$ 46,875	$ 41,443	$ 42,371	$ 38,178
Basic Earnings Per Share:					
Before cumulative effect of accounting change	$ 1.38	$ 1.16	$ 1.00	$ 1.02	$ 0.92
Accounting change for club membership fees (6)		(0.03)			
Basic earnings per share	$ 1.38	$ 1.13	$ 1.00	$ 1.02	$ 0.92
Weighted average shares outstanding	41,753	41,663	41,569	41,482	41,338
Diluted Earnings Per Share:					
Before cumulative effect of accounting change	$ 1.34	$ 1.13	$ 0.97	$ 1.00	$ 0.89
Accounting change for club membership fees (6)		(0.03)			
Diluted earnings per share	$ 1.34	$ 1.10	$ 0.97	$ 1.00	$ 0.89
Weighted average shares outstanding	44,367	44,715	44,960	44,611	44,491
Pro forma Amounts Assuming Retroactive Application Of Accounting Change (6):					
Net income	$ 57,592	$ 48,132	$ 40,601	$ 42,294	$ 38,104
Basic earnings per share	$ 1.38	$ 1.16	$ 0.98	$ 1.02	$ 0.92
Diluted earnings per share	$ 1.34	$ 1.13	$ 0.95	$ 1.00	$ 0.89
Balance Sheet Data (1)					
Goodwill and other intangible assets	$ 56,742	$ 59,105	$ 58,987	$ 56,903	$ 51,300
Total assets	1,063,578	991,957	995,982	904,877	597,168
Long-term debt, including current maturities:					
Revolving credit facility and other (7)	91,064	91,000	130,975	254,714	1,433
Senior subordinated notes	252,367	252,788	253,208	124,708	124,674
Convertible subordinated debentures	53,694	66,000	74,000	74,000	74,000
Capital lease obligations	188	309	377	502	19,433
Stockholders' equity	$ 438,889	$379,341	$331,708	$287,120	$244,114

(1) These data for 1998 include LVMS acquired in December 1998.

(2) A Championship Auto Racing Teams racing event originally scheduled at TMS in April 2001 was not conducted as a result of a decision made by CART's sanctioning body. In October 2001, our legal action against CART claiming negligence and breach of contract was settled for approximately $5.0 million, representing our recovery of associated sanction fees, race purse, various expenses, lost revenues and other damages. The CART settlement is reflected net of associated race event costs of approximately $3.6 million. See Note 2 to the Consolidated Financial Statements.

(3) Concession contract rights resolution represents costs to reacquire the contract rights to provide event food, beverage and souvenir merchandising services at SPR from a previous provider whose original contract term was to expire in 2004, including legal and other transaction costs. We anticipate the present value of estimated net future benefits under the contract rights as of the resolution date exceeded its costs. See Note 2 to the Consolidated Financial Statements.

(4) Acquisition loan cost amortization results from financing costs incurred in amending our Credit Facility and Acquisition Loan to fund the December 1998 acquisition of LVMS. Associated deferred financing costs of $4,050,000 were amortized over the Acquisition Loan term which matured May 1999. See Notes 2 and 5 to the Consolidated Financial Statements.

(5) Preoperating expenses consist of non-recurring and non-event related costs to develop, organize and open TMS, which hosted its first racing event in April 1997.

(6) We changed our revenue recognition policies for Speedway Club membership fees in the fourth quarter of 2000. Net revenues from membership fees previously were recognized as income when billed and associated expenses were incurred. Under the change, net

membership revenues are deferred when billed and amortized into income over ten years. The cumulative effect of the accounting change as of January 1, 2000 reduced fiscal year 2000 net income by $1,257,000 after income taxes, and basic and diluted earnings per share by $0.03. The pro forma amounts reflected above have been adjusted for the effect of retroactive application of the accounting change on net membership fee revenues, and related income taxes, had the new method been in effect for the periods presented. See Note 2 to the Consolidated Financial Statements.
(7) Other debt includes principally notes payable outstanding for the acquisition of SoldUSA of $1,100,000, $1,000,000 and $941,000 at December 31, 2001, 2000 and 1999, respectively, and for road construction of $647,000 and $983,000 at December 31, 1998 and 1997, respectively.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the results of operations and financial condition as of December 31, 2001 should be read in conjunction with the Consolidated Financial Statements (including the Notes thereto) appearing elsewhere in this report.

Overview

We derive revenues principally from the following:

. the sale of tickets to automobile races and other events held at our speedway facilities;

. the licensing of television, cable network and radio rights to broadcast such events;

. the sale of food, beverage and souvenirs during such events;

. the sale of sponsorships, promotions and hospitality to companies that desire to advertise, sell or promote their products or services at such events; and

. the rental of luxury suites during such events and other track facilities.

We derive additional revenue from the operations of The Speedway Clubs at LMSC and TMS, 600 Racing, MBM, Oil-Chem, Racing Country USA, SoldUSA and WMI. See "Business--Other Operating Revenue" and Note 1 to the Consolidated Financial Statements for descriptions of these businesses.

We classify our revenues as admissions, event related revenue, NASCAR broadcasting revenue, and other operating revenue. "Admissions" includes ticket sales for all of our events. "Event related revenue" includes amounts received from food, beverage and souvenir sales, sponsorship fees, promotional and hospitality revenues, luxury suite rentals, broadcasting rights other than NASCAR broadcasting revenue, track rentals, and other event and speedway related revenue. "NASCAR broadcasting revenue" includes rights fees obtained for domestic television broadcasts of NASCAR-sanctioned events held at our speedways. "Other operating revenue" includes Speedway Clubs' restaurant, catering and membership income, Legends Car and parts sales, and industrial park rentals, and MBM, Oil-Chem, SoldUSA, WMI and certain FLE revenues. Our revenue items produce different operating margins. Broadcast rights, sponsorships, ticket sales, and luxury suite and track rentals produce higher margins than food, beverage and souvenir sales, as well as sales of Legends Cars, MBM, Oil-Chem, WMI or other operating revenues.

We classify our expenses to include direct expense of events, NASCAR purse and sanction fees, and other direct operating expense, among other categories. "Direct expense of events" principally includes cost of food, beverage and souvenir sales, non-NASCAR race purses and sanctioning fees, compensation of certain employees, advertising and outside event support services. "NASCAR purse and sanction fees" includes payments to NASCAR for associated events held at our speedways. "Other direct operating expense" includes the cost of Speedway Clubs' operations and Legends Car sales, industrial park rental, MBM, Oil-Chem, SoldUSA and WMI revenues.

We sponsor and promote outdoor motorsports events. Weather conditions surrounding these events affect sales of tickets, concessions and souvenirs, among other things. Although we sell a substantial number of tickets well in advance of our larger events, poor weather conditions can have a negative effect on our results of operations.

Significant growth in our revenues will depend on consistent investment in facilities. We have several capital projects underway at each of our speedways.

We do not believe that our financial performance has been materially affected by inflation. We have been able to mitigate the effects of inflation by increasing prices.

Results of Operations

In 2001, we derived a substantial portion of our total revenues from admissions and event related revenue attributable to 17 major NASCAR-sanctioned racing events, three IRL racing events, three NASCAR Craftsman Truck Series racing events, four major NHRA racing

events, five WOO racing events, and two UDTRA Pro Dirt Car Series ("UDTRA") racing events in 2001. In 2000, we derived a substantial portion of our total revenues from admissions and event related revenue attributable to 17 major NASCAR-sanctioned racing events, four IRL racing events, two NASCAR Craftsman Truck Series racing events, three major NHRA racing events, seven WOO racing events, and three Hav-A-Tampa Dirt Late Model Series ("HAT") racing events. In 1999, we derived a substantial portion of our total revenues from admissions and event related revenue attributable to 17 major NASCAR-sanctioned racing events, five IRL racing events, four NASCAR Craftsman Truck Series racing events, two major NHRA racing events, and two WOO racing events.

The table below shows the relationship of income and expense items relative to total revenue for the three years ended December 31, 2001:

	Percentage of Total Revenue For Year Ended December 31:		
	2001	2000	1999
Revenues:			
Admissions	36.2%	40.1%	41.8%
Event related revenue	35.6	37.9	38.7
NASCAR broadcasting revenue	17.9	8.3	8.0
Other operating revenue	10.3	13.7	11.5
Total revenues	100.0%	100.0%	100.0%
Expenses and Other:			
Direct expense of events	20.5	22.3	23.6
NASCAR purse and sanction fees	14.5	10.8	11.3
Other direct operating expense	9.6	12.5	10.1
General and administrative	16.0	15.2	14.9
Depreciation and amortization	8.8	8.8	9.0
Interest expense, net	6.5	7.6	8.7
Other income (expense), net	(1.1)	0.4	0.8
Total Expenses and Other	74.8	77.6	78.4
Income before income taxes and accounting change	25.2	22.4	21.6
Income tax provision	(9.9)	(8.8)	(8.5)
Income before accounting change	15.3	13.6	13.1
Accounting change for club membership fees	--	(0.4)	--
Net income	15.3%	13.2%	13.1%

Year Ended December 31, 2001 Compared To Year Ended December 31, 2000

Total Revenues for 2001 increased by $22.4 million, or 6.3%, to $376.7 million, over such revenues for 2000. This improvement was due primarily to an increase in NASCAR broadcasting revenue.

Admissions for 2001 decreased by $5.8 million, or 4.1%, from such revenue for 2000. This decrease was due primarily to lower attendance at NASCAR-sanctioned racing events held at LMSC, LVMS and TMS, an IRL racing event held at TMS, and WOO and UDTRA racing events held at BMS. The overall decrease was partially offset by increased admissions at NASCAR-sanctioned racing events held at BMS and SPR. In 2001, admissions were negatively impacted by a convergence of factors including challenging economic conditions, public concerns over additional incidents similar to September 11, 2001 and air travel, and an early substantial lead in and winning of the Winston Cup Series points race. Admissions from corporate customers were negatively impacted more than individual customers.

Event Related Revenue for 2001 decreased by $305,000 from such revenue for 2000. The decrease was due to lower corporate suite rental, hospitality and other event related revenues, and decreased concession sales associated with lower attendance in 2001. The decrease was also due to an IRL racing event hosted at LVMS in 2000 which was not held in 2001. In 2001, the challenging economic conditions, public concerns over additional incidents and air travel, and an early substantial lead in and winning of the Winston Cup Series points race, negatively impacted attendance with resulting effects on event related revenues. Similar to admission revenues, event related revenues from corporate customers were negatively impacted more than individual customers.

NASCAR Broadcasting Revenue for 2001 increased by $38.2 million, or 130.4%, over such revenue for 2000. This increase was due to increases in broadcast rights fees for NASCAR-sanctioned racing events held in 2001.

Other Operating Revenue for 2001 decreased by $9.7 million, or 20.0%, from such revenue for 2000. This decrease was due primarily to decreased Oil-Chem revenues associated with reduced advertising while FTC litigation with Oil-Chem continues, and to decreased Legends Car, MBM, and certain FLE outside venue revenues. The overall decrease was partially offset by an increase in WMI revenues.

Direct Expense of Events for 2001 decreased by $1.7 million, or 2.2%, from such expense for 2000. The decrease was due to decreased operating costs associated with lower attendance, including related decreases in concession sales. The overall decrease was partially offset by the restructured IRL racing event at AMS whereby net event results were included in event related revenue in 2000, and higher advertising and other promotional costs for events held in 2001 as compared to 2000. As a percentage of admissions and event related revenues combined, direct expense of events was 28.6% in 2001 and 2000.

NASCAR Purse and Sanction Fees for 2001 increased by $16.3 million, or 42.7%, over such expense for 2000. This increase was due primarily to higher race purses and sanctioning fees for NASCAR-sanctioned racing events.

Other Direct Operating Expense for 2001 decreased by $8.1 million, or 18.3%, from such expense for 2000. This decrease was due primarily to reduced advertising while FTC litigation with Oil-Chem continues, and to decreased operating and advertising costs associated with reduced Oil-Chem, Legends Car, MBM and certain FLE outside venue revenues. The overall decrease was partially offset by an increase in costs associated with the growth in WMI revenues.

General and Administrative Expense for 2001 increased by $6.5 million, or 12.1%, over such expense for 2000. This increase was attributable to increases in operating costs associated with the growth and expansion at our speedways and operations, and to legal costs associated with the FTC litigation with Oil-Chem and other legal matters. As a percentage of total revenues, general and administrative expense was 16.0% in 2001 and 15.2% in 2000.

Depreciation and Amortization Expense for 2001 increased by $2.0 million, or 6.4%, over such expense for 2000. This increase results primarily from additions to property and equipment at our speedways.

Interest Expense, Net for 2001 was $24.4 million compared to $27.0 million for 2000. This decrease was due primarily to lower interest rates on the revolving Credit Facility, a reduction in our outstanding Convertible Subordinated Debentures, and to higher interest income earned on larger cash investments in 2001. The overall decrease was offset by lower capitalized interest in 2001.

Cancelled CART Race Settlement, Net of $1.4 million for 2001 represents settlement of our legal action against CART for approximately $5.0 million, representing recovery of associated sanction fees, race purse, and various expenses, lost revenues and other damages, net of associated race event costs of approximately $3.6 million. A CART racing event originally scheduled at TMS in April 2001 was not conducted as a result of a decision made by CART's sanctioning body. See Note 2 to the Consolidated Financial Statements for additional information.

Concession Contract Rights Resolution of $3.2 million for 2000 represents costs to reacquire the contract rights to provide event food, beverage and souvenir merchandising services at SPR from a previous provider whose original contract term expired in 2004, including legal and other transaction costs. We anticipate the present value of estimated net future benefits under the contract rights as of the resolution date exceeded its costs. See Note 2 to the Consolidated Financial Statements for additional information.

Other Income for 2001 increased by $1.1 million, to $2.9 million, over such income for 2000. This increase results primarily from gains recognized upon expiration in 2001 of buyer rights under certain TMS condominium sales contracts whereby buyers could require our repurchase within three years from date of purchase. Recognition of such gains was deferred until the buyer's right expired. The increase was also due to larger gains on TMS condominium sales in 2001. The overall increase was partially offset by lower gains from sales of marketable equity securities and other investments, from loss recognition for decreased fair value of certain marketable equity securities, and from gains on repurchases of convertible debentures in 2000.

Income Tax Provision. Our effective income tax rate was 39.3% for both 2001 and 2000.

Income Before Cumulative Effect of Accounting Change for 2001 increased by $9.5 million, or 19.7%, to $57.6 million, over such income for 2000. This increase was due to the factors discussed above.

Cumulative Effect of Accounting Change for Club Membership Fees of $1.3 million for 2000 represents the cumulative effect, net of income taxes of $824,000, as of January 1, 2000, of our change in revenue recognition policies for Speedway Club membership fees. Net revenues from membership fees previously were recognized as income when billed and associated expenses were incurred. Under the new method, net membership revenues are deferred when billed and amortized into income over ten years.

Net Income for 2001 increased by $10.7 million, or 22.9%, to $57.6 million, over such income for 2000. This increase was due to the factors discussed above.

Year Ended December 31, 2000 Compared To Year Ended December 31, 1999

Total Revenues for 2000 increased by $36.8 million, or 11.6%, to $354.3 million, over such revenues for 1999. This improvement was due to increases in all revenue items.

Admissions for 2000 increased by $9.5 million, or 7.1%, over such revenue for 1999. This increase was due to growth in NASCAR-sanctioned racing events, and to hosting inaugural WOO and HAT racing events at BMS, LMSC, and TMS, in 2000. The growth in admissions at NASCAR-sanctioned racing events reflects the increased attendance and additions to seating capacity, and to a lesser extent, increases in ticket prices. In 2000, admissions were negatively impacted by a convergence of uncontrollable factors including poor weather at several major racing events and an early substantial lead in and winning of the Winston Cup Series points race.

Event Related Revenue for 2000 increased by $11.4 million, or 9.3%, over such revenue for 1999. The increase reflects hosting a new NHRA-sanctioned Nationals racing event at LVMS, and new WOO and HAT racing events at BMS, LMSC, and TMS, and the growth in attendance, including related increases in concessions and souvenir sales. In 2000, poor weather at several major racing events, and an early substantial lead in and winning of the Winston Cup Series points race, negatively impacted attendance with related effects on event related revenues.

NASCAR Broadcasting Revenue for 2000 increased by $3.9 million, or 15.5%, over such revenue for 1999. This increase was due to increases in broadcast rights fees for NASCAR-sanctioned racing events held in 2000.

Other Operating Revenue for 2000 increased by $12.0 million, or 32.9%, over such revenue for 1999. This increase was due primarily to growth in revenues of Oil-Chem associated with the commencement of media and other promotional campaigns. The increase was also attributable to revenues derived from apparel and other merchandise sold through outside venues, including MBM acquired in July 1999, from the LMSC Speedway Club and the TMS Speedway Club which opened in March 1999. The overall increase was partially offset by decreased Legends Car sales and revenues derived from the Las Vegas Industrial Park which was sold in January 2000.

Direct Expense of Events for 2000 increased by $4.2 million, or 5.7%, over such expense for 1999. The increase reflects hosting a new NHRA racing event at LVMS, and hosting new WOO and HAT racing events at BMS, LMSC, and TMS, and the increased operating costs associated with the growth in attendance, including related increases in concessions and souvenir sales. The overall increases were partially offset by the restructured IRL racing event at AMS whereby net event results are included in event related revenue. As a percentage of admissions and event related revenues combined, direct expense of events was 28.6% in 2000 and 29.3% in 1999.

NASCAR Purse and Sanction Fees for 2000 increased by $2.3 million, or 6.5%, over such expense for 1999. This increase was due primarily to higher race purses and sanctioning fees for NASCAR-sanctioned racing events.

Other Direct Operating Expense for 2000 increased by $12.2 million, or 37.8%, over such expense for 1999. This increase was due primarily to expenses associated with commencement of Oil-Chem's media and other promotional campaigns. The increase includes expenses associated with other operating revenues derived from apparel and other merchandise sold through outside venues including MBM, and with the increase in Oil-Chem and Speedway Club' revenues. The overall increase was partially offset by decreased Legends Car sales.

General and Administrative for 2000 increased by $6.4 million, or 13.5%, over such expense for 1999. The increase was attributable to increases in operating costs associated with the growth and expansion at our speedways. The increase also reflects the operating costs associated with The Texas Motor Speedway Club which opened in March 1999 and MBM which was acquired in July 1999. As a percentage of total revenues, general and administrative expense was 15.2% in 2000 and 14.9% in 1999.

Depreciation and Amortization Expense for 2000 increased by $2.7 million, or 9.3%, over such expense for 1999. This increase was primarily due to additions to property and equipment at our speedways. The overall increase was offset by depreciation in 1999 on LVMS property associated with the Industrial Park sold in January 2000.

Interest Expense, Net for 2000 was $27.0 million compared to $27.7 million for 1999. This decrease was due primarily to higher interest income earned on notes receivable and reduced outstanding borrowings under the Credit Facility in 2000. The decrease was partially offset by higher interest rates on the Credit Facility and the Senior Subordinated Notes issued in May 1999.

Concession Contract Rights Resolution of $3.2 million for 2000 represents costs to reacquire the contract rights to provide event food, beverage and souvenir merchandising services at SPR from a previous provider whose original contract term expired in 2004, including legal and other transaction costs. We anticipate the present value of estimated net future benefits under the contract rights as of the resolution date exceeded its costs. See Note 2 to the Consolidated Financial Statements for additional information.

Acquisition Loan Cost Amortization of $3.4 million for 1999 represents financing costs incurred in obtaining the Acquisition Loan to fund the LVMS acquisition. Associated deferred financing costs of $4.1 million were amortized over the loan term which matured May 1999.

Other Income for 2000 increased by $781,000 over such income for 1999. This increase results primarily from larger gains from sales of marketable equity securities and other investments in 2000 compared to 1999, and from gains on repurchases of convertible debentures in 2000.

Income Tax Provision. Our effective income tax rate was 39.3% in 2000 and 39.6% in 1999.

Income Before Cumulative Effect of Accounting Change for 2000 increased by $6.7 million, or 16.1%, to $48.1 million, over such income for 1999. This increase was due to the factors discussed above.

Cumulative Effect of Accounting Change for Club Membership Fees of $1.3 million for 2000 represents the cumulative effect, net of income taxes of $824,000, as of January 1, 2000 of our change in revenue recognition policies for Speedway Club membership fees. Net revenues from membership fees previously were recognized as income when billed and associated expenses were incurred. Under the change, net membership revenues are deferred when billed and amortized into income over ten years.

Net Income for 2000 increased by $5.4 million, or 13.1%, to $46.9 million, over such income for 1999. This increase was due to the factors discussed above.

Seasonality and Quarterly Results

We currently will sponsor 17 major annual racing events in 2002 sanctioned by NASCAR, including ten Winston Cup and seven Busch Series racing events. We will also sponsor two IRL racing events, three NASCAR Craftsman Truck Series racing events, four major NHRA racing events, and six WOO racing events. As a result, our business has been, and is expected to remain, highly seasonal.

In 2001 and 2000, our second and fourth quarters accounted for 68% and 67%, respectively, of our total annual revenues and 93% and 104%, respectively, of our total annual net income. We sometimes produce minimal operating income or losses during our third quarter when we host only one major NASCAR race weekend. Concentration of racing events in any particular future quarter, and the growth in our operations with attendant increases in overhead expenses, may tend to increase operating losses or minimize operating income in respective future quarters. Racing schedules may be changed from time to time which can lessen the comparability of operating results between quarters of successive years and increase or decrease the seasonal nature of our motorsports business.

We recognize revenues and operating expenses for all events in the calendar quarter in which conducted except for major NASCAR and other sanctioned racing events which occur on the last full weekend of a calendar quarter. When major racing events occur on the last full weekend of a calendar quarter, the race event revenues and operating expenses are recognized in the current or immediately succeeding calendar quarter that corresponds to the calendar quarter of the prior year in which the same major racing event was conducted. We have adopted this accounting policy to help ensure comparability and consistency between quarterly financial statements of successive years. A major NASCAR-sanctioned racing event was held at BMS on the weekend of March 23-24, 2002 was held last year on the weekend of March 24-25, 2001. Accordingly, the revenues and operating expenses of the 2002 race event will be recognized in the first quarter 2002, where as those of the 2001 race event were recognized in the second quarter 2001.

The more significant racing schedule changes that have occurred during the last three years include the following:

. AMS hosted an IRL event in the second quarter 2001 which was held in the third quarter 2000. The third quarter 2000 IRL event at AMS was hosted under a restructured sanctioning agreement whereby net event results were included in event related revenue. The second quarter 2001 IRL event results are included in admissions and event related revenues and direct expense of events.

. BMS hosted a major NHRA-sanctioned Nationals racing event in the second quarter 2001 which was held in the third quarter 2000.

. An IRL racing event hosted by LVMS in the second quarter 2000, whereby net events results were included in event related revenue, was not held in 2001.

. LVMS hosted an IRL racing event in the second quarter 2000 which, along with a NASCAR Craftsman Truck Series racing event, was held in the third quarter 1999.

. Also in the second quarter 2000, LVMS hosted an inaugural NHRA Nationals racing event, and BMS, LMSC and TMS hosted inaugural WOO and HAT racing events.

. In the third quarter 2000, AMS hosted an IRL racing event under a restructured sanctioning agreement whereby net event results are included in event related revenue. In the third quarter 1999, revenues and expenses associated with the IRL event are included in admissions and event related revenues and direct expense of events.

The table below shows excerpted results from our Quarterly Reports on Form 10-Q filed in the years ended December 31, 2001 and 2000. As further described in Note 2 to the Consolidated Financial Statements, we changed our revenue recognition policies for Speedway Club membership fees in the fourth quarter of 2000. The quarterly operating results for the year ended December 31, 2000 below reflect restatement for retroactive application of the accounting change on club membership fees. Amounts previously reported on Form 10-Q for fiscal 2000 included:

. total revenues of $66.3 million for the first quarter, $160.8 million for the second quarter, and $51.7 million for the third quarter; and

. net income of $4.4 million for the first quarter and $41.9 million for the second quarter, and net loss of $4.6 million for the third quarter.

The cumulative effect of the accounting change reduced fiscal year 2000 net income by $1.3 million after income taxes, and basic and diluted earnings by $0.03, and is reflected below as of January 1, 2000 in the first quarter of 2000. Restated amounts for fiscal year 2000 are presented to provide comparability with amounts for fiscal year 2001.

Where computations are anti-dilutive, reported basic and diluted per share amounts below are the same. As such, individual quarterly per share amounts may not be additive. Also, individual quarterly amounts may not be additive due to rounding.

	2001 (unaudited/)					2000 (unaudited/restated)				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
	(in thousands, except NASCAR-sanctioned events and per share amounts)									
Total revenues	$66,975	$175,460	$53,354	$80,889	$376,678	$65,525	$160,454	$51,604	$76,714	$354,297
Total expenses and other	56,966	104,266	57,082	63,431	281,745	58,921	90,668	59,318	66,158	275,065
Net income (loss) before cumulative effect of accounting change, as restated for 2000	6,064	43,203	(2,275)	10,600	57,592	3,960	41,718	(4,641)	7,097	48,132
Cumulative effect of accounting change	--	--	--	--	--	(1,257)	--	--	--	(1,257)
Net income (loss), as restated for 2000	$ 6,064	$ 43,203	$(2,275)	$10,600	$ 57,592	$ 2,703	$ 41,718	$(4,641)	$ 7,097	$ 46,875
Basic earnings (loss) per share before accounting change as previously reported	$ 0.15	$ 1.03	$ (0.05)	$ 0.25	$ 1.38	$ 0.11	$ 1.01	$ (0.11)	$ 0.17	$ 1.18
Accounting change	--	--	--	--	--	(0.04)	(0.01)	--	--	(0.05)
Basic earnings (loss) per share, as restated for 2000	$ 0.15	$ 1.03	$ (0.05)	$ 0.25	$ 1.38	$ 0.07	$ 1.00	$ (0.11)	$ 0.17	$ 1.13
Diluted earnings (loss) per share before accounting change as previously reported	$ 0.15	$ 0.98	$ (0.05)	$ 0.25	$ 1.34	$ 0.11	$ 0.95	$ (0.11)	$ 0.17	$ 1.15
Accounting change	--	--	--	--	--	(0.05)	--	--	--	(0.05)
Diluted earnings (loss) per share, as restated for 2000	$ 0.15	$ 0.98	$ (0.05)	$ 0.25	$ 1.34	$ 0.06	$ 0.95	$ (0.11)	$ 0.17	$ 1.10
NASCAR-sanctioned events	4	8	2	3	17	4	8	2	3	17

Near-term Operating Factors

There are many factors that affect our growth potential, future operations and financial results, including some of the following operating factors:

Current Operating Trends. The national incidents of September 11, 2001 have raised a combination of operating factors never before encountered, including public concerns regarding air travel, military actions, and additional national or local catastrophic incidents. These factors, in an already challenging economy, are affecting consumer and corporate spending sentiment. Economic conditions and competitive racing can affect ticket and other sales. We believe long-term ticket demand, including corporate marketing and promotional spending, should continue to grow. However, near-term ticket sales, particularly to corporate customers, and suite rentals, hospitality and other event revenues have been, and may continue to be, adversely impacted by these and other factors. We have decided not to increase many ticket and concession prices at least for 2002 to help foster fan support and mitigate any near term weakness.

NASCAR Broadcasting Rights Agreement. Fiscal 2001 was our first year under the multi-year consolidated domestic television broadcast rights agreement for NASCAR Winston Cup and Busch Series events. The new agreement is expected to provide us with future increases in contracted broadcasting revenues. Total revenues under this domestic broadcast rights agreement is expected to approximate $79 million in 2002, reflecting an increase of approximately $11 million over 2001. While this long-term rights agreement will likely result in annual revenue increases over the contract period, associated annual increases in purse and sanction fees paid to NASCAR have, and may continue to, increase at a relatively higher rate.

Possible Goodwill Impairment. As discussed below in "Recently Issued Accounting Standards", we are adopting Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" as of January 1, 2002, and have until June 30, 2002 to assess initial goodwill impairment under transitional rules. The potential exists that approximately $5 million of goodwill associated with certain of our non-motorsports related reporting units, that was not considered impaired under previous accounting standards, could be considered impaired under the new accounting guidelines. Initial impairment, if any, would be reported as a non-cash cumulative effect of a change in accounting principle.

Insurance Coverage. Heightened concerns and challenges regarding property, casualty, liability, business interruption, and other insurance coverage have resulted after the national incidents on September 11, 2001. It has become increasingly difficult to obtain high policy limits of coverage at reasonable costs, including coverage for acts of terrorism. We have a material investment in property and equipment at each of our six speedway facilities, generally located near highly populated cities, and which hold motorsports events typically attended by large numbers of fans. These operational, geographical, and situational factors, among others, are resulting in significant increases in insurance premium costs in fiscal 2002, and further increases are possible. While we believe we have reasonable limits of property, casualty, liability, and business interruption insurance in force, including coverage for acts of terrorism, we can not guarantee that such coverage would be

adequate should a catastrophic event occur. The occurrence of such an incident at any of our speedway facilities could have a material adverse effect on our financial position and future results of operations if asset damage and/or company liability were to exceed insurance coverage limits. The occurrence of additional national incidents, and particularly incidents at sporting event, entertainment or other public venues, may significantly impair our ability to obtain such insurance coverage in the future.

Litigation Costs. As discussed in "Legal Proceedings", we are involved in various litigation for which significant legal costs were incurred in fiscal 2001, particularly associated with the FTC litigation with Oil-Chem. We intend to defend vigorously against the claims raised in existing legal actions, and we will likely incur significant legal costs in fiscal 2002. We are presently unable to quantify the amount of these expected legal costs. New or changes in pending or threatened legal action against us could result in further increases in legal costs.

Long-Term Management Contract. As discussed above in " Business--Recent Developments", the new Levy Group food and beverage management agreement began in February 2002. This new agreement will affect our reporting of operating profits associated with our food, beverage and hospitality catering activities. Beginning in fiscal 2002, our operating profits from such activities provided by the Levy Group will be reported as net event related revenue. Revenues and expenses associated with those services previously provided by FLE are presently included in event related revenue, direct expense of events and general and administrative expense. The agreements provide for, among other items, specified annual fixed and periodic gross revenue based commission payments to us over the contract period. The contract period is initially ten years with renewal options for an additional ten year period.

Redemption of Convertible Subordinated Debentures. The 5 3/4% convertible subordinated debentures are presently redeemable at our option at 101.64%. At December 31, 2001, outstanding convertible debentures totaled $53.7 million, and 1,726,000 shares of common stock would be issuable upon conversion. See Notes 5 and 6 to the Consolidated Financial Statements for additional information on related terms and conditions, including redemption and conversion features. We plan to redeem all such outstanding convertible debentures on April 19, 2002. Our management, including our Board of Directors, believe redemption is in our long-term interest and an appropriate use of available funds. Redemption would reduce future interest expense and eliminate the associated dilution effect on our earnings per share, and is expected to be funded entirely from available cash and cash investments on hand. As such, our cash and cash investments and long-term debt would be reduced by approximately $53.7 million upon redemption, excluding redemption premium, accrued interest and transaction costs. The redemption premium, associated unamortized net deferred loan costs, and transaction costs would be reflected as a non-recurring charge to earnings in the period of redemption. Such charges are estimated to total approximately $1.4 million. No amounts would be borrowed under the Credit Facility. We believe that cash from operations, remaining cash and cash investments, and funds available through the Credit Facility, would be sufficient to meet our operating and capital needs through 2002.

Significant Factors in 2001

The following are significant factors that affected our financial condition and results of operations in the year ended December 31, 2001.

General Factors. Operating results for fiscal 2001 were negatively impacted by public concerns over additional national security incidents, air travel, and difficult economic conditions, as well as the substantial lead in the Winston Cup Series championship points race. Reduced consumer and corporate spending at several of our major racing events negatively impacted attendance with related effects on event related revenue.

Cancelled CART Race Settlement, Net. A major Championship Auto Racing Teams racing event originally scheduled at TMS in April 2001 was not conducted as a result of a decision made by CART's sanctioning body. We offered refunds of paid tickets and certain other event revenues. In October 2001, our legal action against CART claiming negligence and breach of contract was settled for approximately $5.0 million, representing our recovery of associated sanction fees, race purse, various expenses, lost revenues and other damages, net of associated race event costs of approximately $3.6 million.

Complaint Against Oil-Chem Research Corp. On January 31, 2001, the Federal Trade Commission filed a complaint against SMI and Oil-Chem seeking a judgment to enjoin SMI and Oil-Chem from advertising zMax Power System for use in motor vehicles and to award equitable relief to redress alleged injury to consumers. See "Legal Proceedings" for additional information on this legal matter. SMI has filed an answer in this action denying the allegations and intends to defend itself. While we do not believe that the outcome of this lawsuit will have a material adverse effect on our financial position or future results of operations, we incurred significant legal costs in defending this action.

Liquidity and Capital Resources

We have historically met our working capital and capital expenditure requirements through a combination of cash flows from operations, bank borrowings and other debt and equity offerings. We expended significant amounts of cash in 2001 for improvements and expansion at our speedway facilities. Significant changes in our financial condition and liquidity during 2001 resulted primarily from:

(1) net cash generated by operations amounting to $119.0 million;

(2) capital expenditures amounting to $55.8 million;

(3) note receivable repayment of approximately $17.0 million associated with the LVMS Industrial Park sale to an affiliate; and

(4) reducing outstanding Convertible Subordinated Debentures by $12.3 million.

At December 31, 2001, we had cash and cash equivalents totaling $94.0 million and had $90.0 million in outstanding borrowings under the $250.0 million Credit Facility. As discussed above in "Business--Recent Developments" and "Near-term Operating Factors", we plan to redeem all of our Convertible Subordinated Debentures totaling $53.7 million in principal on April 19, 2002. We plan to fund the redemption from cash and cash investments on hand, along with cash proceeds from the Levy Group transaction consummated in February 2002. At December 31, 2001, net deferred tax liabilities totaled $102.1 million. While primarily representing the tax effects of temporary differences between financial and income tax bases of assets and liabilities, the likely future reversal of net deferred income tax liabilities could negatively impact cash flows from operations in the years in which reversal occurs.

As further discussed in Notes 2, 5, 7 and 8 to the Consolidated Financial Statements, we had the following contractual cash obligations and other commercial commitments as of December 31, 2001 (in thousands):

		Payments Due By Period			
Contractual Cash Obligations	Total	Current	2003	2004	Thereafter
Current liabilities, excluding current maturities of long-term debt and deferred race event income	$ 33,248	$33,248	--	--	--
Long-term debt, including current maturities	397,313	1,228	$53,718	$90,000	$252,367
Payable to affiliates	3,483	456	433	--	2,594
Other liabilities	1,823	--	--	--	1,823
Total Contractual Cash Obligations	$435,867	$34,932	$54,151	$90,000	$256,784

		Commitment Expiration By Period			
Other Commercial Commitments	Total	Current	2003	2004	Thereafter
Stand by letters of credit, Total Other Commercial Commitments	$ 26	$ 26	--	--	--

We presently do not have any significant operating lease obligations or off balance sheet obligations, guarantees, commitments or other contractual cash obligations or other commercial commitments.

We anticipate that cash from operations, and funds available through the Credit Facility, will be sufficient to meet our operating needs through 2002, including planned capital expenditures at our speedway facilities. Based upon anticipated future growth and financing requirements, we expect that we will, from time to time, engage in additional financing of a character and in amounts to be determined. In addition to our planned redemption of the Convertible Subordinated Debentures, we may, from time to time, redeem or retire our debt securities, and purchase our debt and equity securities, depending on liquidity, prevailing market conditions, as well as such factors as permissibility under the Credit Facility, and the Senior Subordinated Notes, and as our Board of Directors, in its sole discretion, may consider relevant. While we expect to continue to generate positive cash flows from our existing speedway operations, and have generally experienced improvement in our financial condition, liquidity and credit availability, such resources, as well as possibly others, could be needed to fund our continued growth, including the continued expansion and improvement of our speedway facilities.

Capital Expenditures

Significant growth in our revenues depends, in large part, on consistent investment in facilities. We expect to continue to make substantial capital improvements in our facilities to meet increasing demand and to increase revenue. Currently, a number of significant capital projects are underway.

2001 Projects. In 2001, we continued major renovations at SPR, including its ongoing reconfiguration and modernization into a "stadium-style" road racing course, adding approximately 19,000 new permanent seats. We also widened certain front-stretch concourses at LMSC to improve spectator convenience and accessibility. In 2001, we continued to improve and expand on-site roads and available parking, and reconfigure traffic patterns and entrances to ease congestion and improve traffic flow, as well as further expand concessions, restroom and other fan amenities for the convenience, comfort and enjoyment of fans at each of our speedways.

2002 Projects. At December 31, 2001, we had various construction projects underway to increase and improve facilities for fan amenities and make other site improvements at our speedways. In 2002, we plan to continue the multi-year major reconfiguration and modernization of SPR, adding up to 11,000 new grandstand seats, 16,000 new hillside terrace seats, and 16 new luxury suites. Modernization and reconstruction of SPR's dragway also continues featuring permanent seating, luxury suites, and extensive fan amenities. Substantial completion of the SPR renovations is presently scheduled for 2002 and into 2003. Similar to 2001, we plan to further expand concessions,

restrooms and other fan amenities for the convenience, comfort and enjoyment of fans, and to continue improving and expanding our on-site roads and available parking, reconfiguring traffic patterns and entrances to ease congestion and improve traffic flow at each of our speedways.

The estimated aggregate cost of capital expenditures in 2002 will approximate $55.0 million. Numerous factors, many of which are beyond our control, may influence the ultimate costs and timing of various capital improvements at our facilities, including:

. undetected soil or land conditions;

. additional land acquisition costs;

. increases in the cost of construction materials and labor;

. unforeseen changes in design;

. litigation, accidents or natural disasters affecting the construction site; and

. national or regional economic changes.

In addition, the actual cost could vary materially from our estimates if our assumptions about the quality of materials or workmanship required or the cost of financing such construction were to change. Construction is also subject to state and local permitting processes, which if changed, could materially affect the ultimate cost.

In addition to expansion and improvements of our existing speedway facilities and business operations, we are continually evaluating new opportunities that will add value for our stockholders, including the acquisition and construction of new speedway facilities, the expansion and development of our existing Legends Cars and Oil-Chem products and markets and the expansion into complementary businesses.

Dividends

We do not anticipate paying any cash dividends in the foreseeable future. Any decision concerning the payment of dividends on our common stock will depend upon our results of operations, financial condition and capital expenditure plans, as well as such factors as permissibility under the Credit Facility and the Senior Subordinated Notes and as our Board of Directors, in its sole discretion, may consider relevant. The Credit Facility and Senior Subordinated Notes preclude the payment of any dividends.

Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the financial statement date, and reported amounts of revenues and expenses, including amounts that are susceptible to change. Our critical accounting policies include accounting methods and estimates underlying such financial statement preparation, as well as judgments and uncertainties affecting the application of those policies. In applying critical accounting policies, materially different amounts or results could be reported under different conditions or using different assumptions. The following discussion and analysis should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Quantitative and Qualitative Disclosures About Market Risk", and the Consolidated Financial Statements, including the Notes thereto, appearing elsewhere in this report. We believe our critical accounting policies, and amounts involving significant estimates, uncertainties and susceptibility to change include the following:

Recoverability of Property and Equipment and Goodwill and Other Intangible Assets. We have net property and equipment of $813.2 million, and net goodwill and other intangible assets of $56.7 million, as of December 31, 2001. We periodically evaluate long-lived assets for possible impairment based on expected future undiscounted operating cash flows and profitability attributable to such assets. While we believe no impairment exists at December 31, 2001 under accounting standards applicable at that date, different conditions or assumptions, if significantly negative or unfavorable, could have a material adverse effect on the outcome of our evaluation and our financial condition or future results of operations. As discussed above in "Near-term Operating Factors--Possible Goodwill Impairment", the potential exists that approximately $5 million of goodwill associated with certain of our non-motorsports related reporting units, that was not considered impaired under previous accounting standards, could be considered impaired under new accounting guidelines. See "Recently Issued Accounting Standards" below.

Property Held For Sale. Our property held for sale at December 31, 2001 includes land for development with a carrying value of $12.2 million and speedway condominiums held for sale with a carrying value of $4.2 million. The carrying value of land for development is supported by recent independent appraisal. The carrying value of the speedway condominiums held for sale is supported by market prices of recent condominium sales. While we believe the carrying value of such property is fully recoverable, changes in local and regional real estate markets, including zoning and other land use laws, and motorsports industry interest, if significantly negative or unfavorable, could have a material adverse effect on the property's market value and our financial condition or future results of operations.

Revenue Recognition For Our Racing Events. We recognize admissions, NASCAR broadcasting and other event related revenues when an event is held. Advance revenues and certain related direct expenses pertaining to specific events are deferred until the event is held. Deferred expenses primarily include race purses and sanctioning fees remitted to NASCAR or other sanctioning bodies. Deferred race event income relates to scheduled events to be held in the upcoming year. If circumstances prevent a race from being held during the racing season, advance revenue is refundable and all deferred direct event expenses would be immediately recognized except for race purses which would be refundable from NASCAR or other sanctioning bodies. We believe this accounting policy results in appropriate matching of revenues and expenses associated with our racing events and helps ensure comparability and consistency between our financial statements.

We also recognize revenues and operating expenses for all events in the calendar quarter in which conducted except for major NASCAR and other sanctioned racing events which occur on the last full weekend of a calendar quarter. When major racing events occur on the last full weekend of a calendar quarter, the race event revenues and operating expenses are recognized in the current or immediately succeeding calendar quarter that corresponds to the calendar quarter of the prior year in which the same major racing event was conducted. We believe this accounting policy helps ensure comparability and consistency between our quarterly financial statements of successive years.

Deferred Income Taxes. We recognize deferred tax assets and liabilities for the future income tax effect of temporary differences between financial and income tax bases of assets and liabilities assuming they will be realized and settled at amounts reported in the financial statements. At December 31, 2001, net deferred tax liabilities totaled $102.1 million, including deferred tax assets of $32.1 million. These net deferred tax liabilities will likely reverse in future years and could negatively impact cash flows from operations in the years in which reversal occurs. We believe realization of the deferred tax assets is more likely than not and no valuation allowance has been recorded. However, changes in tax laws, assumptions or estimates used in the accounting for income taxes, if significantly negative or unfavorable, could have a material adverse effect on amounts or timing of realization or settlement. Such effects could result in a material acceleration of income taxes currently payable or valuation charges for realization uncertainties, which could have a material adverse effect on our financial condition or future results of operations. See Note 7 to the Consolidated Financial Statements for additional information on income taxes.

Legal Proceedings and Contingencies. As discussed above in "Legal Proceedings", we are involved in various litigation and we intend to continue to defend ourselves in existing legal actions in fiscal 2002. We do not believe the outcome of the lawsuits, incidents or other legal matters will have a material adverse effect on our financial position or future results of operations. However, new or changes in pending or threatened legal action against us, if significantly negative or unfavorable, could have a material adverse effect on the outcome of these legal matters and our financial condition or future results of operations.

Recently Issued Accounting Standards

We adopted Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities" as of January 1, 2001. SFAS No. 133 established accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires, among other things, that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. Because we had no derivative instruments on January 1, 2001, adoption had no effect on our financial statements or disclosures. See Note 5 to the Consolidated Financial Statements for information on an interest rate swap agreement entered into and settled in 2001.

We adopted SFAS No. 141 "Business Combinations" as of July 1, 2001. SFAS No. 141 requires, among other things, the purchase method of accounting for business combinations initiated after June 30, 2001, eliminates the pooling-of-interests method and clarifies the criteria for recording intangible assets separate from goodwill. The adoption of SFAS No.141 had no significant impact on our financial statements.

We will adopt SFAS No. 142 "Goodwill and Other Intangible Assets" as of January 1, 2002. SFAS No. 142 specifies, among other things, that goodwill and other intangible assets with indefinite useful lives will no longer be amortized, but instead will be evaluated for possible impairment at least annually. Under SFAS No. 142, we will cease amortizing goodwill, including goodwill from past business combinations, and periodically assess goodwill at the reporting unit level for possible impairment. We presently are assessing the effects of SFAS No. 142 and have until June 30, 2002 to assess initial goodwill impairment under transitional rules. Preliminary results indicate approximately $5.0 million of goodwill associated with certain of our non-motorsports related reporting units may be impaired under the new accounting guidelines. We expect to report such initial impairment, if any, as a non-cash cumulative effect of a change in accounting principle under SFAS No.
142. Goodwill amortization expense amounted to $1,778,000 in 2001, $1,775,000 in 2000 and $1,552,000 in 1999.

In August 2001, SFAS No. 144 "Accounting for the Impairment or Disposal of Long-lived Assets" was issued specifying, among other things, the financial accounting and reporting for the impairment or disposal of long-lived assets. We are required to adopt SFAS No.144 on January 1, 2002 and have not determined the impact, if any, that this statement will have on our consolidated financial position or results of operations.

We periodically evaluate the possible effects of SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" on our financial statement disclosures. Our speedways and other motorsports related operations combined comprise one operating segment, and

encompass all admissions and event related revenues and associated expenses. Our other operations comprising non-motorsports related activities presently are not significant relative to those of motorsports related operations. As such, at this time, SFAS No. 131 continues to have no effect on our financial statement disclosures.

Environmental Matters

LMSC's property includes areas that were used as solid waste landfills for many years. Landfilling of general categories of municipal solid waste on the LMSC property ceased in 1992. There is one LCID landfill currently being permitted at LMSC, however, to receive inert debris and waste from land clearing activities, and one LCID landfill that was closed in 1999. Two other LCID landfills on the LMSC property were closed in 1994. LMSC intends to allow similar LCID landfills to be operated on the LMSC property in the future. Prior to 1999, LMSC leased certain LMSC property to Allied for use as C&D landfill, which can receive solid waste resulting solely from construction, remodeling, repair or demolition operations on pavement, buildings or other structures, but cannot receive inert debris, land-clearing debris or yard debris. In addition, Allied owns and operates an active solid waste landfill adjacent to LMSC. We believe that the active solid waste landfill was constructed in such a manner as to minimize the risk of contamination to surrounding property. We also believe that our operations, including the landfills and facilities on our property, are in substantial compliance with all applicable federal, state and local environmental laws and regulations. We are not aware of any situations related to landfill operations which we expect would materially adversely affect our financial position or future results of operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk. Our financial instruments with market risk exposure consist only of notes receivable and bank revolving Credit Facility borrowings which are sensitive to changes in interest rates. A change in interest rates of one percent on the balances outstanding at December 31, 2001 would cause a change in annual interest income of approximately $141,000 and annual interest expense of approximately $900,000. Our notes receivable are variable interest rate financial instruments. See Note 8 to the Consolidated Financial Statements for information on the terms and conditions of notes receivable. Our Senior Subordinated Notes and Convertible Subordinated Debentures are fixed interest rate debt obligations. In fiscal year 2001, we repurchased Convertible Subordinated Debentures aggregating $12.3 million in principal at substantially par, and entered into and settled an interest rate swap agreement with a $1.6 million net payment to us. See Note 5 to the Consolidated Financial Statements for additional information on the terms and conditions of debt obligations, including redemption and conversion features, and the swap agreement. The table below presents the notes receivable and principal balances outstanding, fair values, interest rates and maturity dates as of December 31, 2001 and 2000 (in thousands):

	Carrying Value		Fair Value		
	2001	2000	2001	2000	Maturity Dates
Floating rate notes receivable.....	$ 14,120	$ 35,442	$ 14,120	$ 35,442	Due on demand
Floating rate revolving Credit Facility (1)	90,000	90,000	90,000	90,000	May 2004
8.5% Senior subordinated notes payable.....	252,367	252,788	256,250	243,125	August 2007
5.75% Convertible subordinated debentures..	53,694	66,000	54,768	63,030	September 2003(2)

(1) The weighted-average interest rate on borrowings under the revolving Credit Facility was 5.0% in 2001 and 7.6% in 2000.
(2) The Convertible Subordinated Debentures are to be redeemed in full on April 19, 2002. On and after that date, interest on the Convertible Subordinated Debentures will cease to accrue.

Equity Price Risk. We have marketable equity securities, all classified as "available for sale." Such investments are subject to price risk, which we attempt to minimize generally through portfolio diversification. The table below presents the aggregate cost and fair market value of marketable equity securities as of December 31, 2001 and 2000 (in thousands):

	December 31,	
	2001	2000
Aggregate cost...	$871	$1,615
Fair market value	718	864

Item 8. Financial Statements and Supplementary Data

See Index to Financial Statements which appears on page F-1 in this report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information required by this item with respect to compliance by SMI's directors, executive officers and certain beneficial owners of SMI's common stock with Section 16(a) of the Securities Exchange Act of 1934, and with respect to Committees of the Board of Directors, including the Audit Committee and the Compensation Committee, is furnished by incorporation by reference to all information under the captions titled "Ownership of Capital Securities", "Election of Directors", and "Section 16(a) Beneficial Ownership Reporting Compliance", in the Proxy Statement (to be filed after the filing date of this report) for SMI's Annual Meeting of the Shareholders to be held on May 9, 2002 (the "Proxy Statement").

Item 11. Executive Compensation

The information required by this item is furnished by incorporation by reference to all information under the captions titled "Election of Directors" and "Executive Compensation" in the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this item is furnished by incorporation by reference to all information under the caption "General--Ownership of Capital Securities" in the Proxy Statement.

Item 13. Certain Relationships and Related Transactions

The information required by this item is furnished by incorporation by reference to all information under the caption "Certain Transactions" in the Proxy Statement.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

The exhibits and other documents filed as a part of this Annual Report on Form 10-K, including those exhibits which are incorporated by reference in this report are:

(a) (1) Financial Statements:

See the Index to Financial Statements which appears on page F-1 hereof.

(2) Financial Statement Schedules:

None.

(3) Exhibits:

Exhibits required in connection with this Annual Report on Form 10-K are listed below. Certain exhibits, indicated by an asterisk, are incorporated by this reference to other documents on file with the Securities and Exchange Commission with which they are physically filed, to be a part of this report as of their respective dates.

EXHIBIT INDEX

Exhibit Number	Description
*3.1	Certificate of Incorporation of Speedway Motorsports, Inc. ("SMI") (incorporated by reference to Exhibit 3.1 to SMI's Registration Statement on Form S-1 (File No. 33-87740) of SMI (the "Form S-1")).
*3.2	Bylaws of SMI (incorporated by reference to Exhibit 3.2 to the Form S-1).
*3.3	Amendment to Certificate of Incorporation of SMI (incorporated by reference to Exhibit 3.3 to SMI's Registration Statement on Form S-3 (File No. 333-13431) (the "November 1996 Form S-3")).
*3.4	Amendment to Certificate of Incorporation of SMI (incorporated by reference to Exhibit 3.4 to SMI's Registration Statement on Form S-4 (File No. 333-35091) (the "September 1997 Form S-4")).
*4.1	Form of Stock Certificate (incorporated by reference to Exhibit 4.1 to the Form S-1).
*4.2	Indenture dated as of September 1, 1996 between SMI and First Union National Bank of North Carolina, as Trustee (the "First Union Indenture") (incorporated by reference to Exhibit 4.1 to the November 1996 Form S-3).
*4.3	Form of 53/4% Convertible Subordinated Debenture due 2003 (included in the First Union Indenture).
*4.4	Indenture dated as of August 4, 1997 between SMI and First Trust National Association, as Trustee (the "First Trust Indenture") (incorporated by reference to Exhibit 4.1 to the September 1997 Form S-4).
*4.5	Form of 81/2% Senior Subordinated Notes Due 2007 (included in the First Trust Indenture).
*4.6	First Supplemental Indenture to the First Trust Indenture, dated as of April 1, 1999 (incorporated by reference to Exhibit 4.6 to SMI's Registration Statement on Form S-4 (File No. 333-80021) (the "June 1999 Form S-4").
*4.7	Second Supplemental Indenture to the First Trust Indenture, dated as of June 1, 1999 (incorporated by reference to Exhibit 4.7 to the June 1999 Form S-4).
*4.8	Third Supplemental Indenture to the First Trust Indenture, dated as of December 31, 1999 (incorporated by reference to Exhibit 4.8 to SMI's Annual Report on Form 10-K for the year ended December 31, 2000 (the "2000 Form 10-K).

*4.9 Fourth Supplemental Indenture to the First Trust Indenture, dated as of December 31, 2000 (incorporated by reference to Exhibit 4.9 to the 2000 Form 10-K).

*4.10 Indenture dated as of May 11, 1999 between SMI, the Guarantors named therein and US Bank Trust National Association, as Trustee (the "US Bank Trust Indenture") (incorporated by reference to Exhibit 4.8 to the June 1999 Form S-4).

*4.11 Form of 81/2% Senior Subordinated Notes Due 2007 (included in the US Bank Trust Indenture).

*4.12 First Supplemental Indenture to the US Bank Trust Indenture, dated as of June 1, 1999 (incorporated by reference to Exhibit 4.10 to the June 1999 Form S-4).

*4.13 Second Supplemental Indenture to the US Bank Trust Indenture, dated as of December 31, 1999 (incorporated by reference to Exhibit 4.13 to the 2000 Form 10-K).

*4.14 Third Supplemental Indenture to the US Bank Trust Indenture, dated as of December 31, 2000 (incorporated by reference to Exhibit 4.14 to the 2000 Form 10-K).

Exhibit Number	Description
+*10.1	Deferred Compensation Plan and Agreement by and between Atlanta Motor Speedway, Inc. and Edwin R. Clark, dated as of January 22, 1993 (incorporated by reference to Exhibit 10.43 to the Form S-1).
+*10.2	Deferred Compensation Plan and Agreement by and between Charlotte Motor Speedway, Inc. and H.A. "Humpy" Wheeler, dated as of March 1, 1990 (incorporated by reference to Exhibit 10.44 to the Form S-1).
+*10.3	Speedway Motorsports, Inc. 1994 Stock Option Plan Amended and Restated May 5, 1998 (incorporated by reference to Exhibit 4.1 to SMI's Registration Statement on Form S-8 (File No. 333-69616).
+*10.4	Speedway Motorsports, Inc. Formula Stock Option Plan Amended and Restated May 5, 1998 (incorporated by reference to Exhibit 4.1 to the Amendment to SMI's Registration Statement on Form S-8 (File No. 333-49027)).
+*10.5	Speedway Motorsports, Inc. Employee Stock Purchase Plan Amended and Restated as of May 3, 2000 (incorporated by reference to Exhibit 4.1 to SMI's Registration Statement on Form S-8 (File No. 333-69618)).
*10.6	Promissory Note made by Atlanta Motor Speedway, Inc. in favor of Sonic Financial Corporation in the amount of $1,708,767, dated as of December 31, 1993 (incorporated by reference to Exhibit 10.51 to Form S-1).
*10.7	Non-Negotiable Promissory Note dated April 24, 1995 by O. Bruton Smith in favor of SMI (incorporated by reference to Exhibit 10.20 to SMI's Annual Report on Form 10-K for the year ended December 31, 1995 (the "1995 Form 10-K").
*10.8	Purchase Contract dated December 18, 1996 between Texas Motor Speedway, Inc., as seller, and FW Sports Authority, Inc., as purchaser (incorporated by reference to Exhibit 10.23 to SMI's Annual Report on Form 10-K for the year ended December 31, 1996 (the "1996 Form 10-K")).
*10.9	Lease Agreement dated as of December 18, 1996 between FW Sports Authority, Inc., as lessor, and Texas Motor Speedway, Inc., as lessee (incorporated by reference to Exhibit 10.24 to the 1996 Form 10-K).
*10.10	Guaranty Agreement dated as of December 18, 1996 among SMI, the City of Fort Worth, Texas and FW Sports Authority, Inc. (incorporated by reference to Exhibit 10.25 to the 1996 Form 10-K).
*10.11	Naming Rights Agreement dated as of February 9, 1999 by and between Speedway Motorsports, Inc., Charlotte Motor Speedway, Inc., Lowe's Home Center's, Inc., Lowe's HIW, Inc. and Sterling Advertising Ltd. (incorporated by reference to Exhibit 10.1 to SMI's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999).
*10.12	Credit Agreement dated as of May 28, 1999 (the "Credit Agreement") among SMI and Speedway Funding Corp., as borrowers, certain subsidiaries of SMI, as guarantors, and the lenders named therein, including NationsBank, N.A., as agent for the lenders and a lender (incorporated by reference to Exhibit 10.36 to the June 1999 Form S-4).
*10.13	Pledge Agreement dated as of May 28, 1999 among SMI and the subsidiaries of SMI that are guarantors under the Credit Agreement, as pledgors, and, NationsBank, N.A., as agent for the lenders under the Credit Agreement (incorporated by reference to Exhibit 10.37 to the June 1999 Form S-4).
10.14	Asset Purchase Agreement between Speedway Systems LLC, Charlotte Motor Speedway, LLC, Texas Motor Speedway, Inc, Bristol Motor Speedway, Inc. and Levy Premium Foodservice Limited Partnership dated November 29, 2001 (the "Levy Asset Purchase Agreement") (portions omitted pursuant to a request for confidential treatment).
10.15	Amendment Number 1 to Levy Asset Purchase Agreement dated January 31, 2002 (portions omitted pursuant to a request for confidential treatment).
10.16	Management Agreement by and between SMI, Levy Premium Foodservice Limited Partnership and Levy Premium Foodservice Partnership of Texas dated November 29, 2001 (the "Levy Management Agreement") (portions omitted pursuant to a request for confidential treatment).

10.17	Assignment of and Amendment to Levy Management Agreement dated January 24, 2002.
10.18	Guaranty Agreement dated November 29, 2001 by SMI in favor of Levy Premium Foodservice Limited Partnership.
10.19	Guaranty Agreement dated November 29, 2001 by Compass Group USA, Inc. in favor of Speedway Systems LLC, Charlotte Motor Speedway, LLC, Texas Motor Speedway, Inc, Bristol Motor Speedway, Inc. and SMI.
21.1	Subsidiaries of SMI.
23.0	Independent Auditors' Consent for Registration Statements Nos. 333-69616, 333-49027 and 333-69618 of Speedway Motorsports, Inc. on Form S-8 and Registration Statement No. 333-13431 of Speedway Motorsports, Inc. on Form S-3.
99.1	Speedway Motorsports, Inc.--Risk Factors.

* Previously filed.

+ Management compensation contract, plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on our behalf by the undersigned, thereunto duly authorized, in the City of Charlotte, State of North Carolina, on the 27th day of March, 2002.

SPEEDWAY MOTORSPORTS, INC.

By: /s/ O. BRUTON SMITH
O. Bruton Smith
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, the report has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Dates
/s/ O. BRUTON SMITH O. Bruton Smith	Chief Executive Officer (principal executive officer) and Chairman	March 27, 2002
/s/ H.A. "HUMPY" WHEELER H.A. "Humpy" Wheeler	President, Chief Operating Officer and Director	March 27, 2002
/s/ WILLIAM R. BROOKS William R. Brooks	Vice President, Treasurer, Chief Financial Officer (principal financial officer and accounting officer) and Director	March 27, 2002
/s/ EDWIN R. CLARK Edwin R. Clark	Executive Vice President and Director	March 27, 2002
/s/ WILLIAM P. BENTON William P. Benton	Director	March 27, 2002
/s/ MARK M. GAMBILL Mark M. Gambill	Director	March 27, 2002
/s/ ROBERT L. REWEY Robert L. Rewey	Director	March 27, 2002
/s/ TOM E. SMITH Tom E. Smith	Director	March 27, 2002
/s/ JACK F. KEMP Jack F. Kemp	Director	March 27, 2002

EXHIBIT INDEX

Exhibit Number	Description
*3.1	Certificate of Incorporation of Speedway Motorsports, Inc. ("SMI") (incorporated by reference to Exhibit 3.1 to SMI's Registration Statement on Form S-1 (File No. 33-87740) of SMI (the "Form S-1")).
*3.2	Bylaws of SMI (incorporated by reference to Exhibit 3.2 to the Form S-1).
*3.3	Amendment to Certificate of Incorporation of SMI (incorporated by reference to Exhibit 3.3 to SMI's Registration Statement on Form S-3 (File No. 333-13431) (the "November 1996 Form S-3")).
*3.4	Amendment to Certificate of Incorporation of SMI (incorporated by reference to Exhibit 3.4 to SMI's Registration Statement on Form S-4 (File No. 333-35091) (the "September 1997 Form S-4")).
*4.1	Form of Stock Certificate (incorporated by reference to Exhibit 4.1 to the Form S-1).
*4.2	Indenture dated as of September 1, 1996 between SMI and First Union National Bank of North Carolina, as Trustee (the "First Union Indenture") (incorporated by reference to Exhibit 4.1 to the November 1996 Form S-3).
*4.3	Form of 53/4% Convertible Subordinated Debenture due 2003 (included in the First Union Indenture).
*4.4	Indenture dated as of August 4, 1997 between SMI and First Trust National Association, as Trustee (the "First Trust Indenture") (incorporated by reference to Exhibit 4.1 to the September 1997 Form S-4).
*4.5	Form of 81/2% Senior Subordinated Notes Due 2007 (included in the First Trust Indenture).
*4.6	First Supplemental Indenture to the First Trust Indenture, dated as of April 1, 1999 (incorporated by reference to Exhibit 4.6 to SMI's Registration Statement on Form S-4 (File No. 333-80021) (the "June 1999 Form S-4").
*4.7	Second Supplemental Indenture to the First Trust Indenture, dated as of June 1, 1999 (incorporated by reference to Exhibit 4.7 to the June 1999 Form S-4).
*4.8	Third Supplemental Indenture to the First Trust Indenture, dated as of December 31, 1999 (incorporated by reference to Exhibit 4.8 to SMI's Annual Report on Form 10-K for the year ended December 31, 2000 (the "2000 Form 10-K).
*4.9	Fourth Supplemental Indenture to the First Trust Indenture, dated as of December 31, 2000 (incorporated by reference to Exhibit 4.9 to the 2000 Form 10-K).
*4.10	Indenture dated as of May 11, 1999 between SMI, the Guarantors named therein and US Bank Trust National Association, as Trustee (the "US Bank Trust Indenture") (incorporated by reference to Exhibit 4.8 to the June 1999 Form S-4).
*4.11	Form of 81/2% Senior Subordinated Notes Due 2007 (included in the US Bank Trust Indenture).
*4.12	First Supplemental Indenture to the US Bank Trust Indenture, dated as of June 1, 1999 (incorporated by reference to Exhibit 4.10 to the June 1999 Form S-4).
*4.13	Second Supplemental Indenture to the US Bank Trust Indenture, dated as of December 31, 1999 (incorporated by reference to Exhibit 4.13 to the 2000 Form 10-K).
*4.14	Third Supplemental Indenture to the US Bank Trust Indenture, dated as of December 31, 2000 (incorporated by reference to Exhibit 4.14 to the 2000 Form 10-K).
+*10.1	Deferred Compensation Plan and Agreement by and between Atlanta Motor Speedway, Inc. and Edwin R. Clark, dated as of January 22, 1993 (incorporated by reference to Exhibit 10.43 to the Form S-1).

+*10.2 Deferred Compensation Plan and Agreement by and between Charlotte Motor Speedway, Inc. and H.A. "Humpy" Wheeler, dated as of March 1, 1990 (incorporated by reference to Exhibit 10.44 to the Form S-1).

+*10.3 Speedway Motorsports, Inc. 1994 Stock Option Plan Amended and Restated May 5, 1998 (incorporated by reference to Exhibit 4.1 to SMI's Registration Statement on Form S-8 (File No. 333-69616).

+*10.4 Speedway Motorsports, Inc. Formula Stock Option Plan Amended and Restated May 5, 1998 (incorporated by reference to Exhibit 4.1 to the Amendment to SMI's Registration Statement on Form S-8 (File No. 333-49027)).

+*10.5 Speedway Motorsports, Inc. Employee Stock Purchase Plan Amended and Restated as of May 3, 2000 (incorporated by reference to Exhibit 4.1 to SMI's Registration Statement on Form S-8 (File No. 333-69618)).

*10.6 Promissory Note made by Atlanta Motor Speedway, Inc. in favor of Sonic Financial Corporation in the amount of $1,708,767, dated as of December 31, 1993 (incorporated by reference to Exhibit 10.51 to Form S-1).

*10.7 Non-Negotiable Promissory Note dated April 24, 1995 by O. Bruton Smith in favor of SMI (incorporated by reference to Exhibit 10.20 to SMI's Annual Report on Form 10-K for the year ended December 31, 1995 (the "1995 Form 10-K").

*10.8 Purchase Contract dated December 18, 1996 between Texas Motor Speedway, Inc., as seller, and FW Sports Authority, Inc., as purchaser (incorporated by reference to Exhibit 10.23 to SMI's Annual Report on Form 10-K for the year ended December 31, 1996 (the "1996 Form 10-K")).

Exhibit Number	Description
*10.9	Lease Agreement dated as of December 18, 1996 between FW Sports Authority, Inc., as lessor, and Texas Motor Speedway, Inc., as lessee (incorporated by reference to Exhibit 10.24 to the 1996 Form 10-K).
*10.10	Guaranty Agreement dated as of December 18, 1996 among SMI, the City of Fort Worth, Texas and FW Sports Authority, Inc. (incorporated by reference to Exhibit 10.25 to the 1996 Form 10-K).
*10.11	Naming Rights Agreement dated as of February 9, 1999 by and between Speedway Motorsports, Inc., Charlotte Motor Speedway, Inc., Lowe's Home Center's, Inc., Lowe's HIW, Inc. and Sterling Advertising Ltd. (incorporated by reference to Exhibit 10.1 to SMI's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999).
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99.1	Speedway Motorsports, Inc.--Risk Factors.

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+ Management compensation contract, plan or arrangement.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Speedway Motorsports, Inc.
Charlotte, North Carolina

We have audited the accompanying consolidated balance sheets of Speedway Motorsports, Inc. and subsidiaries (the Company) as of December 31, 2001 and 2000, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Charlotte, North Carolina
February 12, 2002

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
December 31, 2001 and 2000
(Dollars in thousands)

	2001	2000
Assets		
Current Assets:		
Cash and cash equivalents	$ 93,980	$ 30,737
Accounts receivable (Note 2)	22,934	27,850
Notes and other receivables from affiliates (Note 8)	7,397	2,583
Prepaid income taxes (Note 7)	5,206	2,946
Inventories (Note 3)	17,108	16,487
Prepaid expenses	1,507	2,700
Total Current Assets	148,132	83,303
Property Held For Sale (Note 4)	26,385	4,419
Property and Equipment, Net (Notes 2 and 4)	813,154	798,481
Goodwill and Other Intangible Assets, Net (Note 2)	56,742	59,105
Other Assets:		
Notes and other receivables from affiliates (Note 8)	7,163	21,214
Notes receivable, other (Note 4)	--	11,645
Other assets (Note 2)	12,002	13,790
Total Other Assets	19,165	46,649
Total	$1,063,578	$991,957
Liabilities and Stockholders' Equity		
Current Liabilities:		
Current maturities of long-term debt (Note 5)	$ 1,228	$ 168
Accounts payable	9,864	9,683
Deferred race event income, net (Note 2)	71,578	72,052
Accrued interest	8,784	9,591
Accrued expenses and other liabilities	14,600	13,689
Total Current Liabilities	106,054	105,183
Long-term Debt (Notes 2 and 5)	396,085	409,929
Payable to Affiliates (Note 8)	3,483	3,911
Deferred Income, Net (Note 2)	15,166	17,130
Deferred Income Taxes (Note 7)	102,078	74,106
Other Liabilities	1,823	2,357
Total Liabilities	624,689	612,616
Commitments and Contingencies (Notes 4 and 9)		
Stockholders' Equity (Notes 2, 5, 6 and 10):		
Preferred stock, $.10 par value, 3,000,000 shares authorized, no shares issued	--	--
Common stock, $.01 par value, 200,000,000 shares authorized, 41,848,000 and 41,739,000 shares issued and outstanding in 2001 and 2000	418	417
Additional paid-in capital	162,756	161,159
Retained earnings	275,807	218,215
Accumulated other comprehensive loss--unrealized loss on marketable equity securities	(92)	(450)
Total Stockholders' Equity	438,889	379,341
Total	$1,063,578	$991,957

See notes to consolidated financial statements.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31, 2001, 2000 and 1999
(In thousands, except per share amounts)

	2001	2000	1999
Revenues (Notes 2 and 8):			
Admissions	$136,362	$142,160	$132,694
Event related revenue	134,032	134,337	122,953
NASCAR broadcasting revenue	67,488	29,297	25,363
Other operating revenue	38,796	48,503	36,483
Total Revenues	376,678	354,297	317,493
Expenses and Other (Note 8):			
Direct expense of events	77,322	79,048	74,802
NASCAR purse and sanction fees	54,479	38,181	35,848
Other direct operating expense	36,292	44,432	32,241
General and administrative	60,313	53,794	47,375
Depreciation and amortization	33,182	31,192	28,536
Interest expense, net (Note 5)	24,382	26,973	27,686
Cancelled CART race settlement, net (Note 2)	(1,361)	--	--
Concession contract rights resolution (Note 2)	--	3,185	--
Acquisition loan cost amortization (Note 2)	--	--	3,398
Other income, net (Note 2)	(2,864)	(1,740)	(959)
Total Expenses and Other	281,745	275,065	248,927
Income Before Income Taxes and Cumulative Effect Of Accounting Change	94,933	79,232	68,566
Provision For Income Taxes (Note 7)	(37,341)	(31,100)	(27,123)
Income Before Cumulative Effect Of Accounting Change	57,592	48,132	41,443
Cumulative Effect Of Accounting Change For Club Membership Fees (Note 2)	--	(1,257)	--
Net Income	$ 57,592	$ 46,875	$ 41,443
Basic Earnings Per Share (Note 6):			
Before Cumulative Effect of Accounting Change	$ 1.38	$ 1.16	$ 1.00
Accounting Change	--	(0.03)	--
Basic Earnings Per Share	$ 1.38	$ 1.13	$ 1.00
Weighted average shares outstanding	41,753	41,663	41,569
Diluted Earnings Per Share (Note 6):			
Before Cumulative Effect of Accounting Change	$ 1.34	$ 1.13	$ 0.97
Accounting Change	--	(0.03)	--
Diluted Earnings Per Share	$ 1.34	$ 1.10	$ 0.97
Weighted average shares outstanding	44,367	44,715	44,960
Pro Forma Amounts Assuming Retroactive Application of Accounting Change (Note 2):			
Net Income	$ 57,592	$ 48,132	$ 40,601
Basic Earnings Per Share	$ 1.38	$ 1.16	$ 0.98
Diluted Earnings Per Share	$ 1.34	$ 1.13	$ 0.95

See notes to consolidated financial statements.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2001, 2000 and 1999
(In thousands)

	Common Stock		Additional		Accumulated Other	Total
	Shares	Amount	Paid-In Capital	Retained Earnings	Comprehensive Loss	Stock-holders' Equity
Balance, January 1, 1999	41,502	$415	$157,216	$129,897	$(408)	$287,120
Net income	--	--	--	41,443	--	41,443
Issuance of stock under employee stock purchase plan (Note 10)	60	--	1,535	--	--	1,535
Exercise of stock options (Note 10)	85	1	1,474	--	--	1,475
Net unrealized gain on marketable equity securities	--	--	--	--	135	135
Balance, December 31, 1999	41,647	416	160,225	171,340	(273)	331,708
Net income	--	--	--	46,875	--	46,875
Issuance of stock under employee stock purchase plan (Note 10)	13	--	274	--	--	274
Exercise of stock options (Note 10)	79	1	660	--	--	661
Net unrealized loss on marketable equity securities	--	--	--	--	(177)	(177)
Balance, December 31, 2000	41,739	417	161,159	218,215	(450)	379,341
Net income	--	--	--	57,592	--	57,592
Issuance of stock under employee stock purchase plan (Note 10)	85	1	1,094	--	--	1,095
Exercise of stock options (Note 10)	24	--	503	--	--	503
Net unrealized gain on marketable equity securities	--	--	--	--	358	358
Balance, December 31, 2001	41,848	$418	$162,756	$275,807	$ (92)	$438,889

See notes to consolidated financial statements.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2001, 2000 and 1999
(In thousands)

	2001	2000
Cash flows from operating activities:		
Net income	$ 57,592	$ 46,875
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of accounting change	--	1,257
Depreciation and amortization	33,182	31,192
Amortization of acquisition loan costs	--	--
Amortization of deferred income	(1,196)	(1,179)
Deferred income tax provision	27,732	22,426
Changes in operating assets and liabilities:		
Accounts receivable	5,039	(796)
Prepaid income taxes	(2,260)	1,191
Inventories	(621)	(1,200)
Accounts payable	181	(8,088)
Deferred race event income	(474)	(21,297)
Accrued expenses and other liabilities	104	2,578
Deferred income	(2,368)	1,790
Other assets and liabilities	2,133	873
Net Cash Provided By Operating Activities	119,044	75,622
Cash flows from financing activities:		
Borrowings under long-term debt	--	--
Principal payments on long-term debt	(12,324)	(47,234)
Interest rate swap settlement	1,600	--
Payments of debt issuance costs	--	--
Exercise of common stock options	1,095	661
Issuance of stock under employee stock purchase plan	503	274
Net Cash Provided (Used) By Financing Activities	(9,126)	(46,299)
Cash flows from investing activities:		
Capital expenditures	(55,848)	(85,538)
Proceeds from sale of property held for sale to affiliate	--	40,008
Purchase of marketable equity securities and other investments	(38)	(2,318)
Proceeds from sales of marketable equity securities and other investments and distribution from equity method investee	632	21
Increase in notes and other receivables:		
Affiliates	(14,631)	(7,407)
Other	(535)	(1,077)
Repayment of notes and other receivables:		
Affiliates	23,745	1,455
Other	--	--
Net Cash Used By Investing Activities	(46,675)	(54,856)
Net Increase (Decrease) In Cash and Cash Equivalents	63,243	(25,533)
Cash and Cash Equivalents at Beginning of Year	30,737	56,270
Cash and Cash Equivalents at End of Year	$ 93,980	$ 30,737
Supplemental Cash Flow Information:		
Cash paid for interest, net of amounts capitalized	$ 29,328	$ 32,788
Supplemental Noncash Investing and Financing Activities Information:		
Increase in property held for sale for recovery of notes receivable (Note 4)	12,180	--
Increase in notes receivable for sale of Las Vegas Industrial Park and land (Note 8)	--	13,254

	1999
Cash flows from operating activities:	
Net income	$ 41,443
Adjustments to reconcile net income to net cash provided by operating activities:	
Cumulative effect of accounting change	--
Depreciation and amortization	28,536
Amortization of acquisition loan costs	3,398
Amortization of deferred income	(1,366)
Deferred income tax provision	16,383
Changes in operating assets and liabilities:	
Accounts receivable	(5,825)
Prepaid income taxes	6,219
Inventories	(4,447)
Accounts payable	11,179
Deferred race event income	8,636
Accrued expenses and other liabilities	5,680
Deferred income	376
Other assets and liabilities	(2,718)

Net Cash Provided By Operating Activities	107,494
Cash flows from financing activities:	
Borrowings under long-term debt	128,750
Principal payments on long-term debt	(124,805)
Interest rate swap settlement	--
Payments of debt issuance costs	(6,446)
Exercise of common stock options	1,475
Issuance of stock under employee stock purchase plan	1,535
Net Cash Provided (Used) By Financing Activities	509
Cash flows from investing activities:	
Capital expenditures	(90,616)
Proceeds from sale of property held for sale to affiliate	--
Purchase of marketable equity securities and other investments	(1,645)
Proceeds from sales of marketable equity securities and other investments and distribution from equity method investee	1,435
Increase in notes and other receivables:	
Affiliates	(1,860)
Other	(3,325)
Repayment of notes and other receivables:	
Affiliates	1,697
Other	7,182
Net Cash Used By Investing Activities	(87,132)
Net Increase (Decrease) In Cash and Cash Equivalents	20,871
Cash and Cash Equivalents at Beginning of Year	35,399
Cash and Cash Equivalents at End of Year	$ 56,270
Supplemental Cash Flow Information:	
Cash paid for interest, net of amounts capitalized	$ 24,942
Supplemental Noncash Investing and Financing Activities Information:	
Increase in property held for sale for recovery of notes receivable (Note 4)	--
Increase in notes receivable for sale of Las Vegas Industrial Park and land (Note 8)	--

See notes to consolidated financial statements.

1. Basis of Presentation and Description of Business

Basis of Presentation--The consolidated financial statements include the accounts of Speedway Motorsports, Inc. (SMI) and all of its wholly-owned subsidiaries, Atlanta Motor Speedway, Inc. (AMS), Bristol Motor Speedway, Inc. (BMS), Charlotte Motor Speedway LLC and subsidiaries a/k/a Lowe's Motor Speedway at Charlotte (LMSC), Nevada Speedway LLC d/b/a Las Vegas Motor Speedway (LVMS), Sears Point Raceway LLC (SPR), Texas Motor Speedway, Inc. (TMS), Speedway Systems LLC d/b/a Finish Line Events and subsidiaries (FLE), Oil-Chem Research Corp. (ORC), Speedway Media LLC d/b/a Racing Country USA (RCU), SoldUSA, Inc., Speedway Funding LLC, and Speedway Holdings, Inc. (collectively, the Company).

Description of Business--AMS owns and operates a 1.54-mile lighted, quad-oval, asphalt superspeedway, and a 2.47-mile road course, located on approximately 820 acres in Hampton, Georgia. AMS currently hosts two major National Association for Stock Car Auto Racing (NASCAR) Winston Cup Series events annually, and one Busch Grand National race and one Automobile Racing Club of America (ARCA) race, each preceding a Winston Cup event. AMS also hosts motorsports related events such as auto, truck and motorcycle shows, as well as rents the racetrack throughout the year for driving schools, automobile testing and other activities. AMS has constructed 46 condominiums overlooking its speedway and is currently marketing the two remaining condominiums.

BMS owns and operates a one-half mile lighted, 36-degree banked concrete oval speedway, and a one-quarter mile modern, lighted dragway, located on approximately 650 acres in Bristol, Tennessee. BMS currently hosts two major NASCAR Winston Cup events annually, and two NASCAR-sanctioned Busch Grand National races, each preceding a Winston Cup event. BMS also currently hosts an annual National Hot Rod Association (NHRA) sanctioned Nationals racing event and other bracket racing events, as well as various auto shows.

LMSC owns and operates a 1.5-mile lighted quad-oval, asphalt superspeedway, a 4/10-mile, modern, lighted dirt track, a 2.25-mile road course, and several other on-site race tracks, located on approximately 1,140 acres in Concord, North Carolina. LMSC currently hosts three major NASCAR Winston Cup events annually, and two Busch Grand National and two ARCA races, each preceding a Winston Cup event. LMSC also promotes World of Outlaws (WOO), American Motorcycle Association (AMA) Series, and various other motorsports events throughout the year. The racetrack is also rented throughout the year for motorsports related activities such as driving schools, automobile testing and car clubs. LMSC has constructed 52 condominiums overlooking the main speedway, all of which have been sold.

LMSC also owns and operates an entertainment and office complex overlooking the main speedway, d/b/a The Speedway Club, which generates rental, membership, catering and dining revenues.

LVMS owns and operates a 1.5-mile lighted quad-oval, asphalt superspeedway, a one-quarter mile modern, lighted dragway, a 4/10-mile, modern, lighted dirt track, and several other on-site race tracks, located on approximately 1,000 acres in Las Vegas, Nevada. LVMS currently promotes several annual NASCAR-sanctioned racing events, including a Winston Cup Series, Busch Grand National Series, Craftsman Truck Series, and two Winston West Series, racing events. LVMS currently promotes two annual NHRA-sanctioned Nationals events, as well as other NHRA and bracket drag racing events. LVMS also annually promotes WOO, drag racing, and various other motorsports events at its on-site paved and dirt tracks. The racetrack is also rented throughout the year for motorsports related activities such as driving schools and automobile testing.

SPR, located on approximately 1,600 acres in Sonoma, California, owns and operates a 2.52-mile, twelve-turn asphalt road course, a one-quarter mile dragway, and a 157,000 square foot industrial park. SPR currently hosts one major NASCAR Winston Cup racing event annually. SPR also annually promotes a NASCAR- sanctioned Winston Southwest Series, a NHRA-sanctioned Nationals, as well as AMA, American LeMans and Sports Car Club of America (SCCA) racing events. The racetrack is also rented throughout the year by various organizations, including the SCCA, driving schools, major automobile manufacturers, and other car clubs. Significant renovations and expansion are currently underway at SPR (see Note 4).

TMS, located on approximately 1,760 acres in Fort Worth, Texas, operates a 1.5-mile lighted, banked, asphalt quad-oval superspeedway, a 4/10-mile, modern, lighted dirt track, and a 2.48-mile road course. TMS currently promotes one major NASCAR Winston Cup event annually, preceded by a Busch Grand National racing event, as well as two NASCAR-sanctioned Craftsman Truck and two IRL Series racing events. TMS also annually promotes WOO, AMA Series, and other racing events. The racetrack is also rented throughout the year for motorsports related activities such as driving schools, automobile testing and car clubs. TMS has constructed 76 condominiums above turn two overlooking the speedway, 70 of which have been sold or contracted for sale as of December 31, 2001.

TMS also owns and operates an entertainment and office complex overlooking the main speedway, d/b/a The Texas Motor Speedway Club, which generates rental, membership, catering and dining revenues.

FLE provides event food, beverage, and souvenir merchandising services to each of the Company's speedways and to other third party sports-oriented venues. See "Long-Term Management Contract and Asset Sale in 2002" below.

Motorsports By Mail (MBM), a wholly-owned subsidiary of FLE, is a wholesale and retail distributor of racing and other sports related souvenir merchandise and apparel.

ORC produces an environmentally-friendly, metal-energizer that is promoted and distributed by direct-response and other advertising to wholesale and retail customers.

RCU is a nationally-syndicated radio show with racing-oriented programming.

SoldUSA is an internet auction and e-commerce company.

Wild Man Industries (WMI), a division of FLE, is a screen printing and embroidery manufacturer and distributor of wholesale and retail apparel.

600 Racing, Inc., a wholly-owned subsidiary of LMSC, developed, operates and is the official sanctioning body of the Legends Racing Circuit. 600 Racing also manufactures and sells 5/8-scale cars (Legends Cars) modeled after older-style coupes and sedans, a line of smaller-scale cars (the Bandolero), and a newly released line (the Thunder Roadster) modeled after older-style roadsters. Revenue is principally derived from the sale of vehicles and vehicle parts.

Long-Term Management Contract and Asset Sale in Fiscal 2002--Certain Company subsidiaries and Levy Premium Foodservice Limited Partnership and Compass Group USA, Inc. (collectively, the Levy Group) executed a long-term food and beverage management agreement and an asset purchase agreement in November 2001, which closed in February 2002. The Levy Group will have exclusive rights to providing on-site food, beverage, and hospitality catering services for essentially all events and operations of the Company's six speedways and other outside venues beginning February 2002. These services were previously provided by the Company's subsidiary Finish Line Events. The agreements provide for, among other items, specified annual fixed and periodic gross revenue based commission payments to the Company over the contract period. The contract period is initially ten years with renewal options for an additional ten year period. The Levy Group also purchased certain food and beverage machinery and equipment of FLE for approximately $10,000,000 in cash, representing net book value as of December 31, 2001. See Note 4 "Property Held For Sale" for additional information related to the assets being sold.

The new management agreement will affect the Company's reporting of operating profits associated with its food, beverage and hospitality catering activities. Beginning in fiscal 2002, the Company's operating profits from such activities provided by the Levy Group will be reported as net event related revenue. Revenues and expenses associated with those services provided by FLE are presently included in event related revenue, direct expense of events and general and administrative expense.

2. Significant Accounting Policies

Principles of Consolidation--All significant intercompany accounts and transactions have been eliminated in consolidation.

Revenue and Expense Recognition--The Company classifies its revenues as admissions, event related revenue, NASCAR broadcasting revenue, and other operating revenue. Admissions revenue consists of ticket sales. Event related revenue consists of amounts received from food, beverage and souvenir sales, sponsorship fees, promotional and hospitality revenues, luxury suite rentals, broadcasting rights other than NASCAR broadcasting revenue, track rentals, and other event and speedway related revenue. NASCAR broadcasting revenue consists of rights fees obtained for domestic television broadcasts of NASCAR-sanctioned events held at the Company's speedways. Other operating revenue consists of Speedway Clubs' restaurant, catering and membership income, Legends Car and parts sales, and industrial park rentals, MBM, Oil-Chem, SoldUSA, WMI and certain FLE revenues.

The Company classifies its expenses to include direct expense of events, NASCAR purse and sanction fees, and other direct operating expense, among other categories. Direct expense of events principally consists of cost of food, beverage and souvenir sales, non-NASCAR race purses and sanctioning fees, compensation of certain employees, advertising and outside event support services. NASCAR purse and sanction fees are paid to NASCAR for associated events held at the Company's speedways. Other direct operating expense includes the cost of Speedway Clubs, Legends Car, industrial park rental, MBM, Oil-Chem, SoldUSA and WMI revenues.

The Company recognizes admissions and NASCAR broadcasting and other event related revenues when an event is held. Advance revenues and certain related direct expenses pertaining to specific events are deferred until the event is held. Deferred expenses primarily include race purses and sanctioning fees remitted to NASCAR or other sanctioning bodies.

Deferred race event income relates to scheduled events to be held in the upcoming year. If circumstances prevent a race from being held during the racing season, advance revenue is refundable and all deferred direct event expenses would be immediately recognized except for race purses which would be refundable from NASCAR or other sanctioning bodies.

Accounting Change For Club Membership Fees--The Company reassessed and changed its revenue recognition policies for Speedway Club membership fees in 2000. The LMSC and TMS Speedway Clubs have sold extended memberships since their opening which entitle members to certain dining, other club and racing event seating privileges, and require upfront fees and monthly assessments.

Before the change, net revenues from membership fees were recognized as income when billed and associated expenses were incurred. Under the new policy, net membership revenues are deferred when billed and amortized into income over an estimated average membership term of ten years. The cumulative effect of the accounting change as of January 1, 2000 reduced fiscal year 2000 net income by $1,257,000 after income taxes of $824,000, and basic and diluted earnings per share by $0.03. The pro forma amounts on the consolidated income statement reflect the effect of retroactive application on net membership fee revenues, and related income taxes, had the new method been in effect for all periods presented.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the financial statement date, and reported amounts of revenues and expenses. Actual future results could differ from those estimates.

Cash and Cash Equivalents--The Company classifies as cash equivalents all highly liquid investments with original maturities of three months or less. Cash equivalents principally consist of commercial paper and United States Treasury securities.

Accounts Receivable--Accounts receivable are reported net of allowance for doubtful accounts of $1,749,000 and $1,351,000 at December 31, 2001 and 2000. The allowance for doubtful accounts was $951,000 at December 31, 1999. Bad debt expense amounted to $1,308,000 in 2001, $1,134,000 in 2000, and $660,000 in 1999, and allowance for doubtful accounts reductions for actual write-offs and recoveries of specific accounts receivable amounted to $910,000 in 2001, $734,000 in 2000, and $0 in 1999.

Inventories--Inventories consist of souvenirs, finished vehicles, and food costs determined on a first-in, first-out basis, and apparel, metal-energizer, and parts and accessories product costs determined on an average current cost basis, and all inventories are stated at the lower of cost or market.

Property and Equipment--Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Expenditures for repairs and maintenance are charged to expense when incurred. Construction in progress includes all direct costs and capitalized interest on fixed assets under construction. Under Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of ", management periodically evaluates long-lived assets for possible impairment based on expected future undiscounted operating cash flows attributable to such assets. Fully depreciated assets relieved from property and equipment amounted to approximately $4,100,000 in 2000 and $700,000 in 1999. Fully depreciated assets relieved from property and equipment in 2001 were not significant. Depreciation expense amounted to $31,315,000 in 2001, $29,286,000 in 2000, and $26,758,000 in 1999.

In connection with the development and completed construction of TMS in 1997, the Company entered into arrangements with the FW Sports Authority, a non-profit corporate instrumentality of the City of Fort Worth, Texas, whereby the Company conveyed the speedway facility, excluding its on-site condominiums and office and entertainment complex, to the sports authority and is leasing the facility back over a 30-year period. Because of the Company's responsibilities under these arrangements, the speedway facility and related liabilities are included in the accompanying consolidated balance sheets.

Goodwill and Other Intangible Assets--Goodwill and other intangible assets represent the excess of business acquisition costs over the fair value of net assets acquired and are being amortized on a straight-line basis principally over 40 years for speedway acquisitions and 10 to 15 years for others. Goodwill and other intangible assets are reported net of accumulated amortization of $9,168,000 and $7,390,000 at December 31, 2001 and 2000. Of total net goodwill and other intangible assets at December 31, 2001, approximately $51,740,000 and $5,000,000 was associated with motorsports and non-motorsports related operations of the Company, respectively. Management periodically evaluates the recoverability of goodwill and other intangible assets based on expected future profitability and undiscounted operating cash flows of acquired businesses. As of January 1, 2002, the Company is adopting SFAS No. 142 "Goodwill and Other Intangibles Assets" which provides for nonamortization of goodwill and expanded impairment testing--see "Impact of New Accounting Standards" below.

Marketable Equity Securities--The Company's marketable equity securities are included in other noncurrent assets and are classified as "available for sale" as they are not bought and held principally for the purpose of near-term sale. Accordingly, these securities are reported at fair value, with temporary unrealized gains and losses, net of tax, excluded from earnings and reported as a separate component of stockholders' equity. Management intends to hold these securities through at least fiscal 2002, and accordingly, they are reflected as non-current assets. Realized gains and losses on sales of marketable equity securities are determined using the specific identification method.

At December 31, 2001 and 2000, the fair value of marketable equities securities was $718,000 and $864,000. Valuation allowances for unrealized losses of $92,000 and $450,000, net of $61,000 and $301,000 in tax benefits, are reflected as a charge to stockholders' equity to reduce the carrying amount of long-term marketable equity securities to market value as of December 31, 2001 and 2000, respectively. Marketable equity securities with fair value declines assessed as other than temporary resulted in recognized pretax losses of $554,000 in 2001. There were no such losses recognized in 2000 or 1999. Sales of marketable equity securities resulted in realized gains of $303,000 in 2001, realized losses of $7,000 in 2000, and realized gains of $415,000 in 1999. Such gross recognized losses for 2001, and gross realized gains and losses for 1999 through 2001, are reflected net as corresponding reclassification adjustments in other comprehensive loss for the respective periods.

Deferred Financing Costs and Acquisition Loan Cost Amortization--Deferred financing costs are included in other noncurrent assets and amortized over the term of the related debt. Acquisition loan cost amortization resulted from financing costs incurred in obtaining an amended credit facility and acquisition loan to fund the Company's acquisition of LVMS in December 1998 (see Note 5). Associated deferred financing costs of $4,050,000 were amortized over the loan term which matured May 1999. Deferred financing costs of $13,997,000 and $14,381,000 are reported net of accumulated amortization of $6,521,000 and $4,912,000 at December 31, 2001 and 2000.

Deferred Income--Deferred income as of December 31, 2001 and 2000 consists of (in thousands):

	2001	2000
TMS Preferred Seat License fees, net....	$ 9,992	$11,067
Deferred Speedway Club membership income	3,653	3,616
Deferred gain on TMS condominium sales..	--	2,259
Other.....	1,521	188
Total.....	$15,166	$17,130

TMS offers Preferred Seat License agreements whereby licensees are entitled to purchase annual TMS season-ticket packages for sanctioned racing events under specified terms and conditions. Among other items, licensees are required to purchase all season-ticket packages when and as offered each year. License agreements automatically terminate without refund should licensees not purchase any offered ticket. Also, licensees are not entitled to refunds for postponements or cancellation of events due to weather or certain other conditions. After May 31, 1999, license agreements became transferrable once each year subject to certain terms and conditions. Net PSL fees are deferred when received and amortized into income over the estimated useful life of TMS's facility or recognized upon license agreement termination.

The LMSC and TMS Speedway Clubs sell extended memberships which entitle members to certain dining, other club and racing event seating privileges, and require upfront fees and monthly assessments. Net membership revenues are deferred when billed and amortized into income over an estimated average membership term of ten years. The LMSC Speedway Club has also sold lifetime memberships which entitle individual members to certain private dining and racing event seating privileges. Net revenues from these lifetime membership fees were being amortized into income principally over 15 years ending in 2001. Net membership income, before income taxes, recognized for these extended and lifetime memberships was $669,000 in 2001, $674,000 in 2000, and $1,934,000 in 1999. On a pro forma basis, had the new accounting policy for club membership fees been in effect (see "Accounting Change" above), these fees, before income taxes, would have been $540,000 in 1999.

Certain TMS condominium sales contracts provided buyers the right to require Company repurchase within three years from the purchase date. Gain recognition was deferred until the buyer's right expired. As of December 31, 2001, all such buyer rights have expired. Aggregate gains approximating $2,259,000, before income taxes, were recognized in 2001 upon expiration of such buyer rights and are included in other income. There were no such gains recognized in 2000 or 1999.

Advertising Expenses--Event related advertising costs are expensed when an event is held and included principally in direct expense of events. Non-event related advertising costs, including direct-response advertising once primary media promotion has commenced, are expensed as incurred and included principally in other direct operating expense. Advertising expense amounted to $16,385,000 in 2001, $21,187,000 in 2000, and $15,144,000 in 1999. There were no direct-response advertising costs deferred at December 31, 2001 or 2000.

Cancelled CART Race Settlement, Net--A major Championship Auto Racing Teams (CART) racing event originally scheduled at TMS in April 2001 was not conducted as a result of a decision made by CART's sanctioning body. The Company offered refunds of paid tickets and certain other event revenues. In October 2001, Company legal action against CART claiming negligence and breach of contract was settled for approximately $5.0 million, representing recovery of associated sanction fees, race purse, various expenses, lost revenues and other damages. The CART settlement is reflected net of associated race event costs of approximately $3.6 million in 2001.

Concession Contract Rights Resolution--In 1996, the Company acquired certain tangible and intangible assets and the operations of Sears Point Raceway. At that time, a third party enjoyed the contract rights to provide event food, beverage and souvenir merchandising services at SPR whose original contract was to expire in 2004. Since 1998, the Company's FLE subsidiary has provided such services. In September 2000, the Company reacquired such contract rights for approximately $3.2 million, including legal and other transaction costs. Management anticipates the present value of estimated net future benefits under the contract rights as of the resolution date exceeded its costs.

Income Taxes--The Company recognizes deferred tax assets and liabilities for the future income tax effect of temporary differences between financial and income tax bases of assets and liabilities assuming they will be realized and settled at amounts reported in the financial statements.

Stock-Based Compensation--The Company continues to apply APB Opinion No. 25 "Accounting for Stock Issued to Employees" which recognizes compensation cost based on the intrinsic value of the equity instrument awarded as permitted under Statement of Financial Accounting Standards No. 123 "Accounting for Stock-Based Compensation." The pro forma effect on net income and earnings per share under the provisions of SFAS No. 123 is disclosed in Note 10.

Fair Value of Financial Instruments--Fair value estimates are based on relevant market information at a specific point in time, and changes in assumptions or market conditions could significantly affect estimates. The carrying values of cash, accounts receivable, and accounts payable approximate fair value because of the short maturity of these financial instruments. Marketable equity securities are carried at fair value. Notes receivable and bank revolving credit facility borrowings are frequently repriced variable interest rate financial instruments, and therefore, carrying values approximate fair value. Fixed rate senior subordinated notes and convertible subordinated debentures have carrying and fair values as of December 31, 2001 and 2000 as follows (in thousands):

	Carrying Value		Fair Value	
	2001	2000	2001	2000
8.5% Senior subordinated notes payable...	$252,367	$252,788	$256,250	$243,125
5.75% Convertible subordinated debentures	53,694	66,000	54,768	63,030

Concentrations of Credit Risk--Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, accounts and notes receivable, and marketable equity securities. The Company places its cash and cash equivalents with major high-credit qualified financial institutions, limiting its exposure to concentrations of credit risk. Concentrations of credit risk with respect to accounts receivable are limited due to the large numbers of customers, wide variety of customers and customer industries, and their broad geographical dispersion. The Company generally requires sufficient collateral equal or exceeding note amounts, or accepts notes from high-credit quality companies or high net-worth individuals, limiting its exposure to concentrations of credit risk. Concentrations of credit risk with respect to marketable equity securities are limited through portfolio diversification.

Segment Disclosures--The Company periodically evaluates the possible effects of Statement of Financial Accounting Standards No. 131 "Disclosures about Segments of an Enterprise and Related Information" on its financial statement disclosures. The Company's speedways and other motorsports related operations combined comprise one operating segment, and encompass all admissions and event related revenues and associated expenses. Other Company operations comprising non-motorsports related activities presently are not significant relative to those of motorsports related operations. As such, at this time, SFAS No. 131 continues to have no effect on the Company's financial statement disclosures.

Impact of New Accounting Standards--The Company adopted Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities" as of January 1, 2001. SFAS No. 133 established accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires, among other things, that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. Because the Company had no derivative instruments on January 1, 2001, adoption had no effect on the Company's financial statements or disclosures. See Note 5 for information on an interest rate swap agreement entered into and settled in 2001.

The Company adopted SFAS No. 141 "Business Combinations" as of July 1, 2001. SFAS No. 141 requires, among other things, the purchase method of accounting for business combinations initiated after June 30, 2001, eliminates the pooling-of-interests method and clarifies the criteria for recording intangible assets separate from goodwill. Adoption of SFAS No.141 had no significant impact on the Company's financial statements.

The Company will adopt SFAS No. 142 "Goodwill and Other Intangible Assets" as of January 1, 2002. SFAS No. 142 specifies, among other things, that goodwill and other intangible assets with indefinite useful lives will no longer be amortized, but instead will be evaluated for possible impairment at least annually. Under SFAS No. 142, the Company will cease amortizing goodwill, including goodwill from past business combinations, and periodically assess goodwill at the reporting unit level for possible impairment. The Company presently is assessing the effects of SFAS No. 142 and has until June 30, 2002 to assess initial goodwill impairment under transitional rules. Preliminary results indicate approximately $5.0 million of goodwill associated with certain non-motorsports related reporting units of the Company may be impaired under the new accounting guidelines. The Company expects to report such initial impairment, if any, as a non-cash cumulative effect of a change in accounting principle under SFAS No. 142. Goodwill amortization expense amounted to $1,778,000 in 2001, $1,775,000 in 2000, and $1,552,000 in 1999.

In August 2001, SFAS No. 144 "Accounting for the Impairment or Disposal of Long-lived Assets" was issued specifying, among other things, the financial accounting and reporting for the impairment or disposal of long-lived assets. The Company is required to adopt SFAS No.144 on January 1, 2002 and has not determined the impact, if any, that this statement will have on its consolidated financial position or results of operations.

Reclassifications--Certain prior year accounts were reclassified to conform with current year presentation.

3. Inventories

Inventories as of December 31, 2001 and 2000 consist of (in thousands):

	2001	2000
Souvenirs and apparel	$ 8,882	$ 9,421
Finished vehicles, parts and accessories	5,289	4,212
Oil additives, food and other	2,937	2,854
Total	$17,108	$16,487

4. Property Held For Sale and Property and Equipment

Property Held For Sale--Property held for sale as of December 31, 2001 and 2000 consists of (in thousands):

	2001	2000
Land for development	$12,180	--
Machinery and equipment under sales contract	10,003	--
Speedway condominiums held for sale	4,202	$4,419
Total	$26,385	$4,419

Land For Development--In December 2001, management foreclosed on and obtained ownership of property previously collateralizing past due notes receivable, including accrued interest, with carrying values aggregating $12,180,000. Independent appraised fair value less estimated selling costs supported reflecting the property based on the carrying value of the notes at foreclosure. Therefore, no gain or loss was recognized in the transaction. Management is in the process of developing and marketing the property for sale.

Machinery and Equipment Under Sales Contract--Certain machinery and equipment of FLE was sold in connection with a management contract executed in November 2001, which closed in February 2002 (see Note 1 "Long-Term Management Contract and Asset Sale in Fiscal 2002"). The sales price is based on net book value as of December 31, 2001. As such, machinery and equipment with historical cost and accumulated depreciation of approximately $14,629,000 and $4,626,000, respectively, was reclassified as property held for sale in the accompanying December 31, 2001 consolidated balance sheet.

Speedway Condominiums Held for Sale--The Company has constructed 46 condominiums at AMS and 76 condominiums at TMS, of which 44 and 70, respectively, have been sold or contracted for sale as of December 31, 2001. Speedway condominiums held for sale are recorded at cost, and represent two condominiums at AMS and six condominiums at TMS which are substantially complete and are being marketed.

Property and Equipment--Property and equipment as of December 31, 2001 and 2000 is summarized as follows (dollars in thousands):

	Estimated Useful Lives	2001	2000
Land and land improvements	5-25	$ 218,959	$ 210,649
Racetracks and grandstands	5-45	432,740	392,495
Buildings and luxury suites	5-40	236,227	236,472
Machinery and equipment	3-20	26,977	41,002
Furniture and fixtures	5-20	17,641	16,347
Autos and trucks	3-10	5,418	4,756
Construction in progress		33,251	28,852
Total		971,213	930,573
Less accumulated depreciation		(158,059)	(132,092)
Net		$ 813,154	$ 798,481

Construction In Progress--At December 31, 2001, the Company had various construction projects underway to increase and improve facilities for fan amenities and make other site improvements at each of its speedways. In addition, the Company plans to continue major renovations at SPR, including its ongoing modernization and reconfiguration into a "stadium-style" road racing course, adding a significant number of grandstand and hillside terrace seats, adding luxury suites, and improving and expanding concessions, restroom and other fan amenities and facilities. Modernization and reconstruction of SPR's dragway also continues featuring permanent seating, luxury suites, and extensive fan amenities. SPR plans to continue improving and expanding its on-site roads and available parking, reconfiguring traffic patterns and entrances to ease congestion and improve traffic flow. The estimated aggregate cost of capital expenditures in 2002 will approximate $55,000,000.

5. Long-Term Debt

Long-term debt as of December 31, 2001 and 2000 consists of (in thousands):

	2001	2000
Revolving bank credit facility	$ 90,000	$ 90,000
Senior subordinated notes	252,367	252,788
Convertible subordinated debentures	53,694	66,000
Other notes payable	1,252	1,309
Total	397,313	410,097
Less current maturities	(1,228)	(168)
	$396,085	$409,929

Annual maturities of long-term debt at December 31, 2001 are (in thousands):

2002	$ 1,228
2003 (See "Planned Redemption" below)	53,718
2004	90,000
2005	--
2006	--
Thereafter	252,367
	$397,313

Bank Credit Facility--In May 1999, the Company obtained a long-term, secured, senior revolving credit facility with a syndicate of banks led by Bank of America, N.A. as an agent and lender (the Credit Facility). The Credit Facility has an overall borrowing limit of $250,000,000, with a sub-limit of $10,000,000 for standby letters of credit, unused commitment fee of .2%, matures in May 2004, and is secured by a pledge of the capital stock and other equity interests of all material Company subsidiaries. The Company also agreed not to pledge its assets to any third party. The Credit Facility was used to fully repay and retire then outstanding borrowings under the Acquisition Loan (as described below) after reduction for the application of proceeds from the 1999 Senior Notes offering (as described below), and for working capital and general corporate purposes. At December 31, 2001, outstanding letters of credit amounted to $26,000.

Interest is based, at the Company's option, upon (i) LIBOR plus .5% to 1.25% or (ii) the greater of Bank of America's prime rate or the Federal Funds rate plus .5%. The margin applicable to LIBOR borrowings is adjustable periodically based upon certain ratios of funded debt to earnings before interest, taxes, depreciation and amortization (EBITDA). In addition, among other items, the Company is required to meet certain financial covenants, including specified levels of net worth and ratios of (i) debt to EBITDA and (ii) earnings before interest and taxes (EBIT) to interest expense. The Credit Facility also contains certain limitations on cash expenditures to acquire additional motor speedways without the consent of the lenders, and limits the Company's consolidated capital expenditures to amounts not to exceed $125 million annually and $500 million in the aggregate over the loan term. The Company also has agreed to certain other limitations or prohibitions concerning the incurrence of other indebtedness, transactions with affiliates, guaranties, asset sales, investments, dividends, distributions and redemptions.

Senior Subordinated Notes--In May 1999, the Company completed a private placement of 8 1/2 % senior subordinated notes (the 1999 Senior Notes) in the aggregate principal amount of $125,000,000. These notes were registered in July 1999. Net proceeds, after issuance at 103% of face value, commissions and discounts, approximated $125,737,000 and were used to repay a portion of the outstanding borrowings under the Acquisition Loan. The Company's 8 1/2 % senior subordinated notes of $125,000,000 issued in 1997, and the 1999 Senior Notes (hereafter referred to collectively as the Senior Notes), are substantially identical and governed by similar Indentures. The Senior Notes are unsecured, mature in August 2007, and are redeemable at the Company's option after August 15, 2002. Interest payments are due semi-annually on February 15 and August 15. The Senior Notes are subordinated to all present and future senior secured indebtedness of the Company. Redemption prices in fiscal year periods ending August 15 are 104.25% in 2002, 102.83% in 2003, 101.42% in 2004, and 100% in 2005 and thereafter.

The Indentures governing the Senior Notes contain certain specified restrictive and required financial covenants. The Company has agreed not to pledge its assets to any third party except under certain limited circumstances. The Company also has agreed to certain other limitations or prohibitions concerning the incurrence of other indebtedness, capital stock, guaranties, asset sales, investments, cash dividends to shareholders, distributions and redemptions. The Indentures and Credit Facility agreements contain cross-default provisions.

Convertible Subordinated Debentures--In 1996, the Company completed a private placement of 5 3/4% convertible subordinated debentures in the aggregate principal amount of $74,000,000. These debentures and the underlying equity securities were registered in 1996. In 2001, debentures aggregating $12,306,000 in principal were repurchased substantially at par. In 2000, debentures aggregating $8,000,000 in principal were repurchased at a discount resulting in a $460,000 gain, net of income taxes, which is included in other income due to immateriality. The debentures are unsecured, mature on September 30, 2003, are convertible into Company common stock at the holder's option after December 1, 1996 at $31.11 per share until maturity, and are redeemable at the Company's option at 101.64% through September 30, 2002, 100.82% through September 30, 2003 and par thereafter. Interest payments are due semi-annually on March 31 and September 30. The debentures are subordinated to all present and future secured indebtedness of the Company. As of December 31, 2001 and 2000, 1,726,000 and 2,122,000 shares of common stock would be issuable upon conversion (see Note 6).

Planned Redemption--The Company is planning to redeem all of its outstanding convertible subordinated debentures on April 19, 2002. The Company's management, including the Board of Directors, believes redemption to be in the Company's long-term interest and an appropriate use of available funds. The redemption would reduce future interest expense and eliminate the associated dilution effect on earnings per share, and would be funded entirely from available cash and cash investments on hand. As such, the Company's cash and cash investments and long-term debt would be reduced by approximately $53,700,000 upon redemption, excluding redemption premium, accrued interest and transaction costs. The redemption premium, associated unamortized net deferred loan costs, and transaction costs would be reflected as a non-recurring charge to earnings in the period of redemption. Such charges are estimated to total approximately $1,400,000.

Acquisition Loan--In November 1998, the Company's former credit facility was amended and restated (the Acquisition Loan) to fund the Company's December 1998 acquisition of LVMS. The Acquisition Loan was retired and repaid on May 28, 1999 concurrently with the issuance of senior subordinated notes and bank credit facility proceeds as described above.

Interest Rate Swap--The Company at times uses interest rate swaps for non-trading purposes to hedge interest rate risk and optimize its combination of variable and fixed interest rate debt. In June 2001, the Company entered into an interest rate swap transaction with a financial institution that provided variable interest rate features on certain fixed rate senior subordinated debt obligations. The agreement provided that the Company pay a variable interest rate based on LIBOR, and that the Company receive a fixed interest rate of 5.9%, on a principal notional amount of $125,000,000. The swap was designated as a fair value hedge of the underlying fixed rate debt obligation, and met the conditions for assuming no ineffectiveness using the short-cut method under SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities". In September 2001, the swap agreement was terminated and settled with a $1,600,000 net payment to the Company. The $1,600,000 net payment was deferred when received and is being amortized into income as a yield adjustment to interest expense over the underlying hedged debt term through August 2007. Interest expense for 2001 reflects adjustments totaling $79,000.

Interest Expense, Net--Interest expense, net includes interest expense of $28,521,000 in 2001, $31,482,000 in 2000, and $30,083,000 in 1999, and interest income of $4,139,000 in 2001, $4,509,000 in 2000, and $2,397,000 in 1999. The Company capitalized interest costs of $2,386,000 in 2001, $2,912,000 in 2000, and $4,667,000 in 1999. The weighted-average interest rate on borrowings under bank revolving credit facilities was 5.0% in 2001, 7.6% in 2000, and 6.5% in 1999.

6. Capital Structure and Per Share Data

Preferred Stock--At December 31, 2001, SMI has authorized 3,000,000 shares of preferred stock with a par value of $.10 per share. Shares of preferred stock may be issued in one or more series with rights and restrictions as may be determined by the Company's Board of Directors. No preferred shares were issued or outstanding at December 31, 2001 or 2000.

Per Share Data--Diluted earnings per share assumes conversion of the convertible debentures into common stock and elimination of associated interest expense, net of taxes, on such debt (see Note 5). Anti-dilutive common stock equivalents for stock options of 297,000 in 2001, 404,000 in 2000, and 20,000 in 1999 were excluded in computing diluted earnings per share. The following schedule reconciles basic and diluted earnings per share (dollars and shares in thousands):

	Year Ended December 31		
	2001	2000	1999
Net income before accounting change	$57,592	$48,132	$41,443
Cumulative effect of accounting change for club memberships fees, net of taxes (Note 2)	--	(1,257)	--
Net income available to common stockholders	57,592	46,875	41,443
Dilution effect of assumed conversions:			
Common stock equivalents--stock options	--	--	--
5 3/4% Convertible debentures	1,901	2,321	2,200
Net income available to common stockholders and assumed conversions	$59,493	$49,196	$43,643
Weighted average common shares outstanding	41,753	41,663	41,569
Dilution effect of assumed conversions:			
Common stock equivalents--stock options	704	699	1,012
5 3/4% Convertible debentures	1,910	2,353	2,379
Weighted average common shares outstanding and assumed conversions	44,367	44,715	44,960
Basic earnings per share before accounting change	$ 1.38	$ 1.16	$ 1.00
Accounting change (Note 2)	--	(0.03)	--
Basic earnings per share	$ 1.38	$ 1.13	$ 1.00
Diluted earnings per share before accounting change	$ 1.34	$ 1.13	$ 0.97
Accounting change (Note 2)	--	(0.03)	--
Basic earnings per share	$ 1.34	$ 1.10	$ 0.97

7. Income Taxes

Components of the provision for income taxes are (in thousands):

	2001	2000	1999
Current..	$ 9,609	$ 8,674	$10,740
Deferred.	27,732	22,426	16,383
Total.	$37,341	$31,100	$27,123

Reconciliation of statutory federal and effective income tax rates is as follows:

	2001	2000	1999
Statutory federal tax rate	35%	35%	35%
State and local income taxes, net of federal income tax effect	3	3	4
Other, net	1	1	--
Total	39%	39%	39%

Tax effects of temporary differences resulting in deferred income taxes are (in thousands):

	2001	2000
Deferred tax liabilities:		
Property and equipment	$133,195	$107,889
Expenses deducted for tax purposes and other	1,032	768
Subtotal	134,227	108,657
Deferred tax assets:		
Income previously recognized for tax purposes	(636)	(1,210)
Stock option compensation expense	(468)	(632)
PSL and other deferred income recognized for tax purposes.	(5,143)	(5,276)
State and federal net operating loss carryforwards	(3,284)	(7,201)
Alternative minimum tax credit	(22,618)	(20,232)
Subtotal	(32,149)	(34,551)
Total net deferred tax liability	$102,078	$ 74,106

The Company made income tax payments during 2001, 2000, and 1999 totaling approximately $14,742,000, $13,155,000, and $15,375,000, respectively. At December 31, 2001, the Company has approximately $111,963,000 of state net operating loss carryforwards which expire in 2003 through 2020, and approximately $22,618,000 of alternative minimum tax credits that do not expire. No valuation allowance against deferred tax assets has been recorded for 2001 or 2000 as management believes realization is more likely than not.

8. Related Party Transactions

Notes and other receivables from affiliates at December 31, 2001 and 2000 include $925,000 and $886,000 due from a partnership in which the Company's Chairman and Chief Executive Officer is a partner, including accrued interest. The note bears interest at 1% over prime, is collateralized by certain partnership land, and is payable on demand. Because the Company does not anticipate or require repayment during 2002, the balance has been classified as a noncurrent asset in the accompanying consolidated balance sheet. The Board of Directors, including SMI's independent directors, have reviewed this transaction and have determined it to be an appropriate use of available Company funds based on interest rates at the original transaction date and the underlying note collateral and creditworthiness of the Company's Chairman and his partnership.

Notes and other receivables from affiliates at December 31, 2001 and 2000 include $6,238,000 and $4,945,000 due from the Company's Chairman and Chief Executive Officer. The amount due represents premiums paid by the Company under a split-dollar life insurance trust arrangement on behalf of the Chairman, cash advances and expenses paid by the Company on behalf of the Chairman, and accrued interest. The amount due bears interest at 1% over prime and is payable on demand. Because the Company does not anticipate or require repayment during 2002, the balance has been classified as a noncurrent asset in the accompanying consolidated balance sheet. The Board of Directors,

including SMI's independent directors, have reviewed this compensatory arrangement and have determined it to be an appropriate use of available Company funds based on interest rates at the time of transaction and creditworthiness of the Chairman.

Notes and other receivables from affiliates at December 31, 2001 include $440,000 due from a corporation which is a Company affiliate through common ownership by the Company's Chairman and Chief Executive Officer. From time to time, the Company makes cash advances for various corporate purposes on behalf of the affiliate. The amount due is collateralized by certain personal property, is payable on demand and is classified as short-term based on expected repayment date. There were no amounts outstanding due at December 31, 2000. The Board of Directors, including SMI's independent directors, have reviewed this transaction and have determined it to be an appropriate use of available Company funds based on the underlying collateral and creditworthiness of the Company's Chairman and the affiliate.

In January 2000, the Company sold the 1.4 million square-foot Las Vegas Industrial Park and 280 acres of undeveloped land to Las Vegas Industrial Park, LLC, an entity owned by the Company's Chairman and Chief Executive Officer, for approximately $53.3 million paid in cash of $40.0 million and a note receivable of $13.3 million. The sales price approximated the Company's net carrying value as of December 31, 1999 and selling costs. Notes and other receivables from affiliates at December 31, 2000 include $15,383,000 due from Las Vegas Industrial Park, LLC, including accrued interest based on LIBOR plus 2.00%. The note and accrued interest were repaid in 2001, and there are no amounts outstanding due at December 31, 2001.

The Company has made loans to Sonic Financial Corp. (Sonic Financial), a Company affiliate through common ownership by the Company's Chairman and Chief Executive Officer, and to Las Vegas Industrial Park, LLC. Notes and other receivables from affiliates, current, include $6,957,000 and $940,000 due from Sonic Financial at December 31, 2001 and 2000, and $1,643,000 due from Las Vegas Industrial Park, LLC at December 31, 2000. The amounts due bear interest at 1% over prime, are payable on demand, and are classified as short-term based on expected repayment dates. The amount due from Las Vegas Industrial Park, LLC was repaid in 2001, and there are no amounts outstanding due at December 31, 2001. The Board of Directors, including SMI's independent directors, have reviewed these transactions and have determined them to be an appropriate use of available Company funds based on interest rates at the time of transaction and creditworthiness of Sonic Financial and the Company's Chairman.

Amounts payable to affiliates at December 31, 2001 and 2000 include $2,594,000 for acquisition and other expenses paid on behalf of AMS by Sonic Financial prior to 1996. Of this amount, approximately $1,800,000 bears interest at 3.83% per annum. The remainder of the amount bears interest at prime plus 1%. The entire amount is classified as long-term based on expected repayment dates. Amounts payable to affiliates at December 31, 2001 and 2000 also include $889,000 and $1,317,000 owed to a former LVMS shareholder and executive officer in equal monthly payments through December 2003 at 6.4% imputed interest. The Company believes that the terms of these loans and advances are more favorable than those that could be obtained in an arm's-length transaction with an unrelated third-party.

600 Racing leases an office and warehouse facility from Chartown, a Company affiliate through common ownership by the Company's Chairman and Chief Executive Officer, under an annually renewable lease agreement. Rent expense approximated $143,000 in 2001 and $144,000 in 2000 and 1999. The lease contains terms more favorable to the Company than terms that would be obtained from unaffiliated third parties. Additionally, a special committee of independent and disinterested directors of SMI, on behalf of the Company, has evaluated this lease, assisted by independent counsel and real estate experts, and has concluded that the lease is in the best interests of the Company and its stockholders. The economic terms of the lease were based on several factors, including projected earnings capacity of 600 Racing, the quality, age, condition and location of the facilities, and rent paid for comparable commercial properties.

In 2001, LVMS leased a fleet of new vehicles for use by its employees from Nevada Dodge, a subsidiary of Sonic Automotive, Inc. (SAI), an entity in which the Company's Chairman and Chief Executive Officer is a controlling stockholder, for approximately $217,000. The Company believes these lease terms approximate market value.

Oil-Chem sold z-Max oil additive product to certain SAI dealerships for resale to service customers of the dealerships in the ordinary course of business. Total purchases from Oil-Chem by SAI dealerships approximated $665,000 in 2001, $389,000 in 2000, and were insignificant in 1999. These sales occurred on terms no less favorable than could be obtained in an arm's-length transaction from an unrelated third party buyer.

SAI and its dealerships frequently purchase various apparel items, which are screen-printed with SAI and dealership logos, for its employees as part of internal marketing and sales promotions. SAI and its dealerships purchase such items from several companies, including WMI. Total purchases from WMI by SAI and its dealerships approximated $219,000 in 2001, $160,000 in 2000, and were insignificant in 1999. The Company believes these sales occurred on terms no less favorable than could be obtained in an arm's-length transaction with an unrelated third party.

In connection with the supervision and management of significant construction and renovation projects at SAI dealerships in 2000, SAI paid approximately $110,000 to SMI in 2000 for project management services provided to SAI by six SMI employees with expertise in these areas. There were no significant project management services provided in 2001 or 1999. The Company believes the terms of providing these services to SAI are no less favorable than, and commensurate with, terms SMI could obtain for providing similar services in an arm's-length transaction with an unrelated third party based on SMI's national and regional experience in retaining third party project managers for various Company construction projects.

Interest income of $1,933,000 in 2001, $1,568,000 in 2000, and $179,000 in 1999 was earned on amounts due from related parties. Interest expense of $270,000 in 2001, $308,000 in 2000, and $266,000 in 1999 was accrued on amounts payable to affiliates.

9. Legal Proceedings and Contingencies

On May 1, 1999, during the running of an Indy Racing League Series racing event at LMSC, an on-track accident occurred that caused race debris to enter the spectator seating area (the "May 1999 IRL Accident"). On February 13, 2001, the parents of Haley A. McGee filed a personal injury action related to the May 1999 IRL Accident against SMI, LMSC and IRL in the Superior Court of Mecklenburg County, North Carolina. This lawsuit seeks unspecified damages and punitive damages related to the injuries of the minor, Haley A. McGee, as well as the medical expenses incurred and wages lost by her parents. On April 23, 2001, SMI filed its answer in this action. SMI intends to defend itself and to deny the allegations of negligence as well as related claims for punitive damages. Management does not believe the outcome of this lawsuit will have a material adverse effect on the Company's financial position or future results of operations.

On February 8, 2000, a lawsuit, styled Robert L. "Larry" Carrier v. Speedway Motorsports, Inc. and Bristol Motor Speedway, Inc. was filed in the Chancery Court for Sullivan County, Tennessee. This suit alleges that SMI and BMS interfered with the use of a leasehold property rented to the plaintiff by BMS. The complaint is seeking $15 million in compensatory, and $60 million in punitive, damages as well as injunctive relief. On August 8, 2001, the trial court denied all motions for summary judgment previously filed by plaintiff and the defendant and the matter is being scheduled for trial. SMI believes that the allegations are without merit and is defending itself vigorously. Management does not believe the outcome of this lawsuit will have a material adverse effect on the Company's financial position or future results of operations.

On May 20, 2000, near the end of a NASCAR-sanctioned event hosted at LMSC, a portion of a pedestrian bridge leading from its track facility to a parking area failed. In excess of 100 people were injured to varying degrees. Preliminary investigations indicate the failure was the result of excessive interior corrosion resulting from improperly manufactured bridge components. Tindall Corporation designed, manufactured and constructed the portion of the pedestrian bridge that failed. Tindall contends that a product that Tindall purchased from Anti-Hydro International, Inc. and that Tindall incorporated into the bridge caused the corrosion.

To date, 34 separate lawsuits have been filed by individuals claiming injuries and wrongful death from the bridge failure on May 20, 2000, including one new lawsuit filed since the beginning of the fourth quarter of 2001. Generally, these lawsuits were filed against SMI, LMSC, Tindall Corporation and Anti-Hydro International, Inc., in the North Carolina Superior Courts of Cabarrus, Mecklenburg, Rowan, Union and Wake Counties, and in the United States District Courts for the Middle District and Western District of North Carolina, seeking unspecified compensatory and punitive damages.

The following plaintiffs have filed claims in this matter to date and since the beginning of 2001 on the dates indicated: Bryan Heath Baker, Susan D. Baker, John A. Hepler, III, Tammy L. Hepler, Curtis D. Hepler and Patricia B. Hepler, October 12, 2000; Richard F. Brenner and Eileen M. Brenner, November 13, 2000; Kenneth Michael Brown, Sandra D. Melton, Robert Morris Melton, Jr., Robert Christopher Melton, Cammie L. Yarborough, Charles Lynn Yarborough, Cammie Yarborough as parent and natural guardian of Alexandria V. Yarborough, May 31, 2000; Thomas A. Joyner, Jr. and Cathy B. Joyner, August 24, 2000; William A. Malesich, November 13, 2000; Hugh E. Merchant and Dallas B. Merchant, December 4, 2000; James H. Merchant, Melissa K. Merchant, James Shelby Merchant, and Melissa K. Merchant as parent and Guardian Ad Litem for Logan A. Merchant, minor, December 27, 2000; Alexander Watson, November 13, 2000; Matthew T. Watson, November 13, 2000; David G. Yetter and Ruth M. Yetter, November 13, 2000; Henry Stevenson Crawford and Carolyn E. Crawford, December 18, 2000; Michael L. Propes and Susan Propes, December 18, 2000; Terrell Kearse, Deborah Kearse, Michael Kearse and Pam Kearse, February 16, 2001; John Emery, February 23, 2001; and Tracy Foster, February 23, 2001; Steven Gregory Southern, March 21, 2001; Susie O'Parrish, March 21, 2001; Terry L. Dennie, March 29, 2001; Tammy L. Potter-Dennie, March 29, 2001; Billy Ashburn, Teresa Ashburn and Shea Ashburn, a minor appearing by and through his Guardian Ad Litem, Eric C. Morgan, April 23, 2001; Jack Medlin and Anne Medlin, April 23, 2001; Deborah Lynn Ketner and Steve Ketner, April 23, 2001; John Nicola, Jr., Ellen Nicola and John Nicola, Sr., April 23, 2001; Susan Ann Anderson, April 23, 2001; and Kandi Tipton, May 1, 2001; Michael Kevin Neal and Torene Rumfelt Neal, May 2, 2001; Jack T. Blevins, Sr., Tina Louise Blevins and Bridget Repsher, May 14, 2001; Jeff Hill and Jodi Hill, May 30, 2001; Cindy Taylor, Arthur M. Taylor and Brody Patrick Wright (a minor), June 21, 2001; Hurley Long and Pauline Long, July 23, 2001; Edwin L. King and

Patricia C. King, August 27, 2001; Scott A. Hansen and Pamela C. Hansen, August 28, 2001; William R. Coltrane, September 6, 2001; and Mark Craven and Tim Roegge, December 17, 2001.

Discovery is proceeding in all of the cases but will not be completed until June 2002. All of the state court lawsuits have been consolidated before one judge and are pending in Mecklenburg County. The federal lawsuits are progressing under the same discovery plan that the parties are following in the consolidated state court lawsuit. SMI is vigorously defending itself and denies the allegations of negligence as well as the related claims for punitive damages. Additional lawsuits involving this incident may be filed in the future. Management does not believe the outcome of these lawsuits or this incident will have a material adverse effect on the Company's financial position or future results of operations.

On May 24, 2000, a Petition for Writ of Mandate, Declaratory Relief and Injunctive Relief was filed in the Superior Court of California, Sonoma County styled Yellow Flag Alliance, Tony Lilly and Nancy Lilly vs. Sonoma County and Sonoma County Board of Supervisors. This action was brought to challenge the Sonoma County Board of Supervisors' decision to authorize SPR to proceed with a renovation project. In particular, the petitioners claim that the County board failed to follow certain of California's environmental statutes requiring evaluation of the impact the renovation would have on the environment such as noise, traffic, visual impairments, land use and zoning issues. Although neither SMI nor SPR is named in the action, an adverse outcome could impact our ability to expand the facility as planned. SMI believes that the Petition has no basis and will defend itself vigorously. Management does not believe the outcome of this incident will have a material adverse effect on the Company's financial position or future results of operations.

On August 23, 2000, a shareholder derivative complaint was filed against SMI and its directors in the Delaware Chancery Court for New Castle County. The complaint, styled Crandon Capital Partners v. O. Bruton Smith, H.A. "Humpy" Wheeler, William R. Brooks, Edwin R. Clark, William P. Benton, Mark M. Gambill, Jack L. Kemp and Speedway Motorsports, Inc. (the "Crandon Complaint"), alleges that in February 2000, SMI sold the Las Vegas Industrial Park--R&D Industrial Campus and approximately 300 acres of undeveloped adjacent land to O. Bruton Smith, SMI's Chief Executive Officer, Chairman and majority stockholder, at less than these properties' fair market value, which transaction allegedly constituted a breach of fiduciary duties and corporate waste. Plaintiffs are seeking unspecified damages, SMI's establishment of a system of internal controls and procedures, rescission of the transaction with Mr. Smith or, alternatively, unspecified rescissory damages from Mr. Smith, and plaintiff's costs and attorney fees. On September 13, 2000, a second complaint, styled Kathy Mayo v. O. Bruton Smith, H.A. "Humpy" Wheeler, William R. Brooks, Mark M. Gambill, Jack L. Kemp and Speedway Motorsports, Inc. (the "Mayo Complaint"), was filed in Delaware Chancery Court raising the same allegations and seeking the same relief as the Crandon Complaint. SMI has filed answers denying the allegations of both complaints. The Delaware court consolidated the two cases. SMI believes that the consolidated complaints have no basis and will defend the action vigorously. The Mayo complaint has since been dismissed. Discovery in the Crandon matter is ongoing. Management does not believe the outcome of this lawsuit will have a material adverse effect on the Company's financial position or future results of operations.

On January 31, 2001, the Federal Trade Commission (the "FTC") filed a complaint (the "FTC Complaint") against SMI and its subsidiary, Oil-Chem, in the United States District Court, Middle District of North Carolina. The FTC is seeking a judgment to enjoin SMI and Oil-Chem from advertising zMax Power System for use in motor vehicles and to award equitable relief to redress alleged injury to consumers. SMI has filed an answer in this action and discovery has begun. Management does not believe the outcome of this lawsuit will have a material adverse effect on the Company's financial position or future results of operations.

On March 8, 2001, Larry L. Johnson filed a class action compliant against SMI and Oil-Chem in the Superior Court of Gaston County, North Carolina. The plaintiff is seeking unspecified damages for violation of the North Carolina Unfair and Deceptive Trade Practices Act. The facts alleged to support this claim are substantially identical to those of the FTC Complaint. The class has not been certified, but discovery has begun. SMI intends to defend itself vigorously. Management does not believe the outcome of this lawsuit will have a material adverse effect on the Company's financial position or future results of operations.

On April 18, 2001, Cracker Barrel Old Country Store, Inc. filed a complaint against AMS, SMI, NASCAR and Fox Entertainment Group, Inc. in the Chancery Court for Wilson County, Tennessee. The action was removed by the Defendants to the United States District Court for the Middle District of Tennessee. Cracker Barrel alleges that AMS breached its sponsorship contract for the March 11, 2001 Cracker Barrel 500 Winston Cup event at AMS, and alleges that SMI tortiously interfered with this contract. Cracker Barrel contends that as a result of the sponsorship contract, it was entitled to receive certain exposure from the national broadcast of the race. AMS and SMI deny the allegations. Cracker Barrel seeks unspecified compensatory, punitive and treble damages, as well as costs and attorney fees. The Company has filed an answer in this matter and the parties have begun discovery. Management does not believe the outcome of this lawsuit will have a material adverse effect on the Company's financial position or future results of operations.

On February 13, 2002, Francis Ferko, as a shareholder of SMI, filed a lawsuit in the United States Federal Court for the Eastern District of Texas against NASCAR and International Speedway Corporation (ISC) alleging, among other things, that NASCAR and ISC unlawfully refused to award SMI a NASCAR Winston Cup Series race date at TMS. The plaintiff demands judgement against defendants NASCAR and ISC for a Winston Cup Series race date at TMS, monetary damages and other relief. SMI was named as a necessary party to the lawsuit, since the lawsuit is being brought on behalf of the Company shareholder. The Company has not taken any position with respect to this matter.

A major Championship Auto Racing Teams racing event originally scheduled at TMS on April 29, 2001 was not conducted as a result of a decision made by CART's sanctioning body. The Company offered refunds of paid tickets and certain other event revenues. On May 3, 2001, the Company filed an action against CART in the United States District Court for the Eastern District of Texas, claiming, among other things, that CART was negligent and that it breached its contract. On October 12, 2001, this legal action was settled for approximately $5.0 million, representing recovery by the Company of the associated sanction fees, race purse, various expenses, lost revenues and other damages.

The Company's property at LMSC includes areas that were used as solid waste landfills for many years. Landfilling of general categories of municipal solid waste on the LMSC property ceased in 1992, but LMSC currently allows certain property to be used for land clearing and inert debris landfilling and for construction and demolition debris landfilling. Management believes that the Company's operations, including the landfills on its property, are in compliance with all applicable federal, state and local environmental laws and regulations. Management is not aware of any situation related to landfill operations which would adversely affect the Company's financial position or future results of operations.

The Company is a party to other litigation incidental to its business. Management does not believe that the resolution of any or all of such litigation is likely to have a material adverse effect on the Company's financial condition or future results of operations.

10. Stock Option Plans

1994 Stock Option Plan--The Board of Directors and stockholders of SMI adopted the Company's 1994 Stock Option Plan in order to attract and retain key personnel. Under the stock option plan, options to purchase up to an aggregate of 3,000,000 shares of common stock may be granted to directors, officers and key employees of SMI and its subsidiaries. At December 31, 2001, no options for additional shares are available for future grant. All options to purchase shares under this plan expire ten years from grant date. At the Company's Annual Meeting on May 9, 2002 stockholders are voting on a proposed plan amendment to increase the authorized number of shares of common stock issuable thereunder to 4,000,000. Of the options granted in 2001, options to purchase 167,000 shares of common stock were granted subject to stockholder approval of such amendment. All options provide for the purchase of common stock at a price as determined by the Compensation Committee of the Board of Directors. The exercise price of all stock options granted in 1999 through 2001 was the fair or trading value of the Company's common stock at grant date. Other option information regarding the 1994 Stock Option Plan for 1999 through 2001 is summarized as follows:

	Shares in Thousands	Exercise Price Per Share	Weighted Average Exercise Price
Outstanding, January 1, 1999...	1,478	$ 3.75 - $25.63	$12.56
Granted.....	505	26.88 - 41.13	35.95
Cancelled.....	(5)	23.50	23.50
Exercised.....	(85)	9.00 - 23.50	17.67
Outstanding, December 31, 1999.	1,893	3.75 - 41.13	18.56
Granted.....	455	22.38 - 33.81	26.04
Cancelled.....	(23)	33.81 - 41.13	36.99
Exercised.....	(79)	3.75 - 9.00	8.39
Outstanding, December 31, 2000.	2,246	3.75 - 41.13	20.23
Granted.....	445	18.85 - 23.21	19.00
Exercised.....	(86)	3.75 - 22.38	12.80
Cancelled.....	(45)	9.00 - 33.81	21.31
Outstanding, December 31, 2001.	2,560	$ 3.75- $41.13	$20.25

As of December 31, 2001, 2000, and 1999, options aggregating 1,933,000, 2,057,000, and 1,618,000, were exercisable at weighted average exercise prices of $19.78, $18.97, and $16.04 per share, and had weighted average remaining contractual lives of 5.7, 6.6, and 6.6 years, respectively.

Formula Stock Option Plan--The Company's Board of Directors and stockholders adopted the Formula Stock Option Plan for the benefit of the Company's outside directors. The plan authorizes options to purchase up to an aggregate of 800,000 shares of common stock. At December 31, 2001, options for approximately 520,000 additional shares are available for future grant. Under the plan, before February 1 of each year, each outside director is awarded an option to purchase 20,000 shares of common stock at an exercise price equal to the fair market value per share at award date. At the Company's 2002 Annual Meeting stockholders are voting on proposed plan amendments to reduce the number of shares of common stock awarded annually to each outside director to 10,000. Other option information regarding the Formula Option Plan for 1999 through 2001 is summarized as follows:

	Shares in Thousands	Exercise Price Per Share	Weighted Average Exercise Price
Outstanding, January 1, 1999...	100	$14.94 - $24.81	$21.16
Granted.....	40	27.88	27.88
Exercised.....	--	--	--
Outstanding, December 31, 1999.	140	14.94 - 27.88	23.08
Granted.....	60	27.13	27.13
Exercised.....	--	--	--
Outstanding, December 31, 2000.	200	14.94 - 27.88	24.29
Granted.....	60	22.31	22.31
Exercised.....	--	--	--
Outstanding, December 31, 2001.	260	$14.94 - $27.88	$23.84

All options outstanding as of December 31, 2001, 2000, and 1999 were exercisable, and had weighted average remaining contractual lives of 7.0, 7.5, and 7.9 years, respectively.

Effective January 2, 2002, the Company granted options to purchase an additional 10,000 shares to each of the five outside directors at an exercise price per share of $25.65 at award date which equaled fair value at date of grant. The options are subject to stockholder approval of an amendment to the Formula Stock Option Plan at the Annual Meeting.

Stock-Based Compensation Information--As discussed in Note 2, the Company has adopted the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation". The Company granted 505,000, 515,000, and 545,000 options in 2001, 2000, and 1999 with weighted average grant-date fair values of $9.24, $10.38, and $12.56, respectively, under both stock option plans. No compensation cost has been recognized for the stock option plans. Had compensation cost for the stock options been determined based on the fair value method as prescribed by SFAS No. 123, the Company's pro forma net income and basic and diluted earnings per share would have been $54,763,000 or $1.31 and $1.28 per share for 2001, $43,631,000 or $1.05 and $1.03 per share for 2000, and $37,308,000 or $0.90 and $0.88 per share for 1999.

The fair value of each option grant is estimated on the grant date using the Black-Scholes option-pricing model with the following assumptions: expected volatility of 49.1% in 2001, 50.1% in 2000, and 44.7% in 1999; risk-free interest rates of 4.0% in 2001, 6.0% in 2000, and 5.5% in 1999; and expected lives of 5.0 years in 2001 and 3.0 years in 2000 and 1999. The model reflects that no dividends were declared in 1999 through 2001.

Options outstanding and exercisable for both stock option plans as of December 31, 2001 are as follows (shares in thousands):

	Options Outstanding			Options Exercisable		
Average Range of Exercise Prices	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
			(in years)			(in years)
$3.75	583	$ 3.75	3.0	583	$ 3.75	3.0
9.00	131	9.00	3.2	131	9.00	3.2
14.94 - 20.63	515	18.50	8.6	110	17.21	4.4
22.31 - 22.38	247	22.36	8.6	247	22.36	8.7
23.00 - 25.63	640	24.17	6.1	640	24.17	6.1
26.88 - 29.13	315	28.48	7.9	228	28.24	7.8
33.81	109	33.81	8.2	109	33.81	8.2
41.13	280	41.13	7.5	240	41.13	7.5
$3.75 - $41.13	2,820	$20.58	6.5	2,288	$20.20	5.8

Employee Stock Purchase Plan--The Company's Board of Directors and stockholders adopted the SMI Employee Stock Purchase Plan to provide employees the opportunity to acquire stock ownership. An aggregate total of 400,000 shares of common stock have been reserved for purchase under the plan. At December 31, 2001, options for approximately 262,000 additional shares are available for future grant. Each January 1, eligible employees electing to participate will be granted an option to purchase shares of common stock. Prior to each January 1, the Compensation Committee of the Board of Directors determines the number of shares available for purchase under each option, with the same number of shares to be available under each option granted on the same grant date. No participant can be granted options to purchase more than 500 shares in each calendar year, nor which would allow an employee to purchase stock under this or all other employee stock purchase plans in excess of $25,000 of fair market value at the grant date in each calendar year. Participating employees designate a limited percentage of their annual compensation or may directly contribute an amount for deferral as contributions to the Plan. The stock purchase price is 90% of the lesser of fair market value at grant date or exercise date. Options granted may be exercised once at the end of each calendar quarter, and will be automatically exercised to the extent of each participant's contributions. Options granted that are unexercised expire at the end of each calendar year.

In 2001, 2000, and 1999, employees purchased approximately 24,000, 13,000, and 60,000 shares granted under the Plan on January 1, 2001, 2000, and 1999 at an average purchase price of $21.10, $20.47, and $25.48 per share, respectively.

11. Employee Benefit Plan

The Speedway Motorsports, Inc. 401(k) Plan and Trust is available to all Company employees meeting certain eligibility requirements. The Plan allows participants to elect contributions of up to 15% of their annual compensation within certain prescribed limits, of which the Company will match 25% of the first 4% of employee contributions. Participants are fully vested in Company matching contributions after five years. The Company's contributions to the Plan were $167,000 in 2001, $243,000 in 2000, and $161,000 in 1999.

12. Condensed Guarantor and Non-Guarantor Financial Information

The Company's Credit Facility and Senior Subordinated Notes are joint and severally guaranteed by all of the Company's wholly-owned subsidiaries except for certain minor wholly-owned subsidiaries. The following table presents condensed consolidating financial information of the Company's guarantor and non-guarantor subsidiaries as of December 31, 2001 and 2000 and for each of the three years ended December 31, 2001 (in thousands):

Condensed Consolidating Balance Sheets as of December 31, 2001 and 2000

	December 31, 2001					
	Parent Only	Guar-antors	Non-Guar-antors	Elimin-ations	Consoli-dated	Parent Only
Current assets	$ 88,515	$ 58,194	$ 4,223	$ (2,800)	$ 148,132	$ 15,423
Property held for sale and property and equipment, net	24,351	813,425	1,763	--	839,539	10,640
Goodwill and other intangible assets, net	4,831	47,341	4,570	--	56,742	5,066
Other assets	15,017	4,031	117	--	19,165	27,017
Advances to and investments in subsidiaries, net	807,003	839,570	(13,975)	(1,632,598)	--	805,871
Total assets	$939,717	$1,762,561	$ (3,302)	$(1,635,398)	$1,063,578	$864,017
Current liabilities	$ 15,319	$ 87,174	$ 2,335	$ 1,226	$ 106,054	$ 15,694
Long-term debt	396,061	188	1,064	(1,228)	396,085	408,788
Other liabilities	89,448	33,140	(27)	(11)	122,550	60,194
Total liabilities	500,828	120,502	3,372	(13)	624,689	484,676
Total stockholders' equity and (deficiency)	438,889	1,642,059	(6,674)	(1,635,385)	438,889	379,341
Total liabilities and stockholders' equity (deficiency)	$939,717	$1,762,561	$ (3,302)	$(1,635,398)	$1,063,578	$864,017

	Guar-antors	Non-Guar-antors	Elimin-ations	Consoli-dated
Current assets	$ 63,008	$ 7,280	$ (2,408)	$ 83,303
Property held for sale and property and equipment, net	788,925	2,685	650	802,900
Goodwill and other intangible assets, net	49,314	4,725	--	59,105
Other assets	20,189	108	(665)	46,649
Advances to and investments in subsidiaries, net	(227,732)	(14,837)	(563,302)	--
Total assets	$ 693,704	$ (39)	$(565,725)	$991,957
Current liabilities	$ 86,972	$ 1,983	$ 534	$105,183
Long-term debt	305	1,000	(164)	409,929
Other liabilities	37,348	(27)	(11)	97,504
Total liabilities	124,625	2,956	359	612,616
Total stockholders' equity and (deficiency)	569,079	(2,995)	(566,084)	379,341
Total liabilities and stockholders' equity (deficiency)	$ 693,704	$ (39)	$(565,725)	$991,957

Condensed Consolidating Statements of Operations For the Years Ended December 31, 2001, 2000 and 1999

	2001					2000				
	Parent Only	Guar-antors	Non-Guar-antors	Elimi-nations	Consoli-dated	Parent Only	Guar-antors	Non-Guar-antors	Elimi-nations	
Total revenues	$ 1,160	$363,891	$11,627	--	$376,678	$ 3,455	$332,357	$18,485	--	
Total expenses and other	3,733	260,318	17,694	--	281,745	(959)	252,049	23,975	--	
Equity in net income (loss) of subsidiaries	59,153	--	--	$(59,153)	--	$45,453	--	--	$(45,453)	
Net income (loss)	$57,592	$ 62,834	$(3,681)	$(59,153)	$ 57,592	$46,875	$ 48,788	$(3,335)	$(45,453)	

	1999					
	Consoli-dated	Parent Only	Guar-antors	Non-Guar-antors	Elimi-nations	Consoli-dated
Total revenues	$354,297	$ 641	$309,179	$ 7,673	--	$317,493
Total expenses and other	275,065	773	234,976	13,178	--	248,927
Equity in net income (loss) of subsidiaries	--	41,521	--	--	(41,521)	--
Net income (loss)	$ 46,875	$41,443	$ 44,848	$(3,327)	$(41,521)	$ 41,443

Condensed Consolidating Statements of Cash Flows For the Years Ended December 31, 2001, 2000 and 1999

	2001				2000			
	Parent Only	Guar-antors	Non-Guar-antors	Consoli-dated	Parent Only	Guar-antors	Non-Guar-antors	Consoli-dated
Net cash provided (used) by operations	$81,979	$ 37,456	$(831)	$118,604	$ 33,528	$ 41,831	$ 263	$ 75,622
Net cash provided (used) by financing activities	(9,126)	--	--	(9,126)	(55,159)	8,860	--	(46,299)
Net cash provided (used) by investing activities	(8,806)	(37,431)	2	(46,235)	(8,032)	(46,378)	(446)	(54,856)

	1999			
	Parent Only	Guar-antors	Non-Guar-antors	Consoli-dated
Net cash provided (used) by operations	$12,568	$ 92,304	$ 2,532	$107,494
Net cash provided (used) by financing activities	1,296	(787)	--	509
Net cash provided (used) by investing activities	3,432	(88,417)	(2,147)	(87,132)

Exhibit 10.14

(CONFIDENTIAL PORTIONS HAVE BEEN OMITTED, AS INDICATED BY "*", AND FILED **SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION)**

Execution Copy

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of the 29th day of November, 2001, by and between SPEEDWAY SYSTEMS LLC, a North Carolina limited liability company d/b/a "Finish Line Events" ("Systems"), CHARLOTTE MOTOR SPEEDWAY, LLC, a Delaware limited liability company ("Charlotte"), TEXAS MOTOR SPEEDWAY, INC., a Texas corporation ("Texas"), and BRISTOL MOTOR SPEEDWAY, INC., a Tennessee corporation ("Bristol" and, together with Systems, Charlotte and Texas, collectively, "Sellers" and each, individually, a "Seller"), and LEVY PREMIUM FOODSERVICE LIMITED PARTNERSHIP, an Illinois limited partnership ("Buyer").

RECITALS

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller and certain of its affiliates, on the terms and subject to the conditions hereinafter set forth, certain of the assets of Seller and its affiliates;

WHEREAS, contemporaneously with the execution and delivery of this Agreement, Speedway Motorsports, Inc., a Delaware corporation ("SMI"), has

executed and delivered to the Buyer a Guaranty Agreement pursuant to which SMI has agreed to execute and deliver the Management Agreement (as defined in
Section 1.10 below) at the Closing hereunder and has agreed to guarantee the performance by Sellers of their payment obligations under this Agreement; and

WHEREAS, contemporaneously with the execution and delivery of this Agreement, Compass Group USA, Inc., a Delaware corporation ("Compass"), has executed and delivered to Sellers a Guaranty Agreement pursuant to which Compass has agreed to guarantee the performance by Buyer of its payment obligations under this Agreement and under the Management Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged by Sellers and Buyer, the parties hereto agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

The terms defined in this Article shall have the following respective meanings for all purposes of this Agreement:

Section 1.1. "Baseball Contracts" means all written agreements and contracts regarding the Business with respect to baseball stadiums and parks, including without limitation: (i) the Concession Agreement dated August, 2001, between Greensboro Baseball, LLC, Hospitality Catering, Inc., said Hospitality Catering, Inc. being managed and operated by Systems; (ii) the Concession Agreement dated October 27, 1999 between Tennessee Smokies Baseball and Systems, as supplemented by the letter agreement dated November 8, 1999 between Tennessee Smokies Baseball and Systems with respect to the restaurant space at the Tennessee Smokies Stadium; (iii) the Concession Agreement dated April 7, 1999 between Round Rock Baseball, Inc. and Systems; (iv) the separate concession agreements currently under negotiation with Cal Ripken Baseball and the Tulsa Drillers; and (v) all extensions or renewals of any of the foregoing during the term (including any extended term) of the Management Agreement.

Section 1.2. "Beach Contract" means the Food Service Agreement dated May, 1999 between Clayton County, Georgia, and Systems, as the same may be extended or renewed during the term (including any extended term) of the Management Agreement.

Section 1.3. "Boston Concessions Contract" means the Agreement dated April 1, 1997 among Bristol, Systems and Boston Concessions Groups, Inc., as the same may be extended or renewed during the term (including any extended term) of the Management Agreement.

Section 1.4. "Business" means the currently conducted food and beverage service business of Sellers at the Tracks and pursuant to the Concession Contracts, including, but not limited to, (a) general concessions (the "Concessions"), (b) luxury skybox suites (the "Suites"), (c) hospitality villages and tents (the "Hospitality Villages"), (d) Third-Party Concessions (the "Third-Party Concessions"), and (e) restaurants, clubs (but not health clubs), and banquets/catering serviced from such restaurants and clubs, but excluding, in all cases, the club (the "Lowes Club") at Lowes Motor Speedway in Charlotte, North Carolina (the "Clubs"). In no event shall the term "Business" include radios, golf carts, retail merchandise and apparel, merchandise design and production, souvenir sales (except as incidental to the sales of food and beverage items), event programs, equipment rentals, and club membership sales and club activities other than food and beverage service.

Section 1.5. "Closing" means the consummation and effectuation of the transactions contemplated herein pursuant to the terms and conditions of this Agreement which shall be held in the offices of Sellers on such date and time as is reasonably agreed by the parties hereto provided that all conditions to Closing have been satisfied or duly waived at such time. The Closing shall be deemed effective as of the close of business on the Closing Date, but in all events shall occur no later than January 31, 2002 (the "Closing Date Deadline").

Section 1.6. "Closing Date" means the date upon which the Closing actually occurs.

Section 1.7. "Carolina Baseball Contract" means the Concessions: Catering Agreement dated October 25, 2000 between Carolina Baseball, Inc. and Systems, as the same may be extended or renewed during the term (including any extended term) of the Management Agreement.

Section 1.8. "Concessions Contracts" means the Baseball Contracts, the Beach Contract, the Boston Concessions Contract and the Carolina Baseball Contract

Section 1.9. "Excluded Assets" means all of the following:

(a) All bank accounts and all cash, cash equivalents and marketable securities held by or on behalf of Sellers;

(b) All accounts and notes receivable, and all debts and obligations due to Sellers from their respective customers and others, howsoever evidenced, and whether or not previously written off;

(c) All obligations and loans and advances, due to any of Sellers as of the Closing from any and all employees of Sellers;

(d) All intercompany receivables, including all loans and advances between Sellers and between Sellers and SMI;

(e) All real property legally or beneficially owned by any of Sellers, including, without limitation, land, buildings, structures, installations, improvements and alterations located thereon, fixtures contained therein or located thereon, and appurtenances, water rights, easements and rights of way attached or appurtenant thereto, and all leasehold interests in real property;

(f) All warranties, claims, causes of action and defenses against third parties, other than against the respective sellers and/or suppliers with respect to the Equipment and the Inventory and other than against the other parties to the Contracts with respect to transactions or occurrences after the Closing;

(g) All coverages, rights, claims and proceeds under insurance policies of Sellers or under which Sellers are insured;

(h) All movable machinery, apparatus, furniture and fixtures, materials, supplies, motor vehicles, and other equipment of every type owned or leased by Sellers, other than the Equipment and the Inventory;

(i) All of Sellers' names, brand names, copyrights, patents, service marks, trademarks, trade names, trade secrets, secret processes or other confidential information or know-how and all registrations or application for registration of any of the foregoing, including

all of Sellers' rights in the name of "Finish Line" and "Finish Line Events", including but not limited to rights to sue for and remedies against past, present and future infringements thereof (collectively, the "Intellectual Property");

(j) All books and records, including without limitation all financial records, of the Business;

(k) All interests of Sellers in and to their telephone numbers, telephone lines, websites, domain names and email addresses;

(l) All refunds of Taxes and all claims for, and rights to claim refunds of, Taxes;

(m) All rights and benefits arising under any contract, lease or other agreement included in the Excluded Liabilities;

(n) All licenses, permits, franchises, certificates of authority or order, or any waiver of the foregoing, required to be issued by any governmental entity arising out of or relating to the Business, to the extent not held by any Seller or to the extent the transfer thereof is not permitted under Law;

(o) All rights and interests under the contractual dispute between Sellers and the Schaumburg Flyers and Alexian Field (other than any rights to the Equipment);

(p) All agreements, arrangements and relationships with sponsors at the Tracks;

(q) All inventories of paper goods, napkins, cups and other similar supplies bearing the name or logo of "Finish Line Events";

(r) All assets, properties, rights, privileges, claims and contracts of every kind and nature, personal, tangible and intangible, absolute or contingent, wherever located, owned by Sellers and used exclusively by the Lowes Club; and

(s) All other assets, properties, rights, privileges, claims and contracts listed on Schedule 1.9 hereto.

Section 1.10 "Management Agreement" means the Management Agreement to be executed contemporaneously herewith by and between SMI and Buyer, in the form attached hereto as Exhibit A.

Section 1.11. "Purchased Assets" means:

(a) All movable machinery, equipment, apparatus, furniture and fixtures listed on Schedule 1.11 hereto ("Equipment");

(b) All of the other assets, properties, rights, privileges, claims and contracts of every kind and nature, personal, tangible and intangible, absolute or contingent, wherever located,

owned by Sellers and used exclusively in the Business as currently conducted, other than the Excluded Assets, which other assets, properties, rights, privileges, claims and contracts shall include, but shall not be limited to:

(i) All raw materials, work in process and finished products, if any, goods (including paper goods) and office and other supplies and food and beverage products, including inventory held at any location controlled by Sellers exclusively in connection with the Business and inventory previously purchased and in transit to Sellers exclusively in connection with the Business (including the rights of Sellers to receive inventory previously purchased), but excluding any items described in Section 1.09(q) above, ("Inventory");

(ii) All of Seller's rights and interests (but specifically excluding liabilities unless included in the Assumed Liabilities) arising under or in connection with any contract, agreement, instrument or arrangement to which Seller is a party and which relate exclusively to the Business or other documents relating exclusively to the Business, including, without limitation, the Concessions Contracts ("Contracts");

(iii) All credits, deposits, prepaid expenses, deferred charges, advance payments, security deposits and prepaid items relating exclusively to the Business (collectively, "Prepaid Assets");

(iv) All leased, licensed or owned computer systems, information services systems, software, tapes and discs, manuals and other materials (in any form or medium), all software (payroll or otherwise) and communications systems used exclusively in connection with the Business and assumption of all related Contracts and services agreements thereunder, all advertising matter, price lists, customer lists, mailing lists, distribution lists, photographs, production data, dates and promotional materials, laboratory books, media materials and plates, all to the extent arising exclusively out of or relating exclusively to the Business; and

(v) All licenses, permits, franchises, certificates of authority or order, or any waivers of the foregoing, required to be issued by any governmental entity arising exclusively out of or relating exclusively to the Business, to the extent Sellers are the holders thereof and the transfer thereof is permitted under Law, including without limitation, all food, operational and liquor licenses owned and used by Sellers in the Business ("Permits and Licenses").

Section 1.12 "Track" means each and "Tracks" means all of the following facilities currently used as motor speedway race tracks: Atlanta Motor Speedway; Bristol Motor Speedway; Texas Motor Speedway; Las Vegas Motor Speedway; Lowes Motor Speedway (Charlotte); and Sears Point Raceway.

ARTICLE II

PURCHASE AND SALE OF THE PURCHASED ASSETS

Section 2.1. Purchase and Sale. On the terms and subject to the conditions hereof, at the Closing, Sellers shall sell, transfer and convey to Buyer, and Buyer shall purchase from Sellers, all right, title and interest of Sellers in and to the Purchased Assets for the consideration set forth in this Agreement. The Purchased Assets shall be sold, transferred and conveyed to Buyer free and clear of all liens, security interests or other encumbrances of any kind and character (collectively, "Encumbrances"), except Encumbrances for personal property, use and other ad valorem taxes not yet due and payable and Encumbrances securing the Assumed Liabilities (as hereafter defined). Sellers shall retain, and Buyer shall not purchase, the Excluded Assets. The sale, transfer and conveyance of the Assets will be made by execution and delivery by Sellers of one or more bills of sale in the form attached hereto as Exhibit B (the "Bill of Sale").

Section 2.2. Certain Taxes. The parties hereto agree that (a) any taxes (other than income taxes) attributable to the sale, transfer or conveyance of the Purchased Assets hereunder shall be paid by Buyer, and (b) any personal property, use and intangible taxes and/or assessments with respect to the Purchased Assets shall be prorated on a per diem basis and apportioned on the basis of the applicable tax year, with Sellers being liable for that portion of such taxes and assessments relating to, or arising in respect of periods on or prior to the Closing and Buyer being liable for that portion of such taxes and assessments relating to, or arising in respect of, any period after the Closing.

Section 2.3. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER UNDERSTANDS AND AGREES THAT IT IS ACQUIRING THE PURCHASED ASSETS AS IS WHERE IS. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH HEREIN, SELLERS MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE REGARDING THE ASSETS, THE ASSUMED LIABILITIES, THE BUSINESS, OR OTHERWISE, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 2.4 Management Agreement. Contemporaneously herewith, Buyer will execute and deliver the Management Agreement to SMI. Buyer and Sellers (on behalf of themselves and SMI) acknowledge that the Management Agreement shall not be effective until the Closing.

ARTICLE III

PURCHASE PRICE; ASSUMED LIABILITIES

Section 3.1. Purchase Price.

(a) The purchase price for the Purchased Assets (the "Purchase Price") shall be an aggregate amount of (i) * (the "Base Purchase Price"), plus (ii) the sum of (A) the Inventory Value (as defined below), plus (B) the Prepaid Assets Value (as defined below), minus (C) the Assumed Obligations Value (as defined below), plus (iii) the Concessions Payments (as defined below).

(b) The Base Purchase Price shall be paid to Systems, as agent for Sellers (the "Sellers' Agent"), in the amounts and at the times set forth below:

(i) one (1) installment of Ten Million Dollars ($10,000,000) shall be paid at Closing by wire transfer of immediately available funds to an account or accounts designated by Sellers' Agent; and

(ii) * installments of * each shall be paid at each annual anniversary of the Closing Date by wire transfer of immediately available funds to an account or accounts designated by Sellers' Agent.

(c) The Inventory Value, the Prepaid Assets Value and the Assumed Obligations Value shall, subject to adjustment as provided below, be determined based upon the books and records of Sellers and shall be set forth in a certificate of Sellers' Agent delivered to Buyer at the Closing, which certificate shall confirm Buyer's estimate of Inventory Value is in conformance with the definition of Inventory Value below. In the event that, pursuant to such certificate, the sum of the Inventory Value, plus the Prepaid Assets Value, minus the Assumed Obligations Value (collectively, the "Net Preliminary Values") is a positive number, the Buyer shall deliver such sum to the Sellers' Agent at the Closing. In the event that, pursuant to such certificate, the Net Preliminary Values is a negative number, the Sellers shall deliver such sum to Buyer at the Closing. During the thirty (30) day period after the Closing, Buyer and Sellers' Agent shall use commercially reasonable efforts to reach mutual agreement upon the final Inventory Value, Prepaid Assets Value and Assumed Obligations Value. If, based upon such mutual agreement, the sum of the Inventory Value, plus the Prepaid Assets Value, minus the Assumed Obligations Value (collectively, the "Net Final Values") is greater than (or less than) the Net Preliminary Values by more than five percent (5%), Buyer or Seller, as the case may be, shall pay to the other the amount by which the Net Final Values exceeds (or is less than) the Net Preliminary Values. The payments under this Subsection (c) shall be by wire transfer to an account or accounts designated by Sellers' Agent or Buyer, as the case may be.

* Confidential portion has been omitted and filed separately with the Commission.

(d) For purposes of this Agreement:

(i) "Inventory Value" means the value of the Inventory as of the close of business on the Closing Date. The basis for valuation of the Inventory will be the actual delivered cost to Sellers by suppliers or vendors (whether retail or wholesale). Only Inventory that (X) is saleable or usable in the ordinary course of business within reasonably acceptable shelf life, and (Y) is not broken bottles or opened cans (except open kegs of beer or open soda canisters) or perishable items, in each case only to the extent such items are not within a reasonably acceptable shelf life will be assigned a value.

(ii) "Prepaid Assets Value" means the value of any Prepaid Assets which have a monetary value as of the Closing Date.

(iii) "Assumed Obligations Value" means the value as of the Closing Date of (X) all of Sellers' ordinary course liabilities and obligations to their employees with respect to accrued and unpaid vacation, sick leave, bonuses and other similar items and (Y) any amounts received by Sellers relating to obligations to be performed by Buyer (as assignee of Sellers) following the Closing Date (such as deposits, gift certificates or prepaid items).

(e) After the Closing, Buyer shall pay to Sellers' Agent, by wire transfer to an account or accounts designated by Sellers' Agent from time to time, the following amounts:

(i) * percent (* %) of gross receipts under the respective Baseball Contracts (provided, however, the amount payable to Sellers' Agent with respect to the Cal Ripken Baseball Contract shall not exceed
* per year during the term of said Contract); for purposes of this Subsection (e), the term "gross receipts" means "Gross Revenue", "Gross Receipts", or other applicable expression of gross revenues under the respective Baseball Contracts, as more fully set forth in Schedule 3.1(e) attached hereto.

(ii) * percent (* %) of all gross receipts, including without limitation from concessions operations and catering operations, under the Beach Contract;

(iii) * percent (* %) of all compensation payable by Boston Concessions under the Boston Concessions Contract; and

(iv) * percent (* %) of the management fee payable under the Carolina Baseball Contract.

The amounts payable under this Subsection (e) are herein called the "Concessions Payments." The Concessions Payments will be paid to Sellers' Agent, by wire transfer to an account or accounts designated by Sellers' Agent, not later than the end of the month which next follows the month in which the applicable amounts are paid to Buyer under the Concessions Contracts. Such payment shall be accompanied by a statement (the "Statement") setting forth in reasonable detail the calculation of such payment. At any time during the term of the Management

* Confidential portion has been omitted and filed separately with the Commission.

Agreement, and for a period of one (1) calendar year thereafter, Sellers' Agent and its designated representatives (including outside accountants) shall have the opportunity, at their sole cost and expense (subject to the provisions set forth below), to inspect the books and records of Buyer to verify the figures contained in each Statement. In the event that Sellers' Agent disputes such figures, Sellers' Agent shall deliver a written notice of such dispute to Buyer ("Dispute Notice"). If Sellers' Agent and Buyer are unable to resolve such dispute within ninety (90) days following the delivery of the Dispute Notice, Sellers' Agent and Buyer shall immediately submit the dispute for resolution to a nationally recognized public accounting firm to be mutually agreed to by Sellers' Agent and Buyer (the "Accounting Firm"). The determination of Gross Receipts and the applicable payments hereunder made by the Accounting Firm after a full and complete inspection of Buyer's books and records shall be final and binding upon the parties. If the Accounting Firm determines that the computation of Gross Receipts or the applicable payments hereunder contained in any Statement is inaccurate, then either Sellers shall promptly pay to Buyer or Buyer shall promptly pay to Sellers, such amount as is necessary to reflect the adjustment of Gross Receipts or the applicable payments hereunder based upon the Accounting Firm's determinations (the "Adjusted Amount"). If the Accounting Firm determines that the computation of Gross Receipts or the applicable payments hereunder contained in any Statement, is understated by five percent (5%) or more, then, in addition to the Adjusted Amount, Buyer shall pay the entire cost of the Accounting Firm's engagement. In all other events, the cost of the Accounting Firm's engagement and the costs of Sellers' inspection of the books and records of Buyer shall be borne by Sellers.

Section 3.2. Assumption/Exclusion of Liabilities. Except for the Assumed Liabilities, as expressly provided herein, Buyer shall not assume any liabilities of Sellers, including but not limited to any liabilities (fixed or contingent, known or unknown) relating to the Business or the Purchased Assets (all such liabilities, other than the Assumed Liabilities, being the "Excluded Liabilities"). Effective upon the Closing, Sellers shall assign to Buyer, and Buyer shall assume and agree to pay, perform and discharge the liabilities and obligations listed or described on Schedule 3.2 hereto (collectively, the "Assumed Liabilities") pursuant to an Assumption Agreement in a form reasonably acceptable to Buyer and Sellers (the "Assumption Agreement"). At the Closing, Sellers shall transfer to Buyer all unfilled customer contracts entered into by Sellers, together with all deferred revenue with respect to such contracts. Buyer hereby agrees to perform such customer contracts, which shall be deemed to be included in the Assumed Liabilities.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers hereby represent and warrant to Buyer as follows:

Section 4.1. Organization. Each Seller is a limited liability company or corporation duly organized, validly existing and in good standing under the laws of the State of its organization or incorporation, as the case may be, with all requisite limited liability company or corporate, as the case may be, power and authority to own, lease and operate all of its properties

and assets and to carry out its business as it is presently conducted. Each Seller is duly qualified or authorized to do business as a foreign limited liability company or corporation, as the case may be, in good standing in all jurisdictions where it is required to be qualified or authorized to do business as foreign persons, except where the failure to be so qualified or authorized would not have a material adverse effect on such Seller or the Business conducted by it. True, correct and complete copies of the charter or organizational documents of each Seller as in effect on the date hereof have been delivered or made available to Buyer.

Section 4.2. Authority; Consents and Approvals. Seller has all requisite limited liability company or corporate, as the case may be, power and authority to execute, deliver and perform this Agreement, the Management Agreement (to the extent such Seller is a party thereto) and the Bill of Sale. The execution, delivery, and performance of each of this Agreement and the Bill of Sale by each Seller have been duly and validly authorized and approved by all necessary limited liability company or corporate, as the case may be, action of each Seller. Each of this Agreement and the Bill of Sale constitutes the legal, valid and binding obligation of each Seller enforceable against each Seller in accordance with its terms. The execution, delivery and performance of each of this Agreement and the Bill of Sale by each Seller will not (with or without the giving of notice or the passage of time, or both) (i) violate any applicable provision of Law or any rule or regulation of any federal, state or local administrative agency or governmental authority applicable to Seller, or any order, writ, injunction, judgment or decree of any court, administrative agency or governmental authority applicable to Seller, (ii) violate Seller's Articles of Organization or Operating Agreement or Articles of Incorporation or Bylaws, as the case may be, as each is amended to the date hereof, or (iii) result in the creation of any lien, claim, encumbrance or charge upon any of the Purchased Assets. Schedule 4.2 lists all governmental approvals and/or third party consents required to be obtained for Sellers to consummate the transactions contemplated by this Agreement. Except for matters identified in Schedule 4.2 as requiring that certain actions be taken by or with respect to a third party or governmental entity, the execution and delivery of this Agreement by each Seller and the performance of this Agreement and any related or contemplated transactions by each Seller will not require filing or registration with, or the obtaining of any consent or approval by, any other third party or governmental entity.

Section 4.3. Condition of Property; Leases.

(a) Except as otherwise specifically detailed on Schedule 4.3 to this Agreement, (i) each Seller has good title to the Purchased Assets owned by it, free and clear of any Encumbrances except for Encumbrances for personal property, use and other ad valorem taxes not yet due and payable and Encumbrances securing the Assumed Liabilities, and (ii) Seller has all limited liability company or corporate, as the case may be, rights, power and authority to sell, convey, assign, transfer and deliver the Purchased Assets to Buyer in accordance with the terms of this Agreement.

(b) (i) All material leasehold personal properties, if any, that constitute part of the Purchased Assets held by Seller as lessee are held under valid, binding and enforceable leases, subject only to such exceptions as are not, individually or in the aggregate, material to the Business.

(ii) Seller has heretofore delivered or made available to Buyer a true, correct and complete copy of each leasehold interest of personal property comprising a portion of the Purchased Assets, if any (each a "Lease"), together with all amendments, modifications, alterations and other changes thereto.

(iii) As of the date hereof, all conditions precedent to the enforceability of each Lease have been satisfied and there exists no breach or default, nor state of facts which, with the passage of time, notice, or both, would result in a breach or default on the part of Sellers or, to the knowledge of Sellers, the lessor thereunder.

Section 4.4. Compliance with Laws. Each Seller has conducted the Business, and all of the Purchased Assets are, in compliance in all material respects with all applicable federal, state and local laws, rules, regulations, and ordinances ("Laws"). No Seller has received any written notification, and

has no knowledge, of any threatened or asserted present failure by such Seller to comply with such Laws.

Section 4.5. Litigation. Except to the extent specifically detailed on Schedule 4.5, which is attached hereto and incorporated herein, no Seller is engaged in, nor is there pending or, to such Seller's knowledge, threatened, any action, dispute, claim, litigation, arbitration, investigation or other proceeding at law or in equity or before any governmental or other administrative agency which could materially and adversely affect any Seller's ability to perform any of its obligations hereunder or the transactions contemplated by this Agreement and the Bill of Sale.

Section 4.6. Brokers. No agent, broker, investment banker, or other person or entity acting on behalf of any Seller or under its authority is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, in connection with the transactions contemplated by this Agreement, other than such fee or commission the cost of which will be borne by Sellers.

Section 4.7 Financial Statements; Changes; Contingencies.

(a) Financial Statements. Schedule 4.7(a), attached hereto and incorporated herein are the unaudited annual balance sheet for Systems and certain unaudited statements of income of the Business as of December 31, 2000. Such statements of income present fairly the results of operations of the Business for the respective periods covered, and the balance sheet presents fairly the financial condition of Systems as of December 31, 2000. Such statements of income and balance sheet as presented have been included in the respective audited financial statements of SMI without alterations or further adjustments, which audited statements were prepared in accordance with generally accepted accounting principles consistently applied. Since December 31, 2000, there has been no change in any of the significant accounting policies, practices or procedures of any Seller. Notwithstanding the foregoing, Buyer acknowledges that the balance sheets referred to in this Section 4.7 (a) and in
Section 4.7(b) below reflect certain other assets and liabilities which are not Purchased Assets or Assumed Liabilities.

(b) Interim Financial Statements. Schedule 4.7(b), attached hereto and incorporated herein sets forth the unaudited balance sheet of Systems and certain income statements for the Business as of August 31, 2001. Such balance sheet presents fairly the financial condition of Systems as of that date and such income statements present fairly the results of operations of the Business as of that date. At the dates of such balance sheet and income statements, the Business did not have any material liability (actual, contingent or accrued) that, in accordance with the regular accounting principles and practices of Sellers, in accordance with those same accounting principles applied in Section 4.7(a) above, applied on a consistent basis, should have been shown or reflected therein but were not.

(c) No Material Adverse Changes. Except as set forth in Schedule
4.7(c) hereto, since August 31, 2001, whether or not in the ordinary course of business, there has not been, occurred or arisen:

(i) any change in or event affecting the Business, the Purchased Assets or the Assumed Liabilities that has had or may reasonably be expected to have a material adverse effect on the Business or the Purchased Assets or the Assumed Liabilities, other than changes or events of general industry-wide impact or changes or events affecting the United States economy generally;

(ii) any agreement, condition, action or omission that would be proscribed by (or require consent under) Section 6.3(c) had it existed, occurred or arisen after the date of this Agreement;

(iii) any strike or other labor dispute involving any employees of any Seller;

(iv) any casualty, loss, damage or destruction (whether or not covered by insurance) of any of the Purchased Assets that is in excess of applicable insurance coverage; or

(v) any material sponsorship, vendor or supplier agreement, other than sponsorship agreements with Coca-Cola at Las Vegas Motor Speedway and Atlanta Motor Speedway, which are currently in negotiations.

(d) No Other Liabilities or Contingencies. To the knowledge of Sellers, the Business has no material liabilities of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due, probable of assertion or not, except liabilities that (i) are reflected or disclosed in the most recent of the financial statements referred to in subsection (a) or (b) above, or (ii) were incurred after August 31, 2001 in the ordinary course of business, or (iii) are set forth in Schedule 4.7(d) hereto.

Section 4.8 Tax and Other Returns and Reports. The Business has filed or caused or will be caused to be filed in a timely manner (within any applicable extension periods) all Tax Returns required to have been filed by the Internal Revenue Code of 1986, as amended, or by applicable Laws, except for those with respect to which the failure to file would not have a material adverse effect on the Business after the Closing Date. All such filed Tax Returns are or will be complete and accurate in all material respects, except where the failure to be so will not

have a material adverse effect on the Business after the Closing Date. Except as set forth on Schedule 4.8, (i) all Taxes shown to be due on such Tax Returns have been or will be timely paid in full, and no tax liens have been filed, (ii) there is no audit examination, asserted deficiency or refund litigation or dispute with a taxing authority with respect to any Taxes of the Business that might reasonably be expected to result in a determination the effect of which would have a material adverse effect on the Business or each of their operations after the Closing Date, (iii) all Taxes of the Business due with respect to completed and settled examinations or concluded litigation have been paid or adequately reserved for, except where to do so will not have a material adverse effect on the Business after the Closing Date, (iv) the Business has not executed a presently effective waiver or extension of any statute of limitations on the assessment or collection of any Tax due, except where having done so will not have a material adverse effect on the Business after the Closing Date, and
(v) the Business has collected and withheld all material Taxes which they have been required to collect or withhold and have timely submitted all such collected and submitted amounts to the appropriate authorities, except where the failure to have done so will not have a material adverse effect on the Business after the Closing Date.

As used herein:

"Tax" means any foreign, federal, state, county or local income, sales

and use, excise, franchise, real and personal property, windfall profits, environmental, stamp, transfer, gross receipt, capital stock, production, business and occupation, disability, unemployment, employment, payroll, severance, registration, value added, alternative or add-on minimum, estimated or withholding tax or charge imposed by any governmental entity or agency, any interest and penalties (civil or criminal) related thereto or to the nonpayment thereof, and any loss in connection with the determination, settlement or litigation of any Tax liability.

"Tax Return" means a report, return, declaration, claim for relief or other information, including schedule attachments or amendments thereto, required to be supplied to a governmental entity or agency with respect to Taxes including, where permitted or required, combined or consolidated returns for any group of entities that includes any subsidiary.

Section 4.9 Assumed Liabilities. True, correct and complete copies of the agreements evidencing the Assumed Liabilities, including all amendments and supplements, have been delivered or made available to Buyer. Each such agreement evidencing the Assumed Liabilities is valid and existing. Sellers have duly performed all of their respective obligations thereunder to the extent that such obligations to perform have accrued. No material breach or default, alleged material breach or default, or event that would (with the passage of time, notice or both) constitute a material breach or default thereunder by any Seller (or, to the knowledge of Sellers, any other party or obligor with respect thereto), has occurred or as a result of this Agreement or its performance will occur. Except as set forth in Schedule 4.9, the consummation of the transactions contemplated by this Agreement will not (and will not give any person a right to) terminate or modify any rights of, or accelerate or augment any obligation of, Sellers.

Section 4.10 Insurance. Seller is, and at all times during the past three years has been, insured with reputable insurers against all risks customarily insured against by companies in similar lines of business, and all of the insurance policies maintained by Seller are in full force

and effect. Sellers have timely filed claims with its insurers with respect to all material matters and occurrences for which they believe they have coverage.

Section 4.11 Permits and Licenses. Except for permits and licenses held by Hospitality Catering, Inc. and Finish Line Events of Texas, Inc. and except as set forth on Schedule 4.11 hereto, Sellers hold all permits and licenses that are required by any governmental entity or agency to permit them to operate the Business as is now operated. All Permits and Licenses held by Sellers and, to the knowledge of Sellers, all permits and licenses held by Hospitality Catering, Inc. and Finish Line Events of Texas, are valid and in full force and effect. Except as set forth in Schedule 4.11, all Permits and Licenses are Purchased Assets. To the knowledge of Sellers, no suspension, cancellation or termination of any of such Permits and Licenses is threatened or imminent.

Section 4.12 Inventories. All inventories of Sellers (with respect to the Business) are, in the aggregate, of good merchantable quality, reasonable in balance, and do not exceed their reasonable shelf life (in the case of inventory held for sale) or are currently usable (in the case of other inventory) in the ordinary course of business. The value of obsolete, damaged or excess inventory and of inventory below standard quality has been written down on the most recent balance sheet delivered to Buyer pursuant to Section 4.7 or on the books and records of Sellers, to ascertainable market value, or adequate reserves described on such balance sheet have been provided therefor, and the value at which inventories are carried reflects the customary inventory valuation policies of Sellers (which fairly reflects the value of obsolete, spoiled or excess inventory) for stating inventory.

Section 4.13 Absence of Certain Business Practices. To the knowledge of Sellers, no Seller and no officer, employee or agent of any Seller, or any other person or entity acting on their behalf, has, directly or indirectly, given or agreed to give any gift or similar benefit to any customer, supplier, governmental employee or other person or entity who is or may be in a position to help or hinder the Business (or assist Seller in connection with any actual or proposed transaction relating to the Business) (i) which subjected Seller to any damage or penalty in any civil, criminal or governmental litigation or proceeding, or (ii) which, in case of a payment made directly or indirectly to an official or employee of any government or of an agency or instrumentality of any government, constitutes an illegal bribe or kickback (or, if made to an official or employee of a foreign government, is unlawful under the Foreign Corrupt Practices Act of 1977) or, in the case of a payment made directly or indirectly to a person other than an official or employee of a government or of an agency or instrumentality of a government, constitutes an illegal bribe, illegal kickback or other illegal payment under any applicable Law which subjects the payor to a criminal penalty or the loss of license or privilege to engage in a trade or business.

Section 4.14 [Intentionally Left Blank]

Section 4.15 Material Contracts. Schedule 4.15 details each Material Contract to which any Seller (with respect to the Business) is a party or to which such Seller (with respect to the Business) or any of its respective properties is subject or by which any thereof is bound. Unless otherwise so noted in Schedule 4.15, each such Material Contract was entered into in the ordinary course of business. For purposes of this Agreement, a "Material Contract" means a

Contract that (a) obligates any Seller to pay an amount of $75,000 or more during any twelve (12) month period, (b) has an unexpired term as of the Closing Date in excess of 2 years, (c) cannot be terminated by the respective Seller without penalty on less than 90 days notice, (d) provides for the extension of credit other than consistent with normal credit terms, (e) limits the ability of any Seller (as it relates to the Business) to conduct its business, including as to manner or place, (f) represents a Contract upon which the Business is substantially dependent or a Contract that is otherwise material to the Business, (g) was not made in the ordinary course of business, or (h) is one of the Concessions Contracts.

Section 4.16 Suppliers. Schedule 4.16 lists the names of and describes all Contracts with the ten most significant suppliers of the Business at the date of this Agreement (in terms of purchases year to date), and, to the knowledge of Sellers, any sole-source suppliers of significant goods or services (other than electricity, gas, telephone or water) to Sellers with respect to which alternative sources of supply are not readily available on comparable terms and conditions.

Section 4.17 Concerning the Purchased Assets. Sellers represent and warrant to Buyer that the Purchased Assets constitute all of the assets reasonably necessary for the operation of the Business as operated by Sellers as of the Closing, with the exception of (i) the Owner's Equipment (as defined in the Management Agreement); (ii) working capital; (iii) insurance policies; (iv) intellectual property; (v) licenses and permits not held by Sellers or, if held by Sellers, not transferable under applicable law; and (vi) services to be provided by SMI under the Management Agreement.

Section 4.18 No Misstatements or Omissions. To the knowledge of Sellers, no representation or warranty made by Sellers in this Agreement, and no statement of any Seller contained in any agreement, instrument, certificate or schedule furnished or to be furnished by such Seller pursuant hereto, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make such representation or warranty or such statement not misleading.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Sellers as follows:

Section 5.1. Organization. Buyer is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Illinois and has all requisite power and authority to own, lease and operate all of its properties and assets and to carry out its business as it is presently conducted. Buyer is duly qualified or authorized to do business as a foreign limited partnership in good standing in all jurisdictions where it is required to be qualified or authorized to do business as a foreign person, except where the failure to be so qualified or authorized would not have a material adverse effect on Buyer or its conduct of the Business after the Closing.

Section 5.2. Authority; Consents and Approvals. Buyer has all requisite limited partnership power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement by Buyer has been duly and validly authorized and approved by all necessary actions of its partners. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms. The execution, delivery and performance of this Agreement by Buyer will not (with or without the giving of notice or the passage of time or both) (i) violate any applicable provision of Law or any rule or regulation of any federal, state or local administrative agency or governmental authority applicable to Buyer, or any order, writ, injunction, judgment or decree of any court, administrative agency or governmental authority applicable to Buyer, (ii) violate Buyer's partnership agreement, (iii) require any consent under or constitute a default under, or violate any contract, agreement, indenture, mortgage, deed of trust, lease, license or other instrument to which Buyer is a party or by which it is bound, or any license, permit or certificate held by it, or (iv) require any consent of, approval by, notice to or registration with any governmental authority.

Section 5.3. Litigation. Buyer is not engaged in, nor is there pending or, to Buyer's knowledge, threatened, any action, dispute, claim, litigation, arbitration, investigation or other proceeding at law or in equity or before any governmental or other administrative agency which could materially and adversely affect Buyer's ability to perform any of its obligations hereunder or the transactions contemplated by this Agreement.

Section 5.4. Brokers. No agent, broker, investment banker or other person or entity acting on behalf of Buyer or under its authority is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, in connection with the transactions contemplated by this Agreement, other than such fee or commission the entire cost of which will be borne by Buyer.

Section 5.5. No Misstatements or Omissions. To the knowledge of Buyer, no representation or warranty made by Buyer in this Agreement, and no statement contained in any agreement, instrument, certificate or schedule furnished or to be furnished by the Buyer pursuant hereto, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make such representation or warranty or such statement not misleading.

ARTICLE VI

FURTHER AGREEMENTS

Section 6.1. Employees. Buyer shall offer employment to all employees of the Business who have been designated on a list prepared and delivered to Buyer prior to the date hereof and who are still employees of the Business as of the Closing. For the first year of employment, such offer of employment shall be upon substantially the same cash compensation terms as such employees have in their present employment with Sellers. Buyer shall provide such employees with benefits consistent with Buyer's existing benefits package for similarly

situated employees, and shall waive all waiting periods with respect to eligibility for such benefits. Buyer shall also provide such employees with credit for service with the Sellers for purposes of eligibility and vesting under Buyer's employee benefit plans and policies (including, by way of example and not limitation, vacation and sick leave benefits, other welfare benefits and retirement plan benefits). Sellers shall fully vest all accounts in Sellers'
401(k) Plan of all employees of the Business whose employment with the Sellers terminates in connection with the sale of the Purchased Assets pursuant to this Agreement. Buyer's obligation to offer employment to the employees of the Business shall not require Buyer to employ such employees for any particular length of time and if Buyer determines, in its sole discretion, to terminate any of Sellers' former employees, then Buyer shall be solely and exclusively responsible for any and all severance amounts paid to such terminated employees.

Section 6.2. Additional Actions. On and after the Closing Date, Sellers shall execute and deliver such documents and do and perform all such other acts as may reasonably be required by Buyer in order fully to convey and transfer to and vest in Buyer all of the assets, properties, business and rights of Seller intended to be assigned, transferred and conveyed pursuant hereto.

Section 6.3 Covenants. From the date of this Agreement until the Closing: ---------

(a) Access.

(i) Sellers will authorize and permit Buyer and its representatives to have reasonable access during normal business hours, upon reasonable notice and in such manner as will not unreasonably interfere with the conduct of their respective businesses, to all of their respective properties, books, records, operating instructions and procedures, and all other information with respect to the Business as Buyer may from time to time request, and to make copies of such books, records and other documents and to discuss their respective businesses with such third persons, including, without limitation, their respective directors, officers, employees, accountants, counsel, and creditors, as Buyer reasonably considers necessary or appropriate for the purposes of familiarizing itself with the Business, the Purchased Assets, the Assumed Liabilities, or the obtaining of any necessary approvals of or Permits and Licenses for the transactions contemplated by this Agreement and conducting an evaluation of the Business.

(ii) Buyer shall be solely responsible for all costs and expenses of its due diligence investigation. Buyer shall indemnify Sellers and hold Sellers harmless from and against any and all liabilities or obligations, or claims in respect thereof, with respect to any personal injury or property damage arising out of Buyer's due diligence investigation. Buyer and Sellers will maintain in confidence, and will cause their respective partners, stockholders, members, directors, employees, agents and advisors to maintain in confidence, any written, oral or other information obtained from the other party in connection with this Agreement or the transactions contemplated hereby, unless: (A) such information (including, but not limited to, ideas, concepts, know-how, techniques and

methodologies) (i) was previously known to Buyer, (ii) was independently developed by Buyer, (iii) was acquired by Buyer from a third party which was not, to Buyer's knowledge, under an obligation to Sellers not to disclose such information, or (iv) is or becomes publicly available through no breach by Buyer of this Agreement; or (B) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the transactions contemplated hereby. In the event that the transactions contemplated hereby are not consummated, each party shall return or destroy as much of such written information as the other party may reasonably request. In the event Buyer receives a subpoena or other administrative or judicial process requesting any information for which Buyer has a duty of confidentiality hereunder, Buyer shall notify Sellers' Agent of such receipt to allow Sellers' Agent an opportunity to prevent disclosure of such information. Buyer shall thereafter be entitled to comply with such subpoena or other process to the extent required by law.

(iii) Except as may be required by Law or the rules of the New York Stock Exchange or as necessary in connection with the transactions contemplated hereby, no party hereto shall (a) make any press release or other public announcement relating to this Agreement or the transactions contemplated hereby, without the prior approval of the other parties hereto or (b) otherwise disclose the existence and nature of negotiations regarding the transactions contemplated hereby to any person or entity other than such party's accountants, attorneys, agents and representatives, all of whom shall be subject to this nondisclosure obligation as agents of such party. Notwithstanding the foregoing, the parties shall use commercially reasonable efforts to cooperate with each other in the preparation and dissemination of any public announcements of the transactions contemplated by this Agreement.

(b) Material Adverse Changes; Reports; Financial Statements.

(i) Sellers will promptly notify Buyer of any event of which Sellers obtain knowledge (A) that has had or could reasonably be expected to have a material adverse effect on the Business or any of the Purchased Assets, or Assumed Liabilities, other than events of general industry-wide impact or events affecting the United States economy generally, or (B) that if known as of the date hereof would have been required to be disclosed to Buyer by the terms of this Agreement.

(ii) Sellers will furnish to Buyer (i) copies of all portions of all material reports, renewals, filings, certificates, statements and other documents filed with any governmental entity or agency with respect to the Business, except for such reports as are publicly available through the internet or other on-line access, and (ii) such other reports as Buyer may reasonably request relating to Sellers (with respect to the Business).

(c) Conduct of Business. Sellers will not without the prior consent in writing of Buyer:

(i) conduct the Business except in the ordinary course substantially as now conducted;

(ii) except as contemplated under this Agreement, amend or terminate, or renegotiate any Material Contract or default (or take or omit to take any action that with or without the giving of notice or passage of time or both, would constitute a default) in any of its material obligations under any Material Contract or enter into any new Material Contract (other than Baseball Contracts with Cal Ripken Baseball or the Tulsa Drillers and sponsorship agreements with Coca Cola at the Atlanta Motor Speedway and Las Vegas Motor Speedway);

(iii) terminate or fail to renew any existing insurance coverage, which termination or failure would, as of the Closing, constitute a breach of the representation and warranty contained in Section 4.10 above;

(iv) terminate, amend or fail to renew or preserve any Permits or Licenses;

(v) grant any general or uniform increase in the rates of pay or benefits to officers, directors or employees (or a class thereof) or any increase in salary or benefits of any officer, director, employee or pay any bonus to any person, except in the ordinary course of business consistent with past practices;

(vi) sell, transfer, mortgage, encumber or otherwise dispose of any of the Purchased Assets and Assumed Liabilities, except in the ordinary course of business;

(vii) make special or extraordinary payments to any person or entity which would have a material adverse effect upon the Purchased Assets, the Assumed Liabilities or the conduct of the Business, in any case after the Closing;

(viii) make any material investment, by purchase, contribution to capital, property transfer, or otherwise, in any other person or entity;

(ix) agree or otherwise commit to make any capital expenditures with respect to the Business of more than $10,000 individually or $25,000 in the aggregate; or

(x) agree to or make any commitment to take any action that is or would be prohibited by this Section 6.3(c).

(d) Notification of Certain Matters. Sellers shall give prompt notice to Buyer, and Buyer shall give prompt notice to Sellers, of (i) the occurrence, or failure to occur, of

any event that would be likely to cause any of their respective representations or warranties contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the Closing Date and (ii) any failure on their respective parts to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under this Agreement.

(e) Permits and Approvals; Third-Party Consents.

(i) Buyer shall use its commercially reasonable efforts, at Buyer's sole expense, to obtain (and will promptly prepare all registrations, filings and applications, requests and notices preliminary to obtaining all) approvals and permits and licenses (including, to the extent lawfully transferable, the transfer of the Permits and Licenses) that may be necessary for Buyer to consummate the transactions contemplated by this Agreement and to enable Buyer to operate the Business after Closing in accordance with Law, and Sellers shall use their commercially reasonable efforts to cooperate with Buyer with respect to the foregoing, including, where applicable, using commercially reasonable efforts to cause the holders thereof to surrender or relinquish liquor licenses at the Tracks and other areas served under the Concessions Contracts.

(ii) To the extent that the approval of a third party with respect to any Material Contract is required in connection with the transactions contemplated by this Agreement, Sellers shall use their commercially reasonable efforts, at Sellers' sole expense, to obtain such approval before the Closing Date, and Buyer shall use its commercially reasonable efforts to cooperate with Sellers with respect to the foregoing.

(f) Preservation of Business Before Closing Date. During the period beginning on the date hereof and ending on the Closing Date, Sellers will use reasonable commercial efforts to preserve the Business and to preserve the goodwill of customers, suppliers and others having business relations with Sellers (with respect to the Business).

(g) Access by Sellers After the Closing. Buyer hereby agrees that Sellers, their respective employees and representatives, shall have reasonable access to the Purchased Assets and Assumed Liabilities after the Closing for any legitimate purpose, such as (by way of example and not by limitation) for preparation of Tax Returns and the defense of any claims.

(h) Access by Buyer After the Closing. Sellers hereby agree that Buyer, its employees and representatives, shall have reasonable access to the books and records of Sellers after the Closing for any legitimate purpose, such as (by way of example and not by limitation) the preparation of Tax Returns and the defense of any claims.

ARTICLE VII

CONDITIONS PRECEDENT

Section 7.1 General Conditions. The obligations of all the parties to effect the Closing shall be subject to the following conditions unless waived in writing by all parties:

(a) No Orders; Legal Proceedings. No Law or order shall have been enacted, entered, issued, promulgated or enforced by any governmental entity or agency, nor shall any action or proceeding before a court or other governmental agency or body have been instituted and remain pending at what would otherwise be the Closing Date, that prohibits or restricts, or seeks to prohibit or restrict, the transactions contemplated by this Agreement or which would not permit the Business as presently conducted by Sellers to be continued by Buyer after the Closing Date substantially unimpaired. No governmental entity or agency shall have notified any party to this Agreement that consummation of the transactions contemplated by this Agreement would constitute a violation of any Laws of any jurisdiction and/or that it intends to commence proceedings to restrain or prohibit such transactions or force divestiture or rescission, unless such governmental entity or agency shall have withdrawn such notice and abandoned any such proceedings prior to the Closing.

(b) Approvals; Consents. All permits, licenses and approvals required to be obtained from any governmental entity or agency (including, to the extent lawfully transferable, the transfer of the Permits and Licenses), and the consents of all necessary parties under the Concessions Contracts and other Material Contracts, shall have been received or obtained on or before the Closing Date.

(c) Employment Agreements. Buyer shall have entered into Employment Agreements with each of the following individuals, each in form and substance satisfactory to Buyer and Sellers:

(i) * ;
(ii) * ; and
(iii) *

Section 7.2 Conditions to Obligations of Buyer. In addition to the conditions set forth in Section 7.1 above, the obligations of Buyer to effect the Closing shall be subject to the following conditions except to the extent waived in writing by Buyer:

(a) Representations and Warranties and Covenants of Sellers. The representations and warranties of Sellers herein contained shall be true and correct in all material respects (except for such representations and warranties which, by their terms, are qualified by materiality, which shall be true and correct) at the Closing Date with the same effect as though made at such time; Sellers shall have performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by them at or before the Closing, and Sellers shall have delivered to Buyer a certificate of Sellers in form and substance satisfactory to Buyer, dated the Closing Date and signed by an executive officer of each Seller to such effect.

(b) No Material Adverse Change. There shall not have been any material adverse change in or affecting the Business, any of the Purchased Assets or Assumed Liabilities or Concessions Contracts subsequent to the date of this Agreement, except for any changes of general industry-wide impact or any changes affecting the United States economy generally.

(c) Resolutions. Buyer shall have received duly authorized resolutions of the boards of directors or managers of each Seller authorizing the transactions contemplated in this Agreement.

(d) Approvals; Consents. Sellers shall have obtained and provided to Buyer evidence of the receipt of all required approvals and consents listed on Schedule 4.2, each in form and substance satisfactory to Buyer and containing no conditions Buyer reasonably deems to be materially adverse or restrictive.

(e) Closing Deliveries. Sellers shall have delivered, or caused to be delivered, to Buyer at the Closing instruments of transfer legally sufficient to deliver title to the Purchased Assets, including, without limitation, a Bill of Sale executed by Sellers in the form attached hereto as Exhibit B.

* Confidential portion has been omitted and filed separately with the Commission.

7.3 Conditions to Obligations of Sellers. In addition to the conditions set forth in Section 7.1 above, the obligations of Sellers to effect the Closing shall be subject to the following conditions, except to the extent waived in writing by Sellers' Agent:

(a) Representations and Warranties and Covenants of Buyer. The representations and warranties of Buyer herein contained shall be true and correct in all material respects (except for such representations and warranties which, by their terms, are qualified by materiality, which shall be true and correct) at the Closing Date with the same effect as though made at such time; Buyer shall have performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by it at or before the Closing, and Buyer shall have delivered to Sellers a certificate of Buyer in form and substance satisfactory to Sellers' Agent, dated the Closing Date and signed by an executive officer of Buyer, to such effect.

(b) Authorizations. Sellers' Agent shall have received reasonably satisfactory evidence of the authority of Buyer authorizing the transactions contemplated in this Agreement.

(c) Approvals; Consents. All necessary notices to, consents of, and filings with, any governmental authority or agency or other third party, including the required approvals and consents listed on Schedule 4.2, relating to the consummation of the Closing or the other transactions contemplated herein to be made or obtained by any party shall have been obtained and made.

(d) Payment of Purchase Price; Assumption Agreement. Buyer shall have satisfied and paid the Purchase Price at Closing pursuant to Section 3.1 and shall have executed and delivered the Assumption Agreement.

ARTICLE VIII

INDEMNIFICATION

Section 8.1. Indemnification by Sellers. Sellers shall indemnify and save Buyer and its subsidiaries, partners, officers, employees, agents, successors and assigns (collectively, "Buyer Indemnitees") harmless from, against, for and in respect of any and all damages, losses and expenses (including reasonable attorneys' fees and expert witness fees) incurred or required to be paid by any Buyer Indemnitee (collectively, "Buyer's Losses") because of (a) the untruth, inaccuracy or breach of any representation or warranty of any Seller contained in this Agreement or in any certificate delivered hereunder; (b) the breach of any agreement or covenant of any Seller contained in or made in connection with this Agreement; (c) the failure of any Seller to perform or observe any term, provision, covenant or agreement hereunder; and/or (d) any liabilities or obligations arising from or relating to the conduct of the Business prior to the Closing, including the Excluded Liabilities.

Section 8.2. Indemnification by Buyer. Buyer shall indemnify and save Sellers and their respective subsidiaries, stockholders, officers, directors, members, managers, employees, agents, successors and assigns (collectively, "Seller Indemnitees") harmless from, against, for and in respect of any and all damages, losses and expenses (including reasonable attorneys' fees and expert witness fees) incurred or required to be paid by any Seller Indemnitee (collectively, "Seller Losses") because of (a) the untruth, inaccuracy or breach of any representation or warranty of Buyer contained in this Agreement or in any certificate delivered hereunder; (b) the breach of any agreement or covenant of Buyer contained in or made in connection with this Agreement; (c) the failure of Buyer to perform or observe any term, provision, covenant or agreement hereunder; and/or (d) any liabilities or obligations arising from or relating to Buyer's conduct of the Business after the Closing, including the Assumed Liabilities.

Section 8.3. Certain Limitations.

(a) The indemnification obligations under Sections 8.1(a) and 8.2(a) above shall terminate on the second anniversary of the Closing, except that they shall continue thereafter with respect to any claims for indemnification made in writing under said Sections prior to such second anniversary. The remaining indemnification obligations under Sections 8.1 and 8.2 above shall terminate upon the running of the applicable statutes of limitations, except that they shall continue thereafter with respect to any claims for indemnification made in writing prior to the running of the applicable statutes of limitations.

(b) If any party to this Agreement becomes aware of or receives notice of any third party claim or the commencement of any third party action or proceeding with respect to which another party (the "Indemnitor") is obligated to provide indemnification under this Article VIII, the party entitled to indemnification (the "Indemnitee") shall promptly give the Indemnitor notice thereof. The failure to give such notice promptly shall not be a condition precedent to any liability of the Indemnitor under the provisions for indemnification contained in this Agreement, unless (and only to the extent that) failure to give such notice promptly materially prejudices the rights of the Indemnitor with respect to such claims, actions, or proceedings. The Indemnitor may compromise or defend, at the Indemnitor's own expense, and by the Indemnitor's own counsel reasonably acceptable to the Indemnitee, any such matter involving the asserted liability of the Indemnitee; provided, however, that no compromise or settlement thereof may be effected by the Indemnitor without the Indemnitee's consent (which shall in any event not be unreasonably withheld or delayed); and further provided that an Indemnitor may not undertake the defense of any such third party claim unless (i) the claim is solely for monetary damages, and (ii) the Indemnitor confirms in writing to the Indemnitee (and to such third party), prior to undertaking such defense or prior to making such compromise or settlement, that the matter concerning indemnification is indemnifiable by the Indemnitor. If the Indemnitor elects not to compromise or defend such matter or if the Indemnitor may not undertake the defense of such third party claim, then the Indemnitee, at the Indemnitor's expense and by the Indemnitee's own counsel, may defend such matter, but regardless of whether or not the Indemnitor elects to assume the defense of any such matter the Indemnitee may not compromise the defense thereof without the prior written consent of the Indemnitor, which consent shall not be unreasonably withheld or delayed. In any event, the Indemnitee, the Indemnitor and the Indemnitor's counsel (and, if applicable, the Indemnitee's counsel) shall cooperate in the compromise of, or the

defense against, any such asserted liability. If the Indemnitor chooses to defend any claim, the Indemnitee shall make available to the Indemnitor any books, records, or other documents within its control that are reasonably necessary or appropriate for such defense. The foregoing indemnity procedures shall not be read as a limitation on either party's right to seek indemnification under this Article VIII for matters other than third party initiated claims or demands.

(c) No Buyer Indemnitee pursuant to Section 8.1 above shall be entitled to any recovery for any Buyer Losses suffered by such Buyer Indemnitee as a result of a breach of a representation and warranty hereunder by Sellers, unless and until the aggregate amount of all Buyer Losses suffered by all Buyer Indemnitees as a result of all breaches of representations and warranties hereunder exceeds a cumulative aggregate total of $50,000, in which event the Buyer Losses may be claimed from first dollar. The aggregate total liability of Sellers under this Article VIII, insofar as such liability is based upon a breach of the representations and warranties contained in Section 4.12 (Inventories), shall not exceed fifty thousand dollars ($50,000), and Buyer shall have no claim for indemnification with respect to any breach of the representations and warranties contained in said Section 4.12 to the extent that the matter upon which such claim is based was reflected in an adjustment to the Inventory Value pursuant to Section 3.1(c) above. Absent a showing of fraud by a party, and assuming the Closing has occurred, the indemnification obligation of a party under this Article VIII shall be the sole remedy of any other party against such party for monetary damages for breach of any representation or warranty or covenant contained in this Agreement. Nothing herein shall limit a party's right to seek injunctive or other equitable relief in connection with the enforcement of this Agreement.

(d) Notwithstanding anything in this Agreement to the contrary, neither Sellers nor Buyer shall be entitled to seek, claim, or collect punitive damages. Accordingly, Sellers and Buyer hereby expressly waive any right to seek, claim, or collect any punitive damages in connection with, or related to, a breach or violation of this or any other agreement entered into between Sellers and Buyer. *

ARTICLE IX

NONCOMPETITION

* Confidential portion has been omitted and filed separately with the Commission.

Section 9.1 Non-Competition. Each Seller agrees that it will not at any time during the term of the Management Agreement, directly or indirectly enter into any relationship whereby such Seller provides, manages, operates or consults on, for, or to any food and beverage service of the kind covered by the Management Agreement or the Concessions Contracts, including, but not limited to, baseball stadium and parks, motor speedways (similar to the Tracks), arenas, concert venues, and catering anywhere within the United States. Each Seller agrees that the restrictions placed upon it by this Section 9.1 are reasonable and that there has been sufficient consideration promised to it under this Agreement to support these restrictions.

Section 9.2 Relief. Each Seller acknowledges that Buyer will be irreparably injured if the provisions of Section 9.1 are not specifically enforced; and, therefore, if any Seller fails faithfully to keep and perform every agreement of Section 9.1, Buyer may specifically enforce such covenant of non-competition, by injunction in equity, in addition to any other remedies it may have. If any portion of Section 9.1 is invalid or unenforceable, such invalidity or unenforceability will in no way affect the validity or enforceability of any other portion. If any court in which Buyer seeks to have the provisions of Section 9.1 specifically enforced determines that the time or geographical area specified are too broad, such court may determine a reasonable time or geographical area and specifically enforce Section 9.1 for such time in such geographical area.

ARTICLE X

MISCELLANEOUS

Section 10.1. Bulk Sales. Buyer and Seller hereby waive compliance with the requirements of all applicable bulk sales or other similar laws with respect to the transactions contemplated hereby; provided, however, that Sellers shall indemnify and save Buyer harmless from any losses or liabilities occurring as a result of such waiver.

Section 10.2. Termination.

(a) This Agreement may be terminated at any time prior to the Closing:

(i) By mutual written consent of Buyer and Sellers' Agent;

(ii) By Buyer prior to the Closing Date Deadline in the event of any breach by Sellers of any of their material representations, warranties, covenants or agreements contained herein, and such breach has not been cured promptly after written notice by Buyer to Sellers' Agent;

(iii) By Sellers' Agent prior to the Closing Date Deadline in the event of any breach by Buyer of any of its material representations, warranties, covenants or agreements contained herein, and such breach has not been cured promptly after written notice by Seller to Buyer;

(iv) At any time after the Closing Date Deadline by written notice by Buyer or Sellers' Agent to the other party hereto if the Closing shall not have been completed on or before the Closing Date Deadline;

provided, however, no party may terminate this Agreement pursuant to clauses (ii), (iii) or (iv) above if such party is in breach of any of its material covenants, representations or warranties contained herein.

(b) In the event of termination of this Agreement pursuant to Section 10.1(a), this Agreement shall be of no further force or effect; provided, however, that any termination pursuant to Section 10.1(a) shall not relieve any party hereto of any liability for breach of any material representation, warranty, covenant or agreement hereunder occurring prior to such termination; provided further, however, that the obligations of the parties contained in Section 10.11 (Expenses) shall survive any such termination.

Section 10.3. Entire Understanding, Waiver, Etc. This Agreement (including all schedules and exhibits attached hereto) sets forth the entire understanding of the parties and supersedes any and all prior or contemporaneous agreements, arrangements and understandings relating to the subject matter hereof, and the provisions hereof may not be changed, modified, waived or altered except by an agreement in writing signed by the parties hereto. A waiver by any party of any of the terms or conditions of this Agreement, or of any breach thereof, shall not be deemed a waiver of such term or condition for the future, or of any other term or condition hereof, or of any subsequent breach thereof.

Section 10.4. Severability. If any provision of this Agreement or the application of such provision shall be held by a court of competent jurisdiction to be unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

Section 10.5. Successors and Assigns. Neither this Agreement nor any of the rights or obligations arising hereunder shall be assignable without the prior written consent of the parties hereto. No assignment shall be effective to release or otherwise discharge, limit or otherwise affect the assignor's obligations hereunder. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, shall confer upon any person or entity, other than the parties hereto, and their successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

Section 10.6. Schedules and Exhibits. The schedules and exhibits attached hereto shall form a part of this Agreement and are hereby incorporated into this Agreement by reference.

Section 10.7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

Section 10.8. Construction of Terms. The parties to this Agreement acknowledge that each party and counsel to each party has participated in the drafting of this Agreement and agree

that this Agreement shall not be interpreted against one party or the other based upon who drafted it.

Section 10.9. Governing Law. This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of North Carolina applicable to agreements made and to be performed in that State.

Section 10.10 Notices.

(a) All notices, requests, and communications required or permitted hereunder shall be in writing and shall be sufficiently given, and deemed to have been received, upon personal delivery or by confirmed facsimile or, if mailed or sent by nationally recognized overnight courier service, upon the first to occur of (i) actual receipt as evidenced by written receipt for certified or registered mail or a nationally recognized overnight courier service, or (ii) refusal of delivery or notification by the United States Postal Service (or nationally recognized overnight courier service) to the sending party that the notice, request, or communication is not deliverable at the address of the receiving party set forth below:

If to Sellers:	Speedway Systems LLC 5725-E Concord Parkway South Concord, North Carolina 28207 Attention: Donnie Bobbitt Executive Vice President Facsimile: (704) 455-4415
With a copy to:	Speedway Motorsports, Inc. P.O. Box 18747 Charlotte, North Carolina 28218 Attention: William R. Brooks Vice President and Chief Financial Officer Facsimile: (704) 532-3312
If to Buyer:	Lawrence F. Levy Chairman Levy Restaurants 980 North Michigan Avenue Suite 400 Chicago, Illinois 60611 Facsimile: (312) 280-2739

-OR-

Andrew Lansing
President
Levy Restaurants
980 North Michigan Avenue
Suite 400
Chicago, Illinois 60611
Facsimile: (312) 280-2739

With a copy to: Levy Restaurants
980 North Michigan Avenue
Suite 400
Chicago, Illinois 60611
Attention: General Counsel
Facsimile: (312) 280-2739

(b) Notice of a change in address or facsimile number of one of the parties shall be given in writing to the other parties as provided above, but shall be effective only upon actual receipt.

Section 10.11 Expenses. Sellers and Buyer shall each pay their own expenses incident to the negotiation, preparation and performance of this Agreement and the transactions contemplated hereby, including but not limited to the fees, expenses and disbursements of their respective accountants and counsel and of securing third-party consents and approvals required to be obtained by them, and the fees and commissions of any brokers or finders engaged by any of them.

Section 10.12. Headings. The Article and Section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 10.13. Construction. This Agreement shall be construed equitably, in accordance with its terms, without regard to the degree which Sellers or Buyer, or their respective legal counsel, have participated in the drafting of this Agreement.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

SELLERS:

SPEEDWAY SYSTEMS LLC

By: /s/ O. BRUTON SMITH
Name: O. Bruton Smith
Title: CEO

CHARLOTTE MOTOR SPEEDWAY, LLC

By: /s/ O. BRUTON SMITH
Name: O. Bruton Smith
Title: CEO

TEXAS MOTOR SPEEDWAY, INC.

By: /s/ O. BRUTON SMITH
Name: O. Bruton Smith
Title: President

BRISTOL MOTOR SPEEDWAY, INC.

By: /s/ O. BRUTON SMITH
Name: O. Bruton Smith
Title: President

BUYER:

LEVY PREMIUM FOODSERVICE LIMITED
PARTNERSHIP, an Illinois limited
partnership

By: /s/ ROBERT E. SEIFFERT
Name: Robert E. Seiffert
Title: Treasurer of its General
Partner

Exhibit 10.15

(CONFIDENTIAL PORTIONS HAVE BEEN OMITTED, AS INDICATED BY "*", AND FILED
SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION)

AMENDMENT NUMBER 1 TO
ASSET PURCHASE AGREEMENT

THIS AMENDMENT NUMBER 1 (this "Amendment") TO THE ASSET PURCHASE AGREEMENT

is made and entered into as of the 31st day of January, 2002, by and between SPEEDWAY SYSTEMS LLC, a North Carolina limited liability company d/b/a "Finish Line Events" ("Systems"), CHARLOTTE MOTOR SPEEDWAY, LLC, a Delaware limited liability company ("Charlotte"), TEXAS MOTOR SPEEDWAY, INC., a Texas corporation ("Texas"), and BRISTOL MOTOR SPEEDWAY, INC., a Tennessee corporation ("Bristol"
and, together with Systems, Charlotte and Texas, collectively, "Sellers" and each, individually, a "Seller"), and LEVY PREMIUM FOODSERVICE LIMITED PARTNERSHIP, an Illinois limited partnership ("Buyer").

RECITALS

WHEREAS, Sellers and Buyer entered an Asset Purchase Agreement dated November 29, 2001 (the "Asset Purchase Agreement");

WHEREAS, the Asset Purchase Agreement contemplated a "Closing Date Deadline" of January 31, 2002, which may not be attainable due to the parties not being able to receive all necessary consents and licenses required under
Section VIII of the Asset Purchase Agreement;

WHEREAS, the parties wish to close the Asset Purchase Agreement no later than February 28, 2002; and

WHEREAS, the parties wish to make certain amendments to the Asset Purchase Agreement with respect to the Boston Concessions Contract and the Equipment (as hereinafter defined) located in Illinois.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged by Sellers and Buyer, the parties hereto agree as follows:

1. Concerning the Closing Date Deadline. The current Section 1.5 of the Asset Purchase Agreement shall be deleted and replaced in its entirety as follows:

"Section 1.5. "Closing" means the consummation and effectuation of the transactions contemplated herein pursuant to the terms and conditions of the Agreement which shall be held in the offices of Sellers on such date and time as is reasonably agreed by the parties hereto provided that all conditions to Closing have been satisfied or duly

waived at such time. The Closing shall be deemed effective as of the close of business on the Closing Date, but in all events shall occur no later than February 28, 2002 (the "Closing Date Deadline")."

2. Concerning the Boston Concessions Contract.

(a) Schedule 1.9 (Excluded Assets) to the Asset Purchase Agreement is hereby amended in its entirety to read in accordance with Schedule 1.9 attached hereto, and Schedule 3.2 (Assumed Liabilities) to the Asset Purchase Agreement is hereby amended in its entirety to read in accordance with Schedule 3.2 attached hereto.

(b) In the event that Bristol is obligated, in accordance with Paragraph 1 of Section I of the Boston Concessions Contract, to purchase any further equipment, Buyer shall be obligated to reimburse Bristol for the cost of such equipment. Upon receipt of such reimbursement for any purchased equipment, Bristol shall transfer title to such equipment to Buyer, free and clear of all Encumbrances other than Encumbrances for personal property, use and other ad valorem taxes not yet due and payable and Encumbrances securing the Assumed Liabilities. All such equipment shall be deemed to be "Manager's Equipment" for purposes of the Management Agreement. Bristol will consult with Buyer prior to purchasing any such equipment. Upon the reasonable request of Buyer in writing, Bristol shall enforce against Boston Concessions Bristol's rights under the Boston Concessions Contract.

(c) Paragraph (e) of Section 3.1 is hereby amended in its entirety, and a new paragraph (f) of Section 3.1 is hereby added, all as follows:

(e) After the Closing, Buyer shall pay to Sellers' Agent, by wire transfer to an account or accounts designated by Sellers' Agent from time to time, the following amounts:

(i) * percent (* %) of gross receipts under the respective Baseball Contracts (provided, however, the amount payable to Sellers' Agent with respect to the Cal Ripken Baseball Contract shall not exceed * per year during the term of said Contract); for purposes of this Subsection (e), the term "gross receipts" means "Gross Revenue", "Gross Receipts", or other applicable expression of gross revenues under the respective Baseball Contracts, as more fully set forth in Schedule 3.1(e) attached hereto.

(ii) * percent (* %) of all gross receipts, including without limitation from concessions operations and catering operations, under the Beach Contract; and

(iii) * percent (* %) of the management fee payable under the Carolina Baseball Contract.

* Confidential portion has been omitted and filed seprately with the Commission.

The amounts payable under this Subsection (e) are herein called the "Concessions Payments." The Concessions Payments will be paid to Sellers' Agent, by wire transfer to an account or accounts designated by Sellers' Agent, not later than the end of the month which next follows the month in which the applicable amounts are paid to Buyer under the Concessions Contracts. Such payment shall be accompanied by a statement (the "Statement") setting forth in reasonable detail the calculation of such payment. At any time during the term of the Management Agreement, and for a period of one (1) calendar year thereafter, Sellers' Agent and its designated representatives (including outside accountants) shall have the opportunity, at their sole cost and expense (subject to the provisions set forth below), to inspect the books and records of Buyer to verify the figures contained in each Statement. In the event that Sellers' Agent disputes such figures, Sellers' Agent shall deliver a written notice of such dispute to Buyer ("Dispute Notice"). If Sellers' Agent and Buyer are unable to resolve such dispute within ninety (90) days following the delivery of the Dispute Notice, Sellers' Agent and Buyer shall immediately submit the dispute for resolution to a nationally recognized public accounting firm to be mutually agreed to by Sellers' Agent and Buyer (the "Accounting Firm"). The determination of Gross Receipts and the applicable payments hereunder made by the Accounting Firm after a full and complete inspection of Buyer's books and records shall be final and binding upon the parties. If the Accounting Firm determines that the computation of Gross Receipts or the applicable payments hereunder contained in any Statement is inaccurate, then either Sellers shall promptly pay to Buyer or Buyer shall promptly pay to Sellers, such amount as is necessary to reflect the adjustment of Gross Receipts or the applicable payments hereunder based upon the Accounting Firm's determinations (the "Adjusted Amount"). If the Accounting Firm determines that the computation of Gross Receipts or the applicable payments hereunder contained in any Statement, is understated by five percent (5%) or more, then, in addition to the Adjusted Amount, Buyer shall pay the entire cost of the Accounting Firm's engagement. In all other events, the cost of the Accounting Firm's engagement and the costs of Sellers' inspection of the books and records of Buyer shall be borne by Sellers.

(f) After the Closing, Bristol shall pay to Buyer, by wire transfer to an account or accounts designated by Buyer,
* percent (* %) of all compensation payable by Boston Concessions to Bristol under the Boston Concessions Contract. Such payments by Bristol shall be made not later than the end of the month which next

* Confidential portion has been omitted and filed seprately with the Commission.

under the Boston Concessions Contract. Each of such payments by Bristol shall be accompanied by a statement (the "Boston Statement") setting forth in reasonable detail the calculation of such payment. The Subsection 3.1(e) above shall be applicable mutatis mutandis to Buyer's right to inspect Bristol's books and records, and dispute Bristol's figures, with respect to each Boston Statement.

3. Concerning the Equipment in Illinois. Schedule 4.3 (Encumbrances) to

the Asset Purchase Agreement is hereby amended in its entirety to read in accordance with Schedule 4.3 attached hereto. Buyer agrees that the sale of the Purchased Assets under the Asset Purchase Agreement is subject to the matters set forth in said Schedule 4.3.

4. Concerning Schedule 4.5. Schedule 4.5 (Litigation) is hereby amended to read in its entirety in accordance with Schedule 4.5 attached hereto.

5. Ratification of Agreement. Except as hereby amended, all of the terms and provisions contained in the Asset Purchase Agreement are hereby ratified by each of the parties hereto, and such terms and conditions shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have duly executed this Amendment as of the day and year first above written.

SELLERS:

SPEEDWAY SYSTEMS LLC

By: /s/ William R. Brooks, VP
Name: William R. Brooks
Title: VP

CHARLOTTE MOTOR SPEEDWAY, LLC

By: /s/ William R. Brooks, VP
Name: William R. Brooks
Title: VP

TEXAS MOTOR SPEEDWAY, INC.

By: /s/ William R. Brooks, VP
Name: William R. Brooks
Title: VP

BRISTOL MOTOR SPEEDWAY, INC.

By: /s/ William R. Brooks, VP

Name: William R. Brooks
Title: VP

BUYER:

LEVY PREMIUM FOODSERVICE LIMITED
PARTNERSHIP, an Illinois limited partnership

By: /s/ Robert E. Seiffert

Name: Robert E. Seiffert
Title: Treasurer of its General Partner

Exhibit 10.16

(CONFIDENTIAL PORTIONS HAVE BEEN OMITTED, AS INDICATED BY "*", AND FILED **SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION)**

MANAGEMENT AGREEMENT

BY AND BETWEEN

SPEEDWAY MOTORSPORTS, INC.

AS OWNER

AND

LEVY PREMIUM FOODSERVICE LIMITED PARTNERSHIP,
AS MANAGER

DATED: November 29, 2001

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EXHIBIT "A" THE TRACKS
EXHIBIT "B" 2000 GROSS RECEIPTS
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EXHIBIT "D" MANAGER'S EQUIPMENT

EXHIBIT "E-1" *
EXHIBIT "E-2" *

SCHEDULE 2(b) Certain Limited Suite Holders Supplying Food and Beverage SCHEDULE 4(b) Sponsorship Agreements

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* Confidential portion has been omitted and filed separately with the Commission.

MANAGEMENT AGREEMENT

This Management Agreement ("Agreement") is entered into as of this 29/th/ day of November, 2001 by and between, Speedway Motorsports, Inc., a Delaware corporation on behalf of its wholly-owned subsidiaries, including, but not limited to, Speedway Systems LLC, a North Carolina limited liability company, Charlotte Motor Speedway, LLC, a Delaware limited liability company, Texas Motor Speedway, Inc., a Texas corporation, and Bristol Motor Speedway, Inc., a Tennessee corporation (collectively, the "Owner") and Levy Premium Foodservice Limited Partnership, an Illinois limited partnership ("Levy"), and Levy Premium Foodservice Limited Partnership of Texas, a Texas limited partnership ("Levy Texas;" "Levy" and "Levy Texas" are hereinafter collectively referred to as "Manager").

RECITALS

1. Owner and Levy have entered into that certain Asset Purchase Agreement, dated November, 29, 2001, (the "Asset Purchase Agreement") wherein Owner agreed to sell and Levy agreed to purchase certain assets as detailed therein.

2. Owner owns six (6) facilities currently used as motor speedway race tracks, each of which has associated and adjacent real property (individually, the "Track;" collectively, the "Tracks"), which does or may host numerous events, including, but not limited to, NASCAR racing. The Tracks are identified on Exhibit "A", which is attached hereto and incorporated herein.

3. The Tracks currently include: (a) general concessions (the "Concessions"), (b) luxury skybox suites (the "Suites"), (c) hospitality villages and tents (the "Hospitality Villages"), (d) Third-Party Concessions (the "Third-Party Concessions"), and (e) restaurants, clubs (but not health clubs), and banquets/catering serviced from such restaurants and clubs (the "Clubs"). The Concessions, the Suites, the Hospitality Villages, the Third-Party Concessions, and the Clubs shall hereinafter be collectively referred to as the "Food Service Areas."

4. Owner owns the exclusive right to determine who shall provide and operate the food and beverage services throughout the Tracks and other associated areas.

5. Manager and its affiliated and related entities are in the business of developing, owning and managing restaurants and other food service facilities.

6. Manager desires to render certain management and operational services for the Food Service Areas, all as more fully described in this Agreement.

7. Owner desires to engage Manager, and Manager desires to be engaged by Owner, pursuant to the terms of this Agreement, to provide and operate, on an exclusive basis, the entire food and beverage service operations of, for, and at each of the Tracks throughout the Term of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, hereby agree as follows:

1. Representations

(a) Owner's Representations to Manager. Owner hereby represents to Manager as follows:

(i) that it has been validly formed and duly exists as a Corporation under the laws of the State of Delaware, and that it or the wholly-owned subsidiaries through which it operates is/are, and that it is duly qualified to do business in all of the states in which each of the Tracks are located;

(ii) that it has the full right, power, and authority to grant the exclusive right to provide and operate the food and beverage service operations throughout all the Tracks, including, but not limited to, the right to engage Manager to provide management and operational services described in this Agreement;

(iii) that it is not prevented from entering into this Agreement or complying with its commitments hereunder by its corporate charter;

(iv) that it is duly authorized to enter into this Agreement and is not prevented from entering into this Agreement or complying with its commitments hereunder by any statute, regulation, order of, or agreement with, any governmental or quasi-governmental authority, or by any license, debt instrument, mortgage, lease, contract, or other agreement or instrument binding it or any of its property;

(v) that it is duly authorized to enter into this Agreement and has taken all necessary corporate action to obtain such authorization and that no consent of, or notice to, any other individual, private entity, governmental or quasi-governmental authority, or NASCAR (and any other similar organization or association) is required in connection with the execution, delivery, and performance of this Agreement;

(vi) that this Agreement, when properly executed by both parties, will constitute a legal, valid, and binding agreement, enforceable by Manager in accordance with its terms;

(vii) that the party executing this Agreement on behalf of Owner has full right, power, and authority to execute this Agreement and to bind Owner to the terms hereof;

(viii) that, in the event Manager extends credit to patrons of the Food Service Areas (it being understood that Manager will extend credit to the extent it

is commercially reasonable), Owner shall use its good faith, reasonable, and diligent efforts to assist Manager in minimizing any uncollectible amounts from such patrons, which efforts may include, for example, and not by way of limitation:

(a) including a provision in all agreements governing the patrons' rights to utilize certain areas of the Tracks requiring that the patron provide, at all times, a valid credit card on file upon which Manager shall be entitled to charge outstanding balances (but not requiring a security deposit); and

(b) Owner withholding patrons' tickets for future events and allowing Manager to suspend or withhold the delivery of any food and beverage products to any patron who has an outstanding balance that has not, after due notification, been substantially paid in full.

(ix) that it shall use its good faith, reasonable, and diligent efforts at all times to cooperate with and assist Manager in (A) providing quality food and beverage services to patrons of the Food Service Areas, and (B) achieving maximum Gross Receipts (as that term is defined below) for the Operations (as that term is defined below); and

(x) that Gross Receipts for the Tracks for fiscal year 2000 are as set forth on Exhibit "B", which is attached hereto and incorporated herein.

(b) Manager's Representations to Owner. Manager hereby represents to Owner as follows:

(i) that Levy has been validly formed and duly exists as a limited partnership under the laws of the State of Illinois, and that it is duly qualified to do business in all of the states in which each of the Tracks are located and that Levy Texas has been validly formed and duly exists as a limited partnership under the laws of the State of Texas, and that it is duly qualified to do business in the State of Texas;

(ii) that it is duly authorized to enter into this Agreement and is not prevented from entering into this Agreement or complying with its commitments hereunder by its by-laws, by any statute, regulation, or order of any governmental or quasi-governmental authority, or by any license, debt instrument, mortgage, lease, contract, or other agreement or instrument binding upon it or any of its property;

(iii) that it is duly authorized to enter into this Agreement and has taken all necessary action to obtain such authorization, and that no consent of, or notice to, any other individual, private entity, or governmental authority is required in connection with the execution, delivery, and performance of this Agreement;

(iv) that this Agreement, when properly executed by both parties, will constitute a legal, valid, and binding agreement, enforceable by Owner in accordance with its terms;

(v) that the party executing this agreement on behalf of Manager has full right, power, and authority to execute this Agreement and to bind Manager to the terms hereof; and

(vi) that it shall use its good faith, reasonable, and diligent efforts at all times to cooperate and assist Owner in (A) providing quality food and beverage services to patrons of the Food Service Areas, and (B) achieving maximum Gross Receipts from the Operations.

2. Management Services.

(a) Foodservice Facilities. Owner hereby retains Manager to provide and operate, and Manager hereby agrees to provide and operate, on an exclusive basis, the entire food and beverage service operations (collectively, the "Operations") of, for, and at each and all of the Tracks (including, but not limited to, all Food Service Areas) for all events held or conducted at the Tracks during the Term (as that term is defined below), including, but not limited to, all concerts, car and truck racing and NASCAR events. In order to provide the services required of Manager hereunder, Manager shall also have the exclusive right to use all of the kitchens, pantry areas, and other foodservice related areas of the Tracks described on Exhibit "C" attached hereto and made a part hereof (collectively, the "Facilities"). The Food Service Areas, together with the Facilities, shall hereinafter be referred to as the "Foodservice Facilities."

(b) Manager's Rights in the Foodservice Facilities. In order to enable Manager to fulfill its responsibilities under this Agreement, Owner hereby grants Manager the exclusive right to use all of the Foodservice Facilities without hindrance from Owner, or any individuals or entities claiming by, from, through or under Owner. In order to control the quality of the products and services sold at the Tracks, to ensure the safety of the patrons, and to protect Manager's exercise of the exclusive rights granted hereunder, Owner shall prevent any other entities or individuals from: (i) utilizing all or any portion of the Foodservice Facilities, and (ii) selling, anywhere at the Tracks (including the Food Service Areas), any Food and Beverage Items (as that term is defined below); provided, however, Owner may allow sponsors to offer sample-sized portions (i.e., under 2 ounces) of Food and Beverage Items, but not alcoholic beverages. Furthermore, Owner and Manager hereby agree that certain limited Suite holders, as detailed on Schedule 2(b), have the right to supply their own food and beverage to their respective Suites. In addition, Owner shall prevent patrons from bringing any food, beverages, beverage containers, or alcoholic beverages into the Clubs, the Suites, the Hospitality Villages and the Facilities; provided, however, patrons may bring food and alcoholic beverages into the General Concessions areas of the Tracks (as is consistent with Track policies and security and state and local laws).

(c) Services. The operational and management services (collectively, the "Services") to be provided by Manager shall include, without limitation, the following:

(i) Administration, management, and direction of the day-to-day Operations in accordance with, and subject to, the further terms and conditions of this Agreement;

(ii) Subject to Paragraph 4(b) below, procurement of all supplies, services, and personnel which are necessary for the Operations, including personnel for the maintenance and operation of the Foodservice Facilities and preparation and service of such food and beverage items as shall be proposed by Manager and reasonably approved by Owner ("Food and Beverage Items"), which Food and Beverage Items shall consist of, but not necessarily be limited to, food, alcoholic and non-alcoholic beverages, tobacco, candy and confections, but only to the extent that any of the foregoing may now or hereafter be legally sold at the Tracks, in accordance with applicable laws, ordinances, rules, and regulations;

(iii) Establishment and review and/or modification of all menus, portions, and prices of the Food and Beverage Items, all of which shall be proposed by Manager and reasonably approved by Owner; provided, however, that: (A) Owner shall not unreasonably withhold, condition or delay its approval of such menus, portions, and prices, and (B) in the event that Owner fails to deliver to Manager within fifteen (15) days after submission of such menus, portions, and prices written approval or denial, such submitted menus, portions, and prices shall be deemed approved;

(iv) Consultation with Owner at such times as shall be reasonably appropriate for the purpose of eliminating operational problems and improving the Operations;

(v) Arranging for the removal of all trash from the Facilities to various centralized collection points at the Tracks, whereupon Owner shall be responsible for arranging for such trash to be properly and lawfully discarded, the cost of which shall be exclusively borne by Owner, except for trash that is not related to an event; and

(vi) Any and all other services which Owner or Manager, in their joint reasonable discretion, deem appropriate in order for Manager to effectively manage and operate the Operations in a manner at least consistent with Manager's performance of comparable services at facilities similar to the Food Service Areas.

(d) Lowes Club. Notwithstanding anything in this Agreement to the contrary, the Owner shall retain the right to operate the Club at the Lowes Motor Speedway (the "Lowes Club"); provided, however, in the event Owner no longer desires to operate the Lowes Club,

Owner shall: (i) transfer to Manager the exclusive rights to operate the Lowes Club and (ii) shall provide Manager no less than thirty (30) days prior written notice of such transfer. Such transfer shall be effective upon the date specified in such notice of transfer by Owner, which effective date shall be at least thirty (30) days from the date of such notice. Until such time as Owner shall transfer the operation of the Lowes Club to Manager, the terms "Clubs," "Food Service Areas," "Foodservice Facilities" and "Operations," as used herein shall be read so as to exclude the Lowes Club therefrom.

3. Projections of Gross Receipts; Capital Budget. Prior to the commencement of each Contract Year during the Term (or such other period upon which Owner and Manager shall mutually agree), Manager shall supply Owner with a copy of Manager's projections for anticipated Gross Receipts for the ensuing Contract Year together with a budget (the "Capital Budget") for any recommended capital expenditures (the cost of which shall be borne exclusively by Owner) to be made during such year to maintain, repair, or replace, any of Owner's Equipment to be included in the Foodservice Facilities, which Capital Budget shall be subject to Owner's reasonable approval, which approval shall not be unreasonably withheld, conditioned, or delayed, so long as such maintenance, repair or replacement is consistent with Finish Line Event's past practices. Not less than once each month, Manager shall provide Owner with a statement of the actual Gross Receipts for the prior month in comparison to the applicable sales projection, together with a brief explanation about any significant variances between the projected Gross Receipts and the actual Gross Receipts.

4. Conduct of the Operations.

(a) General. Manager agrees that all Food and Beverage Items sold by Manager, and the manner of serving and selling the Food and Beverage Items, shall be of a high quality, which shall be at least equal to or better than both (A) past practices of Finish Line Events and (B) that which is provided by comparable facilities.

(b) Sponsorships. Owner and Manager recognize the value of securing sponsorship relationships (e.g., official sponsors, exclusive supplies of products, suppliers of official products) for the Tracks. Although Manager agrees to use Owner's sponsors, Owner and Manager will ensure that such sponsorship agreements do not impair the quality of Manager's Food and Beverage Items (as compared to comparable items served at other venues in which Manager, or its affiliates provides food and beverage service) or increase Manager's costs (again, as compared to the prices for comparable items used at other venues in which Manager or its affiliates provides food and beverage service) for such items. In the event that Owner determines to enter into a sponsorship agreement (or enters into any other relationship) that increases the costs that Manager incurs, then Owner shall fully reimburse Manager for such cost increases; provided, however, for those existing sponsorship agreements, as detailed on Schedule 4(b), Owner shall not have such reimbursement obligation, but shall use its reasonable, good faith and diligent efforts to have sponsors institute Manager's national pricing programs.

(c) Compliance with Laws, Policies, and Programs. In connection with the conduct of the Operations, Manager shall promptly comply with and observe all federal,

state, and local laws, ordinances, regulations, orders, or directions (including, without limitation, alcoholic beverage, fire, building, health and sanitation codes and regulations) with respect to the sanitation and purity of the Food and Beverage Items, provided that nothing herein shall be interpreted to hold Manager responsible for such compliance as it relates to areas of the Tracks other than the Foodservice Facilities.

(d) Condition of the Foodservice Facilities. Manager agrees to conduct the Operations in such a manner so as to reasonably preserve the condition of all areas of the Foodservice Facilities to which Manager shall have access in the course of the performance of its obligations hereunder. Manager agrees to keep the Foodservice Facilities and all other areas to be utilized by Manager, neat, clean and in a sanitary condition, and to follow all reasonable and appropriate directions of Owner with respect thereto and with respect to storage of food and beverage supplies.

(e) Manager's Vendors. In connection with Services provided hereunder and subject to Paragraph 4(b) above, Manager from time to time purchases products, equipment, and services from various vendors selected by Manager at its sole discretion (each a "Vendor"). Purchases from Vendors shall be made under such terms Manager deems in its sole discretion as acceptable ("Vendor Terms"). All Vendor Terms are the exclusive obligation and property of Manager. Owner does not have any liability under, or any right to, any Vendor Terms.

(f) Third-Party Concessions. Manager shall oversee the services provided by Third-Party Concessions (e.g., Wendy's). The selection of such Third-Party Concessions shall be made by Manager, subject to Owner's approval, which shall not be unreasonably withheld, conditioned or delayed. Subject to Paragraph 4(b) above, Owner shall have the right to propose changes to the Third-Party Concessions, which Manager shall accept, so long as it is not economically disadvantageous for Manager.

5. Equipment.

(a) Owner's Equipment; Las Vegas Equipment. Owner shall provide to Manager, at Owner's sole and exclusive cost and expense, all fixed assets, including, but not limited to, leasehold improvements, fixtures, kitchen appliances, fixed equipment, carts (e.g., motorized golf carts), and radio equipment, used in connection with the Operations (and such replacement items to the foregoing from time-to-time), all as is consistent with past practices of Finish Line Events (the "Owner's Equipment"), but specifically excluding Manager's Equipment (as that term is defined below). Owner hereby agrees that it shall be exclusively responsible for the repair, maintenance, replacement and taxes of the Owner's Equipment; provided, however, with regard to Owner's Equipment at the Las Vegas Motor Speedway similar in type and nature to that of Manager's Equipment, Manager shall be responsible for the repair and maintenance while Owner shall be responsible for the replacement thereof (the "Las Vegas Equipment"). In the event that Manager becomes the exclusive operator of the Lowes Club, pursuant to Paragraph 2(d), Owner shall transfer to Manager, free and clear of all liens and encumbrances and at no additional charge to Manager, those fixed assets at the

Lowes Club which, but for the retention by Owner of the right to operate the Lowes Club hereunder, would have been transferred to Manager pursuant to the Asset Purchase Agreement, and such fixed assets shall thereafter be included in "Manager's Equipment" for all purposes of this Agreement. Owner shall also transfer to Manager, in a manner and upon terms (including price and payment) consistent with the Asset Purchase Agreement, such other assets and liabilities as would have been transferred to Manager in accordance with the Asset Purchase Agreement but for the retention by Owner of the right to operate the Lowes Club hereunder.

(b) Manager's Equipment. Except as provided elsewhere in this Agreement to the contrary, Manager shall provide for its sole and exclusive use and at its sole and exclusive cost and expense, all moveable equipment, transportation vehicles (not including carts) to transport prepared food from the Facilities to the Food Service Areas, pots, pans, dishes, glasses, flatware, paper and plastic ware, linens, and smallwares, all of which shall be collectively referred to as "Manager's Equipment" and which shall be detailed on Exhibit "D", which is attached hereto and incorporated herein. Manager hereby agrees that it shall be exclusively responsible for the repair, maintenance, replacement and taxes of Manager's Equipment.

(c) Transport. Owner hereby agrees that it shall, at its sole cost and expense, transport Manager's Equipment and Owner's Equipment between or among the Tracks, all as is consistent with past practices of Finish Line Events and as is necessary to operate a high-quality operation. By way of example and not by way of limitation, Owner shall transport in semi-trucks, at no cost to Manager or the Operations, all heating and cooling equipment, including portable kitchens.

6. Employees and Agents.

(a) Conduct and Supervision of Employees and Agents. Manager agrees that it shall hire, train, supervise, and regulate all persons employed by it in the conduct of the Operations so that they are aware of, and continuously practice, a high standard of cleanliness, courtesy, and service required and customarily followed in the conduct of similar operations. Manager, and not Owner, shall be the sole employer of Manager's employees and shall, therefore, be exclusively responsible to pay its employees' compensation (e.g., salaries and benefits). Manager shall use its reasonable, good faith, and diligent efforts to assure that its employees shall (i) observe the rules and regulations of the Tracks , (ii) be neatly and cleanly uniformed, (iii) maintain personal cleanliness, (iv) be polite and courteous, (v) be staffed at adequate levels, and (vi) with respect to non-management employees, wear identification badges that are (A) reasonable in light of identification and security concerns and (B) unobtrusive and consistent with the uniforms worn by the Manager's employees.

(b) Cooperation with Other Employees. Manager agrees to cause its employees to reasonably cooperate in the use of each Track's facilities that are common to the Foodservice Facilities and to other operations at each such Track. In this regard, Manager agrees to cause its employees to cooperate in all other reasonable manners with

all employees and agents of Owner and with third parties performing services at each Track.

(c) Hiring and Employment Practices. Manager agrees that in the conduct of the Operations it will not discriminate or permit discrimination in its hiring or employment practices on the basis of any federal, state, or local impermissible grounds. Upon receipt of notice from Owner of any reasonable and significant objection to any of Manager's employees, the employment of such person will be discontinued and a suitable person will be promptly substituted; provided, however, the Owner acknowledges that its right to require replacement of an employee employed by Manager is expressly subject to considerations and restrictions imposed upon Manager by any federal, state or local statute, law, code, regulations, or ordinance by any collective bargaining agreement or other contract affecting such employee.

(d) Owner's Sales and Marketing Services. Notwithstanding the terms and conditions of this Agreement, Owner shall, at its sole cost and expense, provide all sales and marketing services as it relates to the Suites, Clubs, and Hospitality Villages, all as is consistent with past practices and is necessary to operate a first-class operation. Owner and Manager agree that such services will be conducted in accordance with the pricing determinations made pursuant to Paragraph 2(c)(iii) above. Notwithstanding the foregoing, Owner and Manager agree to explore opportunities for Manager to participate in marketing efforts in a mutually agreeable manner.

(e) Labor Relations. Notwithstanding anything in this Agreement to the contrary, Manager shall have the sole and exclusive right and authority to implement all matters relating to labor relations with Manager's employees in the Foodservice Facilities and with respect to the Operations, including, but not limited to, the determination of (i) the degree and methods of opposition (if any) to any union organizing efforts, (ii) all terms and provisions of any collective bargaining agreement, and (iii) counsel and consultants to be utilized in such efforts.

7. Licenses and Permits. Manager shall, at its sole expense, maintain in force during the Term, all required food, liquor, and other licenses and permits and renewals thereof and shall cause to be paid all fees and taxes which may be due and owing from time to time to federal, state, or municipal authorities incidental to the Operations. Manager shall be the named licensee under all such licenses and permits. Owner shall do all acts or things that are reasonably necessary in order for Manager to maintain all such licenses and permits. Manager shall have in place alcohol service policies and training programs for its employees. Throughout the Term, Owner shall, at its sole cost and expense, maintain all licenses and permits which may be required for the operation of each of the Tracks. At all times, Owner shall comply with, the restrictions, rules, and conditions of all such licenses and permits.

8. Collections and Payments of Taxes and Other Items.

(a) Payment of Taxes. Manager agrees to pay timely, from Gross Receipts, all sales, excise, employment, and similar taxes relating to the Operations.

(b) Billing Practices and Procedures. In accordance with the terms of Paragraph 1(a)(viii) above, the practices and procedures for the invoicing and the extension of credit to customers of the Foodservice Facilities shall be subject to the reasonable approval of Owner.

(c) Cash Handling and Cash Management Policies. In connection with the conduct of the Operations, Manager agrees to employ reasonable and appropriate internal control procedures to protect against the misappropriation of cash funds. Owner hereby agrees that it shall provide cash collections services at each Track and shall ensure that all monies are wire transferred into Manager's account upon Owner's receipt of funds, but in all cases in no more than five (5) days, subject to verification by Owner's bank of receipt of such funds.

(d) Monthly Settlement. Owner and Manager will meet monthly to determine funds owed to each respective party and shall exchange checks to settle any such outstanding amounts.

(e) Group Packages. Owner sells packages for Suites and other locations at each Track that include a food and beverage component. The appropriate food and beverage portion of any payment received by Owner for any such package shall be transmitted monthly to Manager. Owner and Manager hereby agree to work together, in good faith, in order to mutually agree on changes to existing group packages and creation of new group packages (including pricing and allocation to the Operations consistent with past practices).

9. Use of Facilities.

(a) Access to Facilities. Access to the Foodservice Facilities shall be limited to the authorized representatives of, and other persons designated by, Owner and Manager for the purpose of the reasonable exercise of Owner's and Manager's rights and obligations hereunder.

(b) Signs, Displays and Advertising. Manager agrees that all signs and displays, and the content and graphics thereof, to be utilized by Manager at the Tracks shall be subject to the prior reasonable approval of Owner. Manager may use its name and logo and that of any affiliate of Manager and Manager may, with the reasonable approval of Owner, use the name and logo of Owner and the name by which a Track is known in the signage, displays, menus, and similar items used in connection with the Operations. In addition, Manager may, in a reasonable and tasteful fashion and with the reasonable approval of Owner, promote its affiliation with the Tracks, Owner, each Track, and the services provided by Manager under this Agreement in Manager's and its affiliates' corporate stationery, brochures, web sites, and similar promotional material.

(c) Parking. Owner shall provide to Manager, free of charge, sufficient parking spaces, located reasonably proximate to each of the Tracks and the Foodservice Facilities, for all of Manager's employees and vendors. Manager acknowledges and agrees that for events, such parking may be offsite with bussing to the Track, consistent with past practices.

(d) Office Space and Equipment. Owner shall provide to Manager, at Owner's sole and exclusive cost and expense (and not as a landlord), adequate office space and equipment for Manager's employees (e.g., chefs, sous chefs, Director of Operations, General Manager, accounting and human resources staff) to manage the Operations, which shall include, but not be limited to, furniture, phone systems and switches, HVAC, electricity, and lighting.

(e) Utilities. Owner and Manager hereby agree that Manager shall not pay any occupancy, utility, or common area charges; provided, however, that Manager shall pay for its own local and long distance service, but may use Owner's telephone equipment at no cost. Manager shall pay for all utilities to the extent that, consistent with past practices, they are separately metered.

10. Definition of Gross Receipts. As used in this Agreement, the term "Gross Receipts" shall mean the sum of (i) total gross revenues, in accordance with generally accepted accounting principles, from the Operations pursuant to the terms of this Agreement sold in or from the Foodservice Facilities, and (ii) service charges or gratuities not paid to employees; provided, however, that Gross Receipts shall not include: (a) any service charges or gratuities paid to employees, (b) any city, county, state, or federal use, excise, or similar tax imposed on the sale or use of the Food and Beverage Items collected and paid to applicable taxing authorities by Manager, or (c) any tax imposed on the resale of any Owner's or Manager's Equipment. Notwithstanding anything in this Agreement to the contrary, the definition of Gross Receipts shall not include any revenues derived from the Boston Concessions Agreement,

pursuant to Section 3.1(e) of the Asset Purchase Agreement.

11. Commissions.

(a) As further consideration for Owner's grant of the exclusive rights and privileges to Manager pursuant to this Agreement, and as the sole compensation due and owing from Manager to Owner hereunder, Manager agrees to pay Owner or to such of Owner's subsidiaries, as Owner shall from time to time direct, the following percentages of Gross Receipts generated in the following areas of the Tracks during each Contract Year during the first (1st) ten (10) Contract Years of the Term (collectively, the "Commissions"):

Source of Gross Receipts	Percentage of Gross Receipts
(i) Concessions	*
(ii) Suites	*
(iii) Hospitality Villages	*
(iv) Third-Party Concessions	*
(v) Clubs	*

(b) To the extent that this Agreement is extended for ten
(10) additional Contract Years beyond the initial ten (10) year Term, Manager agrees to pay Owner or to such of Owner's subsidiaries, as Owner shall from time to time direct, Commissions according to the following percentages of Gross Receipts generated in the following areas of the Tracks during each Contract Year:

Source of Gross Receipts	Percentage of Gross Receipts
(i) Concessions	*
(ii) Suites	*
(iii) Hospitality Villages	*
(iv) Third-Party Concessions	*
(v) Clubs	*

(c) Lowes Club. If Manager is not the exclusive operator of the Lowes Club on or before the commencement of the fourth (4th) Contract Year, the amount of Commissions that Manager pays to Owner shall be reduced by *
each Contract Year thereafter until Manager is the exclusive operator of the Lowes Club, which amount shall be reduced on a pro rata basis for any partial Contract Years.

(d) Prepayment. On the Commencement Date, Manager shall pay to Owner * , which amount shall be a prepayment of commissions owing from Manager to Owner under this Agreement (the "Commission Prepayment"). Manager shall retain all Commissions otherwise owing to Owner pursuant to this Agreement until the outstanding amount of the Commission Prepayment, plus an * percent (*%) per annum commission charge, compounded monthly, has been retained by Manager, at which time Manager shall commence payment of Commissions to Owner pursuant to the terms of this Agreement. Such commission charge shall accrue on the outstanding amount of the Commission Prepayment. For this purpose, the Commission Prepayment, or portion thereof, shall be outstanding until such time as it is repaid. Such repayment shall be deemed made as and when the applicable retained Commissions would have been paid in accordance with Paragraph 12 below.

(e) Special Additional Commission. *

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*Confidential portion has been omitted and filed separately with the Commission.

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12. Accountings; Payment of Commissions. Within thirty (30) days following the last day of each month during the Term, Manager shall provide Owner with a statement detailing all Gross Receipts from the Operations generated during such month, separated by department and event, together with a statement of the applicable Commissions due for such Gross Receipts (collectively, the "Statement"). When Manager delivers the Statement, Manager shall also pay to Owner the appropriate Commissions for such month, unless such Commissions are retained by Manager pursuant to Section 11(d) hereof. Within sixty (60) days following the conclusion of each calendar year during the Term, Manager shall provide Owner with a complete accounting (collectively, the "Final Statement"), setting forth the calculation of the annual Gross Receipts, separated by department and event, and the total Commissions due for the applicable period. At any time during the Term, and for a period of one (1) calendar year thereafter, Owner and its designated representatives (including outside accountants) shall have the opportunity, at their sole cost and expense (subject to the provisions set forth below), to inspect the books and records of Manager to verify the figures contained in each Statement or Final Statement, as the case may be. In the event that Owner disputes such figures, Owner shall deliver a written notice of such dispute to Manager ("Dispute Notice"). If Owner and Manager are unable to resolve such dispute within ninety (90) days following the delivery of the Dispute Notice, Owner and Manager shall immediately submit the dispute for resolution to a nationally recognized public accounting firm to be mutually agreed to by Owner and Manager (the "Accounting Firm"). The determination of Gross Receipts and Commissions in accordance with the terms hereof made by the Accounting Firm after a full and complete inspection of Manager's books and records shall be final and binding upon the parties. If the Accounting Firm determines that the computation of Gross Receipts or Commissions contained in any Statement or the Final Statement as the case may be, is inaccurate, then either Owner shall promptly pay to Manager, or Manager shall promptly pay to Owner, such amount as is necessary to reflect the adjustment of Gross Receipts or

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*Confidential portion has been omitted and filed separately with the Commission.

Commissions based upon the Accounting Firm's determinations (the "Adjusted Amount"). If the Accounting Firm determines that the computation of Gross Receipts or Commissions contained in any Statement or the Final Statement, as the case may be, is understated by five percent (5%) or more, then, in addition to the Adjusted Amount (which will increase by interest at the prevailing prime rate), Manager shall pay the entire cost of the Accounting Firm's engagement. In all other events, the cost of the Accounting Firm's engagement and the costs of Owner's inspection of the books and records of Manager shall be borne by Owner.

13. Scope; Duration; Termination; Default.

(a) The term of this Agreement shall be for a period of ten (10) years, commencing on the Closing Date, as that term is defined in Section 1.6 of the Asset Purchase Agreement (the "Commencement Date") and, unless otherwise extended by Owner pursuant to the terms of this Agreement, expiring on December 31, 2011 (the "Term"). For purposes of this Agreement, the term "Contract Year" shall mean the twelve (12) month period commencing on January 1st and expiring on the next ensuing December 31st; provided, however, the first (1st) Contract Year shall commence on the Commencement Date and terminate on December 31, 2002. Manager, at its sole option, may extend the Term of this Agreement for an additional ten (10) Contract Years. Thereafter, the Term of this Agreement shall automatically renew on a year-to-year basis unless sooner terminated by either party upon one hundred eighty
(180) days' written notice prior to the expiration of the then current term.

(b) To the extent that Owner (and any of its affiliated or related entities) owns or manages (whether by acquisition or development) any other facilities, in addition to the Tracks (the "Future Facility"), Owner shall offer to Manager the exclusive right to provide and operate the food and beverage services to each such Future Facility under the same terms and conditions as detailed herein.

(c) Owner shall have the right to terminate this Agreement upon the occurrence of any default by Manager upon thirty
(30) days prior written notice to Manager specifying the nature of such default. A default shall be defined as the occurrence of any one (1) or more of the following:

(i) Manager shall file a voluntary petition in bankruptcy, or shall be adjudicated bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute or law relating to bankruptcy, insolvency or other relief for debtors, whether federal or state, or shall seek, consent to or acquiesce in the appointment of any trustee, receiver, conservator, or liquidator of Manager or of all or any substantial part of its properties (the term "acquiesce," as used herein, being deemed to include, but not be limited to, the failure to file a petition or motion to vacate or discharge any order, judgment, or decree providing for such appointment within the time specified by law); or a court of competent jurisdiction shall enter an order, judgment, or decree

approving a petition filed against Manager seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute or law relating to bankruptcy, insolvency, or other relief for debtors, whether federal or state, and Manager shall consent to or acquiesce in the entry of such order, judgment, or decree, or the same shall remain unvacated and unstayed for an aggregate of sixty (60) days from the day of entry thereof; or any trustee, receiver, conservator, or liquidator of Manager or of all or any substantial part of its properties shall be appointed without the consent of or acquiescence of Manager and such appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days; or

(ii) Manager fails to perform any of its service or obligations in the manner or within the time required under this Agreement, or commits or permits a breach of, or default in, any of its duties, liabilities, or obligations hereunder, which in all cases causes (or could reasonably and in good faith be expected to cause) a material and adverse effect in the conduct of the Operations or the maximization of Gross Receipts, and fails to fully cure or remedy such material failure, breach, or default prior to the next major event, after written notice from Owner to Manager specifying, in sufficient detail, the nature of such material failure, breach, or default, or, if such material breach or default cannot reasonably be cured prior to the next major event, due to third-party approval or Force Majeure, and fails to diligently prosecute such cure or remedy to completion as soon as is reasonably possible thereafter.

(iii) Upon termination of this Agreement pursuant to subparagraphs (i) or (ii) above, Manager shall only be obligated to pay the Commissions for Gross Receipts prior to termination in accordance with Paragraph 11 above, subject to other remedies available to Manager and Owner.

(d) In the event that all of Manager's services are terminated as provided in this Paragraph 13, Manager shall, at the request of Owner, continue to serve as manager of the Operations until a successor is selected and commences work in the Foodservice Facilities or until such earlier date as Owner shall specify; provided that Manager shall not be obligated to so continue as manager for a period in excess of thirty (30) days. The terms and conditions of this Agreement shall continue to be fully applicable during such period as if no termination had occurred.

(e) Manager shall have the right to terminate this Agreement upon the occurrence of any of the following events of default by Owner and upon written notice to the Owner specifying the nature of such default:

(i) Owner shall file a voluntary petition in bankruptcy, or shall be adjudicated bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute or law relating to bankruptcy, insolvency, or other relief for debtors, whether federal or state, or shall seek,

consent to, or acquiesce in the appointment of any trustee, receiver, conservator, or liquidator of Owner or of all or any substantial part of its properties (the term "acquiesce," as used herein, being deemed to include, but not be limited to, the failure to file a petition or motion to vacate or discharge any order, judgment, or decree providing for such appointment within the time specified by law); or a court of competent jurisdiction shall enter an order, judgment, or decree approving a petition filed against Owner seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute or law relating to bankruptcy, insolvency, or other relief for debtors, whether federal or state, and Owner shall consent to or acquiesce in the entry of such order, judgment, or decree, or the same shall remain unvacated and unstayed for an aggregate of sixty (60) days from the day of entry thereof; or any trustee, receiver, conservator, or liquidator of Owner or of all or any substantial part of its properties shall be appointed without the consent or acquiescence of Owner and such appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days;

(ii) Owner fails to timely perform any of its obligations under this Agreement which in all cases causes (or could reasonably and in good faith be expected to cause) a material and adverse effect in the conduct of the Operations or the maximization of Gross Receipts, and fails to fully cure or remedy such material failure, breach, or default prior to the next major event after written notice from Manager to Owner specifying, in sufficient detail, the nature of such material failure, breach, or default, or, if such material breach or default cannot reasonably be cured prior to the next major event, due to third-party approval or Force Majeure, and fails to diligently prosecute such cure or remedy to completion as soon as is reasonably possible thereafter.

(f) Manager's Termination Payment with Cause. In the event that this Agreement is terminated prior to its scheduled expiration for any reason, other than a termination by Owner for convenience, pursuant to Paragraph 13(g), Owner hereby agrees, as a condition precedent to such earlier termination, to pay Manager in a single lump-sum payment, a termination payment (the "Caused Termination Payment") in an amount equal to * . Upon Manager's receipt of the Caused Termination Payment, Manager shall immediately transfer all right, title and interest to Owner in: the Purchased Assets, * and Manager's exclusive rights hereunder, all of which shall be transferred free and clear of all liens and encumbrances.

(i) *

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*Confidential portion has been omitted and filed separately with the Commission.

(ii) *

(g) Manager's Termination Payment for Convenience. Owner shall have the right to terminate this Agreement without cause (i.e., for Owner's convenience) at any time prior to its scheduled expiration. In the event that this Agreement is terminated prior to its scheduled expiration, pursuant to this Paragraph 13(g), then the following terms and conditions shall apply:

(i) Such termination shall not occur earlier than the * annual anniversary of the Commencement Date and no later than the * annual anniversary of the Commencement Date; and

(ii) Owner shall pay to Manager in a single lump-sum payment a termination payment (the "Convenience Termination Payment") in an amount equal to the Caused Termination Payment plus * . Upon Manager's receipt of the Convenience Termination Payment, Manager shall immediately transfer all right, title and interest to Owner in:
the Purchased Assets, * and Manager's exclusive rights hereunder, all of which shall be transferred free and clear of all liens and encumbrances.

(aa) *

(bb) *

(h) Notwithstanding anything in this Agreement to the contrary, neither Owner nor Manager shall be entitled to seek, claim, or collect punitive damages. Accordingly, Owner and Manager hereby expressly waive any right to seek, claim, or collect any punitive damages in connection with, or related to, a breach or violation of this or any other agreement entered into between Owner and Manager. *

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*Confidential portion has been omitted and filed separately with the Commission.

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(i) Owner hereby expressly agrees that, during the Term
(including any extensions thereof) and for a period of twenty four (24) months following either the expiration or earlier termination of this Agreement, none of Owner, nor any other food or beverage service operator or concessionaire providing food and beverages in, to, or for any areas of the Tracks, nor any of their respective affiliates, related entities, or individuals, shall directly or indirectly solicit, hire, offer to hire, or employ any current salaried or management-level employee of Manager (including, but not limited to, Manager's current or former general manager, chefs, sous chefs, and the managers of the various areas of the Foodservice Facilities) to work in or in connection with the Tracks or the Foodservice Facilities as a consultant, employee, independent contractor, or otherwise in any other capacity, without Levy's prior written approval, which approval can be granted or denied in Levy's sole and absolute discretion. Notwithstanding the terms and conditions of this Paragraph 13(i), all existing Finish Line Events employees are exempted from this Paragraph
13(i). Furthermore, those employees who are hired by Manager to work at the Operations during the * Contract Years and are not already employees of Manager, shall be exempted from this Paragraph
13(i), but only through the * Contract Year; thereafter the terms and conditions of this Paragraph 13(i) shall be in full force and effect. With regard to Manager's former employees, the prohibitions in this Paragraph shall last for a period of twelve (12) months from their termination. The provisions of this Paragraph 13(i) shall survive the termination of this Agreement for any reason.

(j) Any public announcements made upon the expiration or earlier termination of this Agreement shall be reasonably agreed upon in advance by Owner and Manager.

14. Indemnity.

(a) To the fullest extent permitted by law, Manager hereby indemnifies, defends, protects, and forever holds Owner, its respective shareholders, officers, directors, partners, members, employees, agents and representatives (collectively, the "Owner's Indemnitees") harmless from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, costs and expenses (including reasonable attorneys' fees, paraprofessional fees and court-related costs), such indemnity covering, but not being limited to, business interruption claims, bodily injury, sickness, disease, death or injury to or destruction of tangible property, but in all events, except as expressly provided below, only to the extent arising directly or indirectly, in whole or in part, out of the (i) gross negligence or any willful misconduct, omission, or breach of its obligations under this Agreement by Manager or by any of its officers, directors, agents or employees, in connection with this Agreement or Manager's

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*Confidential portion has been omitted and filed separately with the Commission.

performance of its duties or authority hereunder or (ii) breach of any representation, warranty or covenant contained in this Agreement. The indemnification obligation contained in this Paragraph 14(a) shall expressly include, but will not be limited to, damage which occurs as a result of the consumption of Food and Beverage Items sold by Manager at the Tracks. Notwithstanding the foregoing, this Paragraph 14(a) does not require Manager to indemnify, defend, protect, or hold Owner or Owner's Indemnitees harmless for claims, demands, losses, liabilities, actions, lawsuits or other proceedings, judgments, awards, costs and expenses to the extent caused by (i) the willful or negligent acts or omissions of Owner or any of Owner's Indemnitees or any contractors hired or retained by any of them, (ii) the willful or negligent acts or omissions of a Track's construction contractor, any construction subcontractors, a Track architect or any other persons involved in the design, construction, renovation, or modification of a Track
(including, but not limited to, the Foodservice Facilities), or (iii)
any damages, claims, or liabilities caused by any part of a Track other than the Foodservice Facilities. If any action or proceeding (including any governmental investigation) shall be brought or asserted against Owner or Owner's Indemnitees, in respect of which indemnity may be sought from Manager, Owner or Owner's Indemnitees, as the case may be, shall promptly notify Manager in writing; provided, however, failure to give such notice promptly shall not diminish Owner's right to indemnification hereunder unless such failure materially prejudices Manager. Provided that the matter for which indemnity is sought is solely for monetary damages and provided Manager first unconditionally acknowledges in writing its indemnification obligations hereunder with respect to such matter, Manager shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to Owner and Owner's Indemnitees, as the case may be, and the payment of all expenses. Manager shall not settle any such matter without the prior consent of the Owner unless such settlement includes a complete release and discharge (with prejudice, if applicable) of the Owner and the Manager pays such settlement in full. If Manager assumes the defense of such action or proceeding, any such indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such separate counsel shall be at the expense of such indemnified party unless (A) Manager, in its sole and absolute discretion, has agreed in advance and in writing to pay such fees and expenses, or (B) Manager has failed to assume the defense of such action or proceeding or employ counsel reasonably satisfactory to the indemnified party in any such action or proceeding. If Manager has failed to assume the defense of such action, Manager shall not be liable for any settlement of any such action or proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed, but if there be a final judgment for the plaintiff in any such action or proceeding, or if any such action or proceeding shall be settled and Manager shall have consented to such settlement, Manager agrees to indemnify, protect, defend, and hold harmless both Owner and Owner's Indemnitees from and against any loss or liability by reason of such judgment or settlement.

(b) To the fullest extent permitted by law, Owner hereby indemnifies, defends, protects and forever holds Manager, its partners, each of its and their respective shareholders, officers, directors, employees, agents and representatives (collectively, the

"Manager's Indemnitees") harmless, from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, costs and expenses (including reasonable attorneys' fees, paraprofessional fees and court-related costs), such indemnity covering, but not limited to, business interruption claims, bodily injury, sickness, disease, death or injury to or destruction of tangible property, but in all events, except as expressly provided below, only to the extent arising directly or indirectly, in whole or in part, out of the (i) gross negligence or any willful misconduct or omission or breach of its obligations hereunder by Owner or by any of its officers, directors, agents or employees, in connection with this Agreement or (ii) breach of any representation, warranty or covenant contained in this Agreement.. Notwithstanding the foregoing, this Paragraph 14(b) does not require Owner to indemnify, defend, protect or hold Manager or Manager's Indemnitees harmless for claims, demands, losses, liabilities, actions, lawsuits or other proceedings, judgments, awards, costs and expenses to the extent caused by the willful or negligent acts or omissions of Manager or any of Manager's Indemnitees or any of the Manager's contractors or agents. If any action or proceeding (including any governmental investigation) shall be brought or asserted against Manager or Manager's Indemnitees, in respect of which indemnity may be sought from Owner, Manager or Manager's Indemnitees, as the case may be, shall promptly notify Owner in writing; provided, however, failure to give such notice promptly shall not diminish Manager's right to indemnification hereunder unless such failure materially prejudices Owner. Provided that the matter for which indemnity is sought is solely for monetary damages and provided Owner first unconditionally acknowledges in writing its indemnification obligations hereunder with respect to such matter, Owner shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to Manager and Manager's Indemnitees, as the case may be, and the payment of all expenses. Owner shall not settle any such matter without the prior consent of the Manager unless such settlement includes a complete release and discharge (with prejudice, if applicable) of the Manager and the Owner pays such settlement in full. If Owner assumes the defense of such action or proceeding, any such indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such separate counsel shall be at the expense of such indemnified party unless (i) Owner, in its sole and absolute discretion, has agreed in writing to pay such fees and expenses, or (ii) Owner has failed to assume the defense of such action or proceeding or employ counsel reasonably satisfactory to the indemnified party in any such action or proceeding. If Owner has failed to assume the defense of such action, Owner shall not be liable for any settlement of any such action or proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed, but if there be a final judgment for the plaintiff in any such action or proceeding, or if any such action or proceeding shall be settled and Owner shall have consented to such settlement, Owner agrees to indemnify, protect, defend and hold harmless both Manager and Manager's Indemnitees from and against any loss or liability by reason of such judgment or settlement.

(c) Any monetary liability indemnified under subparagraph
(a) or (b) above shall be reduced by the proceeds of insurance received by the indemnified party.

(d) The provisions of this Paragraph 14 shall survive the termination of this Agreement.

(e) The indemnification obligations of Manager hereunder shall be the joint and several obligations of Levy and Levy Texas.

15. Ownership in Foodservice Facilities; Authority of Manager. Manager shall have no ownership rights in the Foodservice Facilities (other than Manager's Equipment), nor any claim of ownership with respect thereto, arising out of this Agreement or the performance of its services hereunder. This Agreement shall in no way be construed to authorize Manager to engage in any brokerage services or activities of any similar nature relating to the Foodservice Facilities.

16. Taxes and Contributions. Manager assumes full and exclusive responsibility and liability for withholding and paying, as may be required by law, all federal, state, and local taxes and contributions with respect to, assessed against, or measured by Manager's earnings hereunder, or salaries or other contributions or benefits paid or made available to any persons retained, employed, or used by or for Manager in connection with its services, and any and all other taxes and contributions applicable to its services for which Manager may be responsible under any laws or regulations, and shall make all returns and/or reports required in connection with any and all such laws, regulations, taxes, contributions and benefits.

17. Severability. Each provision of this Agreement is intended to be severable. If any term or provision hereof shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be deemed to be severed from this Agreement and shall not affect the validity of the remainder of this Agreement.

18. Consents; Waiver. Owner and Manager hereby expressly acknowledge and agree that, unless otherwise expressly stated to the contrary in this Agreement, all of the consents and approvals that are necessary or required from either Owner or Manager hereunder shall not be unreasonably conditioned, delayed, withheld, or denied. The granting of any consent or approval in any one instance by or on behalf of either Owner or Manager shall not be construed to waive or limit the need for such consent in any other or subsequent instance. No waiver, express or implied, by either Owner or Manager to or of any breach or default by the other party in the performance by the other of its obligations hereunder shall be valid unless in writing, and no such waiver shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such party hereunder. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

19. Governing Law. This Agreement is entered into in the State of North Carolina and shall be governed by the internal laws thereof.

20. Time of Essence. Subject only to the provisions of Paragraph 21 below, time is of the essence in the performance of this Agreement.

21. Force Majeure. A delay in or failure of performance by Owner or Manager shall not constitute a default, nor shall Owner or Manager be held liable for loss or damage, if and to the extent that such delay, failure, loss, or damage is caused by occurrences beyond the reasonable control of such party, and its agents, employees, contractors, subcontractors, and consultants, including but not limited to, acts of God or the public enemy, expropriation or confiscation of facilities, compliance with any order or request of any governmental authority or person purporting to act therefor, acts of declared or undeclared war, weapon of war employing atomic fission or radioactive force, whether in the time of peace or war, public disorders, rebellion, sabotage, revolution, earthquakes, tornadoes, floods, riots, strikes, labor or employment difficulties, delays in transportation, inability of a party to obtain necessary materials or equipment or permits due to existing or future laws, rules, or regulations of governmental authorities, or any other causes, whether direct or indirect, and whether or not of the same class or kind as those specifically above named, not within the reasonable control of such party, or its agent, employees, contractors, subcontractors and consultants, and which by the exercise of reasonable diligence said party is unable to prevent. Neither Owner nor Manager shall be entitled to the benefits of this Paragraph 21 unless it gives reasonably prompt written notice to the other of the existence of any event, occurrence, or condition which it believes permits a delay in the performance of its obligations pursuant to this Paragraph 21; provided, however, if the other party is already aware of such event causing the Force Majeure, no such written notice shall be required.

22. Assignment and Subcontracts.

(a) Manager shall have no right, power, or authority to assign this Agreement, or any portion hereof or any monies due or to become due hereunder, or to delegate any duties or obligations arising hereunder, either voluntarily, involuntarily, or by operation of law, without the prior written approval of Owner, which approval shall not be unreasonably withheld, conditioned, or delayed; provided, however, that a sale, transfer, assignment, delegation, or sub-contract of this Agreement or duties or obligations arising hereunder to any wholly-owned subsidiary or affiliate (that is controlled by Levy) of Levy shall not a constitute sale, transfer, assignment, delegation, or sub-contract of this Agreement and, therefore, shall not require Owner's approval. No such sale, transfer, assignment, delegation, or sub-contract of this Agreement to a subsidiary or controlled affiliate of Levy shall release Manager from its duties or obligations hereunder. Notwithstanding the foregoing, to the extent Owner incurs marketing expenses as a result of such sale, transfer, assignment, delegation, or sub-contract, Manager shall reimburse Owner for its reasonable marketing expenses. For purposes of this Paragraph 22, an affiliate that is controlled by a person means a corporation, limited liability company or partnership in which such person holds more than fifty percent (50%) of the voting stock, membership interests or partnership interest, as the case may be, such that such person has the power to direct the management and policies of such affiliate.

(b) In the event that (1) Owner either sells or transfers its ownership interest in any Track or Future Facility, or (2) Owner sells or transfers its rights to grant the right to sell food and beverage items in any Track or Future Facility, Owner shall use its best

reasonable efforts to transfer and assign this Agreement, subject to Manager's approval, which approval shall not be unreasonably withheld, conditioned, or delayed, provided that prior to the consummation of such sale, assignment, or transfer, such purchaser(s), assignee(s), or transferee(s) expressly assumes in writing the terms and conditions of this Agreement and agrees to be bound by all of the obligations of Owner contained in this Agreement. Without waiver of the foregoing provisions, all of the rights, benefits, duties, liabilities, and obligations of the parties hereto shall inure to the benefit of, and be binding upon, their respective successors and assigns. Failure of Manager to approve the assignment of this Agreement, as aforesaid, shall not prevent Owner from completing any sale or transfer contemplated by clauses (1) or (2) above and, in the absence of such approval by Manager, this Agreement shall automatically terminate upon the completion of such sale or transfer by Owner. If Manager has approved of such transfer or assignment and if Owner, after utilizing its best reasonable efforts to transfer and assign this Agreement is unable to do so: (i) and such sale, transfer or assignment is of all Tracks and then-existing Future Facilities, then the provisions of Paragraph 13(g) shall apply, or (ii) and such sale, transfer or assignment is of less than all of the Tracks and then-existing Future Facilities, then the Convenience Termination Payment shall be the sum of (a) * for such Tracks and then-existing Future Facilities so sold or transferred, plus (b) * for such Tracks and then-existing Future Facilities so sold or transferred, plus
(c) * for such Tracks and then-existing Future Facilities relative to total Gross Receipts for the previous Contract Year of all Tracks and then-existing Future Facilities so sold or transferred.

(c) Manager hereby agrees that a Change In Control (as that term is defined below) shall constitute an assignment of this Agreement. "Change In Control" shall mean an acquisition, directly or indirectly, of (i) substantially all of the assets of Levy, (ii) more than fifty percent (50%) of the partnership interests of Levy or (iii) more than fifty percent (50%) of the voting securities or other interest of the general partner of Levy, in any case by another person, group or entity, but specifically excluding an acquisition by Compass Group USA, Inc. (or entities which are controlled by Compass Group USA, Inc.) or Lawrence F. Levy (or entities which are controlled by Lawrence F. Levy).

23. Modification of Agreement. This Agreement constitutes the entire agreement between the parties hereto. To be effective, any modification of this Agreement must be in writing and signed by the party to be charged thereby.

24. Headings. The headings of the Paragraphs of this Agreement are inserted for convenience of reference only and shall not in any manner affect the construction or meaning of anything contained therein or govern the rights or liabilities of the parties hereto.

25. Interpretation. Whenever the context requires, all words used in the singular number shall be deemed to include the plural and vice versa, and each gender shall include any other gender. The use herein of the word "including," when following any general statement, term, or matter, shall not be construed to limit such statement, term, or matter to the specific items or matters set forth immediately following such word or to similar items or matters,

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*Confidential portion has been omitted and filed separately with the Commission.

whether or not non-limiting language (such as "without limitation," or "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term, or matter.

26. Notices.

(a) All notices, requests, and communications required or permitted hereunder shall be in writing and shall be sufficiently given, and deemed to have been received, upon personal delivery or, if mailed, upon the first to occur of (i) actual receipt as evidenced by written receipt for certified or registered mail or a nationally recognized overnight courier service, or (ii) refusal of delivery or notification by the United States Postal Service (or nationally recognized overnight courier service) to the sending party that the notice, request, or communication is not deliverable at the address of the receiving party set forth below:

If to Owner:	Speedway Motorsports, Inc. P.O. Box 18747 Charlotte, North Carolina 28218 Attention: William R. Brooks Vice President and Chief Financial Officer
With a copy to:	Speedway Systems LLC 5725-E Concord Parkway South Concord, North Carolina 28207 Attention: Donnie Bobbitt Executive Vice President
If to Manager:	Lawrence F. Levy Chairman Levy Restaurants 980 North Michigan Avenue Suite 400 Chicago, Illinois 60611

With a copy to: Andrew J. Lansing
President
Levy Restaurants
980 North Michigan Avenue
Suite 400
Chicago, Illinois 60611

With a copy to: Levy Restaurants
980 North Michigan Avenue
Suite 400
Chicago, Illinois 60611
Attention: General Counsel

With a copy to: Manager's Director of Operations at his/her offices at the applicable Track

(b) Notice of a change in address of one of the parties shall be given in writing to the other parties as provided above, but shall be effective only upon actual receipt.

27. Confidentiality; Marks.

(a) Any financial statements or other financial information that may be provided by either party to the other prior to the execution of, or pursuant to the requirements contained in, this Agreement, whether provided voluntarily or in satisfaction of an obligation to do so, and the terms of this Agreement, shall be kept strictly confidential by the party receiving the same, except and only to the extent that such information may be required to be reported for purposes of the receiving party's financial statements or public reporting requirements to or by any duly constituted governmental authorities or a securities exchange or to any bank or other financial institution providing financing to Manager, Owner, or any of their respective affiliated or related entities or owners.

(b) During the course of the performance of Manager's services pursuant to this Agreement, Manager and Owner may each utilize certain information that relates to its past, present, or future research, development, business activities, products, services, technical knowledge, and knowledge capital ("Confidential Information"). Furthermore, during the course of Manager's Services hereunder, Manager may utilize certain proprietary materials, tools, and methodologies including but not limited to software, programs, and systems (including modifications and adaptations thereto), documentation, training manuals, and procedures (hereinafter collectively referred to as "Service Solution Tools"). Service Solution Tools shall be deemed to be included as part of Manager's Confidential Information.

(c) Owner and Manager hereby acknowledge and recognize the competitive advantage and value associated with the Confidential Information and hereby agrees to

use its best efforts to, at all times, protect and preserve the confidentiality of each other's Confidential Information. Owner and Manager hereby agrees that it shall not have or retain any right, title, or interest in the Confidential Information of the other, except to use it during the term of this Agreement as expressly authorized from time-to-time and solely for the purpose of furthering Manager's services pursuant to this Agreement. Nothing in this Agreement shall restrict, prohibit, or limit in any way Manager's use of the Service Solution Tools in any manner or for any purpose whatsoever.

(d) Owner and Manager hereby agrees that all Confidential Information, including, but not limited to, Service Solution Tools and all copies thereof, shall be returned to the originating party, or at the originating party's election may be removed by the originating party, upon the first of the following to occur: (a) the expiration or earlier termination of this Agreement or (b) originating party's request.

(e) If Manager, in its sole discretion, authorizes Owner to use any its Service Solution Tools, the Service Solution Tools may only be used for its internal business purposes only and may not be used or shared for the benefit of any other party. The Service Solution Tools are made available "AS IS" without express or implied warranties of any kind. If this Agreement expires or is terminated, Owner's right, if any, to use the other's Service Solution Tools shall cease as of such expiration or termination.

(f) Proprietary Marks. Owner and Manager each acknowledge that the names, logos, service marks, trademarks, trade dress, trade names, and patents, whether or not registered, now or hereafter owned by or licensed to them respectively (or their affiliated and parent partners and companies) [collectively, "Marks"] are the proprietary Marks of such party, and the other party will not use the Marks for any purpose except as expressly permitted in writing. Upon termination of this Agreement, the using party shall (a) immediately and permanently discontinue the use and display of any Marks (collectively, "De-Image"), and (b) immediately remove and deliver to the other party all goods bearing any Marks. If the using party shall fail to De-Image the Foodservice Facilities within thirty (30) days of the termination or expiration date, then the other party and its agents shall have the right to enter the Tracks and Foodservice Facilities and De-Image the Premises, without prejudice to other rights and remedies.

(g) Owner and Manager hereby expressly acknowledge and agree that the terms and provisions of this Paragraph 27 shall survive the expiration or earlier termination of this Agreement.

28. Security. Owner shall be exclusively responsible for providing adequate security throughout the entire Track, including the Foodservice Facilities. Manager acknowledges that Owner shall be responsible for public order and safety and shall have the right and authority to eject individuals from the Foodservice Facilities as necessary.

29. Insurance.

(a) Liability Insurance. Manager shall obtain and maintain, at all times throughout the Term, the following coverages and minimum limits:

	Coverage	Minimum Limits
(i)	Workers Compensation & Employers Liability	*

(ii) General Liability *

*

(iii) Liquor Liability *

(iv) Automobile Liability *

General liability insurance provided by Manager shall be on an occurrence basis and shall include customary coverages, such as, but not limited to, bodily injury, property damage, and contractual liability insurance. A Certificate of Insurance shall be provided by Manager to Owner evidencing the Coverages and Minimum Limits listed in this Paragraph 29(a), as well as the property damage insurance detailed below, within fifteen (15) days of the commencement of the Term of this Agreement and annually thereafter. The Certificate shall include the Owner as an Additional Insured for all coverages other than the Workers Compensation & Employers Liability and shall also include a Waiver of Subrogation naming Owner under all policies. Manager or its representatives shall provide a thirty-day notice of cancellation or material change or any coverages required in this Paragraph 29(a).

(b) Property Damage Insurance. Throughout the Term, Owner shall be responsible for maintaining all insurance for Owner's Equipment (including the Las Vegas Equipment and the Lowes Club Equipment) utilized in connection with the Operations against property damage for ninety percent (90%) of the replacement value of such assets.

(c) Property Damage Insurance. Throughout the Term, Manager shall be responsible for maintaining all insurance for all Manager's Equipment utilized in connection with the Operations against property damage for one hundred percent (100%) of the replacement value of such assets.

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*Confidential portion has been omitted and filed separately with the Commission.

30. Administrators.

(a) Manager Administrator. Manager shall appoint a Manager Administrator, subject to Owner's reasonable approval, to work with the Owner Administrator in managing all aspects of this Agreement. The Manager Administrator shall act as the sole point of contact for the Owner Administrator. Any issues that the Owner may have during the Term of this Agreement shall be addressed to Owner through the Manager Administrator. The Owner Administrator and the Manager Administrator shall schedule monthly meetings, and hold emergency special meetings as needed, which may be held in person or via telephonic conference, to discuss any issues that come to their attention during the course of the previous month, including, without limitation, general day-to-day operations, customer satisfaction, and financial performance.

(b) Owner Administrator. Owner shall appoint an Owner Administrator, subject to Manager's reasonable approval, to work with the Manager Administrator in managing all aspects of this Agreement. The Owner Administrator shall act as the sole point of contact for the Manager Administrator. The Owner Administrator and the Manager Administrator shall schedule monthly meetings, and hold emergency special meetings as needed, which may be held in person or via telephonic conference, to discuss any issues that come to their attention during the course of the previous month, including, without limitation, general day-to-day operations, customer satisfaction and financial performance.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

Speedway Motorsports, Inc., a Delaware corporation

By: /s/ O. Bruton Smith

Its: CEO

Levy Premium Foodservice Limited Partnership, an Illinois limited partnership

By: /s/ Robert E. Seiffert

Its: Treasurer of its General Partner

Levy Premium Foodservice Limited Partnership of Texas, a Texas limited partnership

By: /s/ Robert E. Seiffert

Its: Treasurer of its General Partner

EXHIBIT "E-1"

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*Confidential portion has been omitted and filed separately with the Commission.

EXHIBIT "E-2"

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*Confidential portion has been omitted and filed separately with the Commission.

Exhibit 10.17

ASSIGNMENT OF AND
AMENDMENT TO
MANAGEMENT AGREEMENT

This ASSIGNMENT OF AND AMENDMENT TO MANAGEMENT AGREEMENT (this "Assignment & Amendment") is by and among SPEEDWAY MOTORSPORTS, INC., a Delaware corporation on behalf of its wholly-owned subsidiaries, including, but not limited to, SPEEDWAY SYSTEMS LLC, a North Carolina limited liability company, CHARLOTTE MOTOR SPEEDWAY, LLC, a Delaware limited liability company, TEXAS MOTOR SPEEDWAY, INC., a Texas corporation, and BRISTOL MOTOR SPEEDWAY, INC., a Tennessee corporation, (collectively, the "Speedway Companies"), LEVY PREMIUM FOODSERVICE LIMITED PARTNERSHIP, an Illinois limited partnership, ("Levy Illinois"), LEVY PREMIUM FOODSERVICE LIMITED PARTNERSHIP OF TEXAS, a Texas limited partnership ("Levy Texas") and LEVY PREMIUM FOODSERVICE, L.L.C., a Texas limited liability company ("Levy LLC").

RECITALS:

WHEREAS, the Speedway Companies, on one hand, and Levy Illinois and Levy Texas, on the other hand, entered into that certain Management Agreement dated November 29, 2001 whereby the Speedway Companies have engaged Levy Illinois and Levy Texas to manage food and beverage service operations at six motor speedway race tracks owned by the Speedway Companies;

WHEREAS, Levy Texas desires to assign its rights and responsibilities under the Management Agreement to Levy LLC and Levy LLC desires to accept such assignment; and

WHEREAS, it has come to the attention of the parties that the provisions of Section 4(b) Sponsorships of the Management Agreement could be found to violate certain provisions of the Texas Alcoholic Beverage Code (the "Code") and the rules of the Texas Alcoholic Beverage Commission (the "TABC") with respect to operations in Texas and the parties desire to amend the Management Agreement to avoid any such violation.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

AGREEMENT:

1. Assignment. Levy Texas hereby transfers and assigns to Levy LLC, and Levy LLC hereby assumes, subject to the condition set forth in the following paragraph of this Assignment, all of Levy Texas's rights, title, interest and obligations under the Management Agreement. Levy Texas hereby represents and warrants, and the Speedway Companies hereby acknowledge, based solely on such representation and warranty, that Levy LLC is a controlled affiliate of Levy Illinois and Levy Texas and that, as such, no prior approval of this assignment is required pursuant to the provisions of Section 22(a) of the Management Agreement.

2. Amendment to Section 4. The current text of Subsection 4(b) shall be designated Subsection 4(b)(i) and the following shall be added as Subsection 4(b)(ii):

(ii) Notwithstanding anything herein to the contrary, Levy LLC shall exercise its independent judgment with respect to the brands and quantities of alcoholic beverages it purchases and makes available to its customers in the State of Texas. The parties acknowledge that the Speedway Companies plan to seek sponsorships for their operations at Texas Motor Speedway from members of the manufacturing and/or distributing tier(s) of the alcoholic beverage industry ("Upper Tier Members") and that such sponsorships must comply with Section 45.100 of the TABC's rules. In this regard, the parties:

(A) acknowledge and agree that neither Levy LLC, Levy Illinois nor Levy Texas will receive any monetary benefit, direct or indirect, from the advertising or sponsorship revenues generated by operation of Texas Motor Speedway;

(B) acknowledge and agree that neither Levy LLC, Levy Illinois nor Levy Texas will have any right or authority to control, directly or indirectly, any programming or booking decision at Texas Motor Speedway; and

(C) acknowledge and agree that neither Levy LLC, Levy Illinois nor Levy Texas are subject to the direction or control, directly or indirectly, of the owner of Texas Motor Speedway, its operator, any producer of an event at Texas Motor Speedway or any Upper Tier Member as to quantity or brands of alcoholic beverages bought and sold by Levy LLC at Texas Motor Speedway.

3. Amendment to Section 10. The last sentence of Section 10 shall be deleted in its entirety. The rest of the original Section 10 shall continue in full force and effect.

4. Ratification of Agreement. Except as hereby amended, all of the terms and provisions contained in the Management Agreement are hereby ratified by each of the parties hereto, and such terms and conditions shall continue in full force and effect.

IN WITNESS WHEREOF, each of the undersigned has caused this Assignment & Amendment to be executed this 24th day of January, 2002.

SPEEDWAY COMPANIES:

SPEEDWAY MOTORSPORTS, INC.,
a Delaware Corporation

By: /s/ William R. Brooks, VP

Printed Name: William R. Brooks

Title: Vice President

LEVY ILLINOIS:

LEVY PREMIUM FOODSERVICE
LIMITED PARTNERSHIP,
an Illinois limited partnership

By: Levy GP Corporation, an Illinois corporation
Its General Partner

By: /s/ Robert E. Seiffert

Robert E. Seiffert, Treasurer

LEVY TEXAS:

LEVY PREMIUM FOODSERVICE LIMITED
PARTNERSHIP OF TEXAS,
a Texas limited partnership

By: Levy GP Corporation, an Illinois corporation
Its General Partner

By: /s/ Robert E. Seiffert

Robert E. Seiffert, Treasurer

LEVY LLC:

LEVY PREMIUM FOODSERVICE, L.L.C.
a Texas limited liability company

By: /s/ Danette T. Jones

Danette T. Jones, Manager

Exhibit 10.18 Execution Copy 11/28/01

GUARANTY AGREEMENT

(SMI)

This GUARANTY AGREEMENT (this "Guaranty Agreement") is made as of November 29, 2001 by SPEEDWAY MOTORSPORTS, INC., a Delaware corporation (the "Guarantor"), in favor of LEVY PREMIUM FOODSERVICE LIMITED PARTNERSHIP, an Illinois limited partnership (the "Buyer"), and COMPASS GROUP USA, INC., a Delaware corporation ("Compass").

R E C I T A L S:

WHEREAS, contemporaneously with the making, execution and delivery of this Guaranty Agreement, Speedway Systems LLC, a North Carolina limited liability company, Charlotte Motor Speedway, LLC, a Delaware limited liability company, Texas Motor Speedway, Inc., a Texas corporation, and Bristol Motor Speedway, Inc., a Tennessee corporation (collectively, the "Sellers") are entering into an Asset Purchase Agreement (the "Asset Purchase Agreement") pursuant to which, among other things, the Sellers will sell to the Buyer, and the Buyer will purchase from the Sellers, certain assets of the Sellers related to the Sellers' food and beverage service business; and

WHEREAS, the Buyer is willing to execute and deliver, and to consummate the transactions contemplated by, the Asset Purchase Agreement upon the condition, among others, that the Guarantor shall have executed and delivered this Guaranty Agreement to the Buyer; and

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Asset Purchase Agreement; and

WHEREAS, as contemplated by the Asset Purchase Agreement, at the Closing under the Asset Purchase Agreement, the Guarantor will execute and deliver the Management Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual agreements and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Guarantor hereby guarantees to the Buyer as follows:

1. Guaranty. Subject to the provisions of Section 6 hereof, the Guarantor hereby unconditionally and irrevocably guarantees to the Buyer the due and punctual payment, when and as due, of all amounts from time to time payable by Sellers under or pursuant to the Asset Purchase Agreement. Such payment obligations of the Sellers are hereinafter called, collectively, the "Guaranteed Obligations."

2. Manner of Performance. The Guarantor and the Buyer hereby agree that if any of the Guaranteed Obligations are not paid, when and as due, if the Buyer shall notify the Guarantor of such nonpayment, the Guarantor shall promptly cause the Sellers to pay or the Guarantor will promptly pay, the Guaranteed Obligations, subject to Section 6 hereof.

3. Absoluteness of Guaranty. Subject to Section 6 hereof, the obligations of the Guarantor under this Guaranty Agreement shall be absolute and unconditional, present and continuing, irrespective of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of or termination of the existence of any of the Sellers or any circumstance which might constitute a legal or equitable discharge of a guarantor; it being agreed that the obligations of the Guarantor under this Guaranty Agreement shall not be discharged except by payment, observance or performance as herein provided.

4. Guaranty Not Affected. The Guarantor hereby consents and agrees that, at any time and from time to time:

(a) the time, manner, place and/or terms and conditions of payment, observance or performance of all or any of the Guaranteed Obligations may be extended, amended, modified or changed pursuant to agreement between the Sellers and the Buyer;

(b) the time for performance of or compliance with any term, obligation, covenant or agreement on the part of the Sellers to be performed or observed by the Sellers under the Asset Purchase Agreement may be extended, or such performance or compliance waived, or failure in or departure from such performance or compliance consented to; and

(c) the Asset Purchase Agreement may be amended or modified in any respect by the parties thereto, all in such manner and upon such terms as the parties thereto may deem proper, and without notice to or further assent from the Guarantor, and all without affecting this Guaranty Agreement or the obligations of the Guarantor hereunder, which shall continue in full force and effect until all of the Guaranteed Obligations and all obligations of the Guarantor hereunder shall have been fully paid, observed and performed.

5. Waiver. The Guarantor hereby waives notice of acceptance of this Guaranty Agreement, presentment, demand, protest, or (except as set forth in
Section 2 hereof) any notice of any kind whatsoever, with respect to any or all of the Guaranteed Obligations, and promptness in making any claim or demand hereunder. The Guarantor, except as set forth in Section 2 hereof, also waives any requirement, and any right to require, that any right or power be exercised or any action be taken against the Buyer or any other person or entity or any assets for any of the Guaranteed Obligations.

6. Guarantor's Rights. By its acceptance of this Guaranty, the Buyer agrees that the Guarantor shall have no greater liability to the Buyer than the Guarantor would have if it was a party to the Asset Purchase Agreement with joint and several liability for the obligations of the Sellers thereunder. Accordingly, the Guarantor shall have the right to avail itself of any and all defenses to and valid setoffs, counterclaims and claims of recoupment against any or all of the Guaranteed Obligations that may at any time be available to the Sellers. Notwithstanding the

foregoing, the obligations of the Guarantor hereunder are independent of the obligations of the Sellers and a separate action or actions may be brought against the Guarantor regardless of whether action is brought against the Sellers or whether the Sellers will be joined in any such action or actions. The Guarantor waives any right to require the Buyer to proceed against the Sellers or to pursue any other remedy in the Buyer's power whatsoever.

7. Reinstatement. This Guaranty Agreement shall continue to be effective or be reinstated, as the case may be, if at any time payment, observance or performance, or any part thereof, of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned to the Sellers upon the insolvency, bankruptcy or reorganization of the Sellers, all as though such payment, observance or performance had not been made.

8. No Waiver; Amendments, Etc. No failure or delay on the part of the Buyer in exercising any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification, termination or waiver of any provision of this Guaranty Agreement, nor consent to any departure by the Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Buyer, and then such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose given. No notice to or demand on the Guarantor in any case shall entitle the Guarantor to further notice or demand in similar or other circumstances.

9. Continuing Effect; No Assignment. This Guaranty Agreement is a continuing guaranty and (i) subject to the provisions of Section 6 hereof, shall remain in full force and effect until payment, observance and performance in full of the Guaranteed Obligations, (ii) subject to the provisions of this
Section 9, shall be binding upon the Guarantor, its respective successors and assigns, and (iii) subject to the provisions of this Section 9, shall inure to the benefit of, and be enforceable by, the Buyer and Compass and their respective successors, transferees and assigns. The Guarantor may not assign or delegate the performance of any of its obligations under this Guaranty Agreement.

10. Notices. All notices, claims, certificates, requests, demands and other communications required to made hereunder shall be given in accordance with the Asset Purchase Agreement. For purposes of such notice to the Guarantor, the Guarantor's address is as follows:

Speedway Motorsports, Inc.
Attn: Chief Financial Officer
P.O. Box 18747
Charlotte, NC 28212
Facsimile: (704) 532-3312

11. Severability. The invalidity of any one or more phrases, sentences, clauses, paragraphs, subsections or sections hereof shall not affect the remaining portions of this Guaranty Agreement, or any part thereof, all of which are inserted conditionally on their being held valid in law and in the event that one or more of the phrases, sentences, clauses, paragraphs,

subsections or sections contained herein should be invalid, or should operate to render this Guaranty Agreement invalid, this Guaranty Agreement shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, subsection or subsections or section or sections had not been inserted.

12. Governing Law. This Guaranty Agreement and all rights hereunder shall in all respects be governed by and construed in accordance with the laws of the State of North Carolina, without giving effect to its principles of conflicts of law.

13. Entire Agreement. This Guaranty Agreement and the other writings referred to herein or delivered pursuant hereto contain the entire understanding of the parties hereto with respect to its subject matter. There are no representations, promises, warranties, covenants or undertakings other than as expressly set forth herein or therein. This Guaranty Agreement supersedes all prior agreements and understandings between the parties hereto with respect to its subject matter.

14. Headings; Counterparts. The Section headings contained in this Guaranty Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Guaranty Agreement. This Guaranty Agreement may be executed in counterparts.

15. Enforcement of this Guaranty Agreement by Compass. The Guarantor acknowledges and agrees that Compass shall be entitled to enforce this Guaranty Agreement as fully as if Compass were the Buyer hereunder.

16. Execution of Management Agreement. In addition to its guaranty obligations hereunder, the Guarantor hereby covenants and agrees that, at the Closing under the Asset Purchase Agreement, the Guarantor will execute and deliver, as the Owner thereunder, the Management Agreement in the form of Exhibit A to the Asset Purchase Agreement.

[Signatures Are on Page Following]

IN WITNESS WHEREOF, the undersigned has made, executed and delivered this Guaranty Agreement to the Buyer and Compass as of the date first stated above.

GUARANTOR:

SPEEDWAY MOTORSPORTS, INC.

/s/ O. Bruton Smith (SEAL)

Accepted:

LEVY PREMIUM FOODSERVICE LIMITED PARTNERSHIP

By: /s/ Robert E. Seiffert

Name: Robert E. Seiffert
Title: Treasurer

COMPASS GROUP USA, INC.

By: /s/ Tom Ondrof

Name: Tom Ondrof
Title: Chief Financial Officer

GUARANTY AGREEMENT

(COMPASS)

This GUARANTY AGREEMENT (this "Guaranty Agreement") is made as of November 29, 2001 by COMPASS GROUP USA, INC., a Delaware corporation (the "Guarantor"), in favor of SPEEDWAY SYSTEMS LLC, a North Carolina limited liability company, CHARLOTTE MOTOR SPEEDWAY, LLC, a Delaware limited liability company, TEXAS MOTOR SPEEDWAY, INC., a Texas corporation, and BRISTOL MOTOR SPEEDWAY, INC., a Tennessee corporation (collectively, the "Sellers"), and SPEEDWAY MOTORSPORTS, INC., a Delaware corporation ("SMI").

R E C I T A L S:

WHEREAS, contemporaneously with the making, execution and delivery of this Guaranty Agreement, Levy Premium Foodservice Limited Partnership, an Illinois limited partnership (the "Buyer"), is entering into an Asset Purchase Agreement (the "Asset Purchase Agreement") pursuant to which, among other things, the Buyer will purchase from the Sellers, and the Sellers will sell to the Buyer, certain assets of the Sellers related to the Sellers' food and beverage service business; and

WHEREAS, the Sellers are willing to execute and deliver, and to consummate the transactions contemplated by, the Asset Purchase Agreement upon the condition, among others, that the Guarantor shall have executed and delivered this Guaranty Agreement to the Sellers; and

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Asset Purchase Agreement; and

WHEREAS, as contemplated by the Asset Purchase Agreement, at the Closing under the Asset Purchase Agreement, the Buyer will execute and deliver the Management Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual agreements and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Guarantor hereby guarantees to the Sellers as follows:

1. Guaranty. Subject to the provisions of Section 6 hereof, the Guarantor hereby unconditionally and irrevocably guarantees to the Sellers the due and punctual payment, when and as due, of all amounts from time to time payable by Buyer under or pursuant to the Asset Purchase Agreement and/or the Management Agreement. Such payment obligations of the Buyer are hereinafter called, collectively, the "Guaranteed Obligations."

2. Manner of Performance. The Guarantor and the Sellers hereby agree that if any of the Guaranteed Obligations are not paid, when and as due, if the Sellers' Agent shall notify the Guarantor of such nonpayment, the Guarantor shall promptly cause the Buyer to pay or the Guarantor will promptly pay, the Guaranteed Obligations, subject to Section 6 hereof.

3. Absoluteness of Guaranty. Subject to Section 6 hereof, the obligations of the Guarantor under this Guaranty Agreement shall be absolute and unconditional, present and continuing, irrespective of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of or termination of the existence of the Buyer or any circumstance which might constitute a legal or equitable discharge of a guarantor; it being agreed that the obligations of the Guarantor under this Guaranty Agreement shall not be discharged except by payment, observance or performance as herein provided.

4. Guaranty Not Affected. The Guarantor hereby consents and agrees that, at any time and from time to time:

(a) the time, manner, place and/or terms and conditions of payment, observance or performance of all or any of the Guaranteed Obligations may be extended, amended, modified or changed pursuant to agreement between the Sellers and the Buyer;

(b) the time for performance of or compliance with any term, obligation, covenant or agreement on the part of the Buyer to be performed or observed by the Buyer under the Asset Purchase Agreement or the Management Agreement may be extended, or such performance or compliance waived, or failure in or departure from such performance or compliance consented to; and

(c) the Asset Purchase Agreement or the Management Agreement may be amended or modified in any respect by the parties thereto, all in such manner and upon such terms as the parties thereto may deem proper, and without notice to or further assent from the Guarantor, and all without affecting this Guaranty Agreement or the obligations of the Guarantor hereunder, which shall continue in full force and effect until all of the Guaranteed Obligations and all obligations of the Guarantor hereunder shall have been fully paid, observed and performed.

5. Waiver. The Guarantor hereby waives notice of acceptance of this Guaranty Agreement, presentment, demand, protest, or (except as set forth in
Section 2 hereof) any notice of any kind whatsoever, with respect to any or all of the Guaranteed Obligations, and promptness in making any claim or demand hereunder. The Guarantor, except as set forth in Section 2 hereof, also waives any requirement, and any right to require, that any right or power be exercised or any action be taken against the Buyer or any other person or entity or any assets for any of the Guaranteed Obligations.

6. Guarantor's Rights. By its acceptance of this Guaranty, the Sellers agree that the Guarantor shall have no greater liability to the Sellers than the Guarantor would have if it was a party to the Asset Purchase Agreement or the Management Agreement, as the case may be, with joint and several liability for the obligations of the Buyer thereunder. Accordingly, the

Guarantor shall have the right to avail itself of any and all defenses to and valid setoffs, counterclaims and claims of recoupment against any or all of the Guaranteed Obligations that may at any time be available to the Buyer. Notwithstanding the foregoing, the obligations of the Guarantor hereunder are independent of the obligations of the Buyer and a separate action or actions may be brought against the Guarantor regardless of whether action is brought against the Buyer or whether the Buyer will be joined in any such action or actions. The Guarantor waives any right to require the Sellers to proceed against the Buyer or to pursue any other remedy in the Sellers' power whatsoever.

7. Reinstatement. This Guaranty Agreement shall continue to be effective or be reinstated, as the case may be, if at any time payment, observance or performance, or any part thereof, of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned to the Buyer upon the insolvency, bankruptcy or reorganization of the Buyer, all as though such payment, observance or performance had not been made.

8. No Waiver; Amendments, Etc. No failure or delay on the part of the Sellers in exercising any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification, termination or waiver of any provision of this Guaranty Agreement, nor consent to any departure by the Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Sellers, and then such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose given. No notice to or demand on the Guarantor in any case shall entitle the Guarantor to further notice or demand in similar or other circumstances.

9. Continuing Effect; No Assignment. This Guaranty Agreement is a continuing guaranty and (i) subject to the provisions of Section 6 hereof, shall remain in full force and effect until payment, observance and performance in full of the Guaranteed Obligations, (ii) subject to the provisions of this
Section 9, shall be binding upon the Guarantor, its respective successors and assigns, and (iii) subject to the provisions of this Section 9, shall inure to the benefit of, and be enforceable by, the Sellers and SMI and their respective successors, transferees and assigns. The Guarantor may not assign or delegate the performance of any of its obligations under this Guaranty Agreement.

10. Notices. All notices, claims, certificates, requests, demands and other communications required to made hereunder shall be given in accordance with the Asset Purchase Agreement. For purposes of such notice to the Guarantor, the Guarantor's address is as follows:

Compass Group-USA, Inc.
Attn: General Counsel
2400 Yorkmont Road
Charlotte, NC 28217
Facsimile: (704)329-4010

11. Severability. The invalidity of any one or more phrases, sentences, clauses, paragraphs, subsections or sections hereof shall not affect the remaining portions of this Guaranty Agreement, or any part thereof, all of which are inserted conditionally on their being held valid in law and in the event that one or more of the phrases, sentences, clauses, paragraphs, subsections or sections contained herein should be invalid, or should operate to render this Guaranty Agreement invalid, this Guaranty Agreement shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, subsection or subsections or section or sections had not been inserted.

12. Governing Law. This Guaranty Agreement and all rights hereunder shall in all respects be governed by and construed in accordance with the laws of the State of North Carolina, without giving effect to its principles of conflicts of law.

13. Entire Agreement. This Guaranty Agreement and the other writings referred to herein or delivered pursuant hereto contain the entire understanding of the parties hereto with respect to its subject matter. There are no representations, promises, warranties, covenants or undertakings other than as expressly set forth herein or therein. This Guaranty Agreement supersedes all prior agreements and understandings between the parties hereto with respect to its subject matter.

14. Headings; Counterparts. The Section headings contained in this Guaranty Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Guaranty Agreement. This Guaranty Agreement may be executed in counterparts.

15. Enforcement of this Guaranty Agreement by SMI. The Guarantor acknowledges and agrees that SMI shall be entitled to enforce this Guaranty Agreement as fully as if SMI were any one of the Sellers hereunder.

[Signatures Are on Page Following]

IN WITNESS WHEREOF, the undersigned has made, executed and delivered this Guaranty Agreement to the Sellers and SMI as of the date first stated above.

GUARANTOR:

COMPASS GROUP USA, INC.

/s/ J. Kurt Kimbell (SEAL)

Accepted:

SPEEDWAY MOTORSPORTS, INC.

By: /s/ O. Bruton Smith
Name: O. Bruton Smith
Title: CEO

SPEEDWAY SYSTEMS LLC

By: /s/ O. Bruton Smith
Name: O. Bruton Smith
Title: CEO

CHARLOTTE MOTOR SPEEDWAY, LLC

By: /s/ O. Bruton Smith
Name: O. Bruton Smith
Title: CEO

BRISTOL MOTOR SPEEDWAY, INC.

By: /s/ O. Bruton Smith
Name: O. Bruton Smith
Title: President

TEXAS MOTOR SPEEDWAY, INC.

By: /s/ O. Bruton Smith
Name: O. Bruton Smith
Title: President

Exhibit 21.1

SUBSIDIARIES OF THE COMPANY

Atlanta Motor Speedway, Inc., a Georgia corporation.

Bristol Motor Speedway, Inc., a Tennessee corporation.

Charlotte Motor Speedway LLC a/k/a Lowe's Motor Speedway at Charlotte ("CMS"), a Delaware limited liability company.

Nevada Speedway LLC d/b/a Las Vegas Motor Speedway, a Delaware limited liability company.

Sears Point Raceway LLC, a Delaware limited liability company.

Texas Motor Speedway, Inc., a Texas corporation.

Speedway Systems LLC d/b/a Finish Line Events ("FLE"), a North Carolina limited liability company.

600 Racing, Inc. (a wholly owned subsidiary of CMS), a North Carolina corporation.

IMS Systems LP, a North Carolina limited partnership.

INEX Corporation (a wholly owned subsidiary of CMS), a North Carolina corporation.

Motorsports by Mail LLC (a wholly owned subsidiary of FLE), a North Carolina limited liability company.

Oil-Chem Research Corporation, an Illinois corporation.

Speedway Funding LLC, a Delaware limited liability company.

Speedway Holdings, Inc., a Nevada corporation.

Speedway Media LLC d/b/a Racing Country USA, a North Carolina limited liability company.

Speedway Properties Company LLC, a Delaware limited liability company.

SMI Systems LLC, a Nevada limited liability company.

SoldUSA, Inc., a Delaware corporation.

Exhibit 23.0

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements Nos. 333-69616, 333-49027 and 333-69618 of Speedway Motorsports, Inc. on Form S-8 and Registration Statement No. 333-13431 of Speedway Motorsports, Inc. on Form S-3 of our report dated February 12, 2002, appearing in the Annual Report on Form 10-K of Speedway Motorsports, Inc. for the year ended December 31, 2001.

/s/ DELOITTE & TOUCHE LLP
Charlotte, North Carolina

March 27, 2002

EXHIBIT 99.1

SPEEDWAY MOTORSPORTS, INC.
RISK FACTORS

You should carefully consider and evaluate all of the risk factors set forth below in the context of any forward-looking statement, either oral or written, made from time to time by Speedway Motorsports, Inc. and its subsidiaries, officers or directors.

The annual, quarterly and current reports and proxy statements we file with the Securities and Exchange Commission and the documents we incorporate by reference in such reports and statements as well as the press releases we issue from time to time and the oral and written statements of our officers and directors made from time to time may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and
Section 21E of the Securities Exchange Act of 1934, as amended. You can identify a forward-looking statement by our use of the words "anticipate," "estimate," "expect," "may," "believe," "objective," "projection," "forecast," "goal," and similar expressions. These forward-looking statements may include, among other things, our statements regarding the timing of future events, our anticipated future operations, financial position or cash requirements. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we do not know whether our expectations will prove correct. We disclose important factors that could cause our actual results to differ from our expectations in cautionary statements made in filings we have made with the SEC. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Our actual results could differ materially from those anticipated in any such forward-looking statements as a result of the risk factors described in these reports, other factors set forth in or incorporated by reference in these reports and as set forth below.

Many of these factors are beyond our ability to control or predict. We caution you not to put undue reliance on forward-looking statements or to project any future results based on such statements or on present or prior earnings levels or financial condition. Some of the factors that could cause the actual results to differ materially are set forth below. Additional information concerning these or other factors that could cause the actual results to differ materially from those in the forward-looking statements is contained from time to time in our other SEC filings. Copies of those filings are available from us and/or the SEC.

BAD WEATHER ADVERSELY AFFECTS THE PROFITABILITY OF OUR MOTORSPORTS EVENTS.

We sponsor and promote outdoor motorsports events. Weather conditions affect sales of tickets, concessions and souvenirs, among other things, at these events. Although we sell tickets well in advance of our events, poor weather conditions can have an effect on our results of operations.

CONSUMER AND CORPORATE SPENDING CAN SIGNIFICANTLY IMPACT OPERATING RESULTS.

Many factors related to discretionary consumer spending, including economic conditions affecting disposable consumer income such as employment, interest and tax rates and inflation, can significantly impact our operating results. Many factors related to corporate spending such as general economic and other business conditions, including consumer spending, interest and tax rates, and inflation, as well as various industry conditions, including corporate marketing and promotional spending and interest levels, can also significantly impact our operating results. These factors can affect attendance at our events, suite rentals, sponsorship, advertising and hospitality spending, concession and souvenir sales, as well as the financial results of present and potential sponsors of our facilities and events and of the industry. There can be no assurance that consumer and corporate spending will not be adversely impacted by economic conditions, and thereby possibly impacting our operating results and growth.

NONRENEWAL OF A NASCAR EVENT LICENSE OR A DETERIORATION IN OUR RELATIONSHIP WITH NASCAR COULD ADVERSELY AFFECT OUR PROFITABILITY.

Our success has been and will remain dependent to a significant extent upon maintaining a good working relationship with the organizations that sanction the races we promote at our facilities, particularly the National

Association for Stock Car Auto Racing, Inc. ("NASCAR"), the sanctioning body for Winston Cup, Busch Grand National and Craftsman Truck races. We currently hold licenses to sponsor ten Winston Cup races and seven Busch Grand National races. In 2001, we derived approximately 76% of our total revenues from events sanctioned by NASCAR. Each NASCAR event license is awarded on an annual basis. Although we believe that our relationship with NASCAR is good, NASCAR is under no obligation to continue to license SMI to sponsor any event. Nonrenewal of a NASCAR event license would have a material adverse effect on our financial condition and results of operations. Our strategy has included growth through the addition of motorsports facilities. We cannot assure you that we will continue to obtain NASCAR licenses to sponsor races at such facilities. Failure to obtain NASCAR event licences for any such future additional motorsport facility could adversely affect us. Similarly, NASCAR is not obligated to modify its race schedules to allow us to schedule our races more efficiently or favorably.

In February 2002, a SMI stockholder filed a suit against NASCAR and International Speedway Corporation ("ISC") alleging, among other things, that NASCAR and ISC unlawfully refused to award our Texas Motor Speedway subsidiary ("TMS") a NASCAR Winston Cup race date. We have taken no position on this matter. We are unable to predict what effect, if any, this lawsuit will have on us or our relationship with NASCAR. If this matter adversely affects our relationship with NASCAR, our financial condition and results of operations may be adversely affected.

NATIONAL OR LOCAL CATASTROPHES COULD HAVE A SIGNIFICANT ADVERSE IMPACT ON OUR OPERATING RESULTS.

The national security incidents of September 11, 2001 have raised numerous challenging operating factors including public concerns regarding air travel, military actions, and additional national or local catastrophic incidents. These factors have, and may continue, to adversely affect consumer and corporate spending sentiment. Should difficulties, restrictions or public concerns regarding air travel or military-related actions continue or increase, or if additional national or local terrorist, catastrophic or other incidents occur, there can be no assurance that consumer and corporate spending will not be adversely impacted, thereby possibly impacting our operating results and growth.

COSTS ASSOCIATED WITH AND ABILITY TO OBTAIN ADEQUATE INSURANCE COULD ADVERSELY AFFECT OUR PROFITABILITY AND FINANCIAL CONDITION.

Heightened concerns and challenges regarding property, casualty, liability, business interruption, and other insurance coverage have resulted after the national incidents on September 11, 2001. We have experienced increased difficulty obtaining high policy limits of coverage at reasonable costs, including coverage for acts of terrorism. We have a material investment in property and equipment at each of our six speedway facilities, which are generally located near highly populated cities and which hold motorsports events typically attended by large numbers of fans. At December 31, 2001, we had net property and equipment of approximately $813.2 million. These operational, geographical and situational factors, among others, have resulted in and may continue to result in, significant increases in insurance premium costs. We cannot assure you that future increases in such insurance costs will not adversely impact our profitability, thereby possibly impacting our operating results and growth.

In addition, while management attempts to obtain and believes it presently has reasonable limits of property, casualty, liability, and business interruption insurance in force, including coverage for acts of terrorism, and with financially sound insurers, we cannot guarantee that such coverage would be adequate should a catastrophic event occur at or near any of our speedway facilities, or that our insurers would have adequate financial resources to sufficiently or fully pay our related claims or damages. Once our present coverage expires, we cannot guarantee that adequate coverage limits will be available, offered at reasonable costs, or offered by insurers with sufficient financial soundness. The occurrence of such an incident affecting any of our speedway facilities could have a material adverse effect on our financial position and future results of operations if asset damage and/or company liability was to exceed insurance coverage limits or if an insurer was unable to sufficiently or fully pay our related claims or damages. The occurrence of additional national incidents, in particular incidents at sporting event, entertainment or other public venues, may significantly impair our ability to obtain such insurance coverage in the future.

POSTPONEMENT AND/OR CANCELLATION OF MAJOR MOTORSPORTS EVENTS COULD ADVERSELY AFFECT US.

If an event scheduled for one of our facilities is postponed because of weather or other reasons such as, for example, the general postponement of all major sporting events in this country following the September 11th terrorism attacks, we could incur increased expenses associated with conducting the rescheduled event, as well as possible decreased revenues from tickets, food, drinks and merchandise at the rescheduled event. If such an event is cancelled, we would incur the expenses associated with preparing to conduct the event as well as losing the revenues associated with the event, including live broadcast revenues, to the extent such losses were not covered by insurance.

If a cancelled event is part of the NASCAR Winston Cup Series or NASCAR Busch Grand National Series, the amount of money we receive from television revenues for all of our NASCAR-sanctioned events in the series that experienced the cancellation could be reduced. This would occur if, as a result of the cancellation, and without regard to whether the cancelled event was scheduled for one or our facilities, NASCAR experienced a reduction in television revenues greater than the amount scheduled to be paid to the promoter of the cancelled event.

HIGH COMPETITION IN THE MOTORSPORTS INDUSTRY COULD HINDER OUR ABILITY TO MAINTAIN OR IMPROVE OUR POSITION IN THE INDUSTRY.

Motorsports promotion is a competitive industry. We compete in regional and national markets to sponsor events, especially NASCAR-sanctioned events. Certain of our competitors have resources that exceed ours. NASCAR is owned by Bill France, Jr. and the France family, who also control ISC. ISC presently holds licenses to sponsor eighteen Winston Cup races. The France family is part owner of another track that hosts two NASCAR Winston Cup events. We are the leading motorsports promoter in the local and regional markets served at Atlanta, Bristol, Lowe's ("LMSC"), Las Vegas and Texas Motor Speedways and Sears Point Raceway ("SPR"), and compete regionally and nationally with other speedway owners to sponsor events, especially NASCAR, Championship Auto Racing Teams ("CART"), Indy Racing League ("IRL"), and National Hot Rod Association ("NHRA") sanctioned events. We also must compete for spectator interest with all forms of professional and amateur spring, summer, and fall sports conducted in and near Atlanta, Bristol, Charlotte, Las Vegas, Fort Worth, and Sonoma, many of which have resources that exceed ours. We also compete for attendance with a wide range of other available entertainment and recreational activities. We cannot assure you that we will maintain or improve our position in light of such competition.

GOVERNMENT REGULATION OF CERTAIN MOTORSPORTS SPONSORS COULD NEGATIVELY IMPACT THE AVAILABILITY OF PROMOTION, SPONSORSHIP AND ADVERTISING REVENUE FOR US.

The motorsports industry generates significant revenue each year from the promotion, sponsorship and advertising of various companies and their products. Government regulation can adversely impact the availability to motorsports of its promotion, sponsorship and advertising revenue. Advertising of the tobacco and liquor industries is generally subject to greater governmental regulation than advertising by other sponsors of our events. In addition, certain of our sponsorship contracts are terminable upon the implementation of adverse regulations.

We cannot assure you that:

. the tobacco industry will continue to sponsor motorsports events;
. suitable alternative sponsors could be located; or
. NASCAR will continue to sanction individual racing events sponsored by the tobacco industry at any of our facilities.

Advertising and sponsorship revenue from the tobacco industry accounted for approximately 1% of our total revenues in fiscal 2001. In addition, the tobacco industry provides financial support to the motorsports industry through, among other things, its purchase of advertising time and its sponsorship of racing teams and racing series such as NASCAR's Winston Cup series.

THE LOSS OF OUR KEY PERSONNEL COULD ADVERSELY AFFECT OUR OPERATIONS AND GROWTH.

Our success depends to a great extent upon the availability and performance of our senior management, particularly O. Bruton Smith, our Chairman and Chief Executive Officer, and H.A. "Humpy" Wheeler, our President and Chief Operating Officer, who have managed SMI as a team for over 25 years. Their experience within the industry, especially their working relationship with NASCAR, will continue to be of considerable importance to us. The loss of any of our key personnel or our inability to attract and retain key employees in the future could have a material adverse effect on our operations and business plans.

COSTS ASSOCIATED WITH CAPITAL IMPROVEMENTS COULD ADVERSELY AFFECT OUR PROFITABILITY.

Significant growth in our revenues depends, in large part, on consistent investment in facilities. Therefore, we expect to continue to make substantial capital improvements in our facilities to meet long-term increasing demand, to increase spectator entertainment value, and to increase revenue. We frequently have a number of significant capital projects underway. Numerous factors, many of which are beyond our control, may influence the ultimate costs and timing of various capital improvements at our facilities, including:

. undetected soil or land conditions;

. additional land acquisition costs;

. increases in the cost of construction materials and labor;

. unforeseen changes in design;

. litigation, accidents or natural disasters affecting the construction site; and

. national or regional economic changes.

In addition, actual costs could vary materially from our estimates if those factors and our assumptions about the quality of materials or workmanship required or the cost of financing such construction were to change. Construction is also subject to state and local permitting processes, which if changed, could materially affect the ultimate cost.

CLOSENESS OR COMPETITIVENESS OF NASCAR WINSTON CUP SERIES CHAMPIONSHIP POINTS RACE CAN SIGNIFICANTLY IMPACT OPERATING RESULTS.

The closeness or competitiveness of the championship points race of the NASCAR-sanctioned Winston Cup Series in any particular racing season can significantly impact our operating results. These factors can affect attendance at the Winston Cup racing events, as well as other events surrounding the weekends such Winston Cup races are promoted, at our speedways. There can be no assurance that attendance will not be adversely impacted by the lack of a close or competitive championship points race in any particular season, and thereby possibly impacting our operations and growth.

OUR REVENUES DEPEND ON THE PROMOTIONAL SUCCESS OF OUR MARKETING CAMPAIGNS.

Similar to many companies, we spend significant amounts on advertising, promotional and other marketing campaigns for our speedways and other business activities. Such marketing activities include, among others, promotion of ticket sales, luxury suite rentals, hospitality and other services for our speedway events and facilities, and advertising associated with our wholesale and retail distribution of racing and other sports related souvenir merchandise and apparel, metal-energizer products, Legends Car activities, and SoldUSA Internet auction or e-commerce activities. There can be no assurance that such advertising, promotional and other marketing campaigns will be successful or will generate revenues or profits.

OUR INDEBTEDNESS COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION OR OPERATIONS.

As of December 31, 2001, we had total outstanding long-term debt of approximately $397.3 million. Our indebtedness and the terms of the instruments governing such indebtedness could have significant consequences such as:

. increasing our vulnerability to general adverse economic and industry conditions;
. limiting our ability to fund future working capital, capital expenditures costs and other general corporate requirements;
. requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
. limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
. placing us at a competitive disadvantage compared to our competitors that have less debt; and
. limiting, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds or engage in various transactions that might otherwise be beneficial to us.

While we believe that cash flow from our operations will be sufficient to fund payments required to service our outstanding debt, there can be no assurance that we will always be able to meet such debt service obligations. Should we pursue further development and/or acquisition opportunities, the timing, size and success, as well as associated potential capital commitments of which are unknown at this time, we may need to raise additional capital through debt and/or equity financings. There can be no assurance that adequate debt and equity financing will be available on satisfactory terms. Any such failure to service our debt or inability to obtain further financing could have a negative effect on our business and operations.

Our long-term, senior, secured bank Credit Facility contains more extensive and restrictive covenants and restrictions than the indenture governing our 8 1/2 Senior Subordinated Notes due 2007. The Credit Facility requires us to maintain specified financial ratios and satisfy certain financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and there can be no assurance that we will meet those tests. A breach of any of these covenants could result in a default under the Credit Facility. If there is an event of default under the Credit Facility, the lenders could elect to declare all amounts outstanding, including accrued interest or other obligations, immediately due and payable. If we were unable to repay those amounts, such lenders could proceed against the collateral, if any, granted to them to secure that indebtedness, which includes a pledge of our operating subsidiaries' equity ownership interests. The Credit Facility and the Senior Subordinated Notes indenture contain cross-default provisions.

OUR CHAIRMAN OWNS A MAJORITY OF SMI'S COMMON STOCK AND WILL CONTROL ANY MATTER SUBMITTED TO A VOTE OF OUR STOCKHOLDERS.

As of March 11, 2002, Mr. O. Bruton Smith, our Chairman and Chief Executive Officer, owned, directly and indirectly, approximately 69.2% of the undiluted outstanding shares of our common stock. As a result, Mr. Smith will continue to control the outcome of substantially all issues submitted to our stockholders, including the election of all of our directors. Mr. Smith's voting control may discourage certain types of transactions involving an actual or potential change in control of SMI, including transactions in which the holders of our common stock might receive a premium for their shares over prevailing market prices.

LIABILITY FOR PERSONAL INJURIES AND PRODUCT LIABILITY CLAIMS COULD SIGNIFICANTLY AFFECT OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Motorsports can be dangerous to participants and to spectators. We maintain insurance policies that provide coverage within limits that are sufficient, in management's judgment, to protect us from material financial loss due to liability for personal injuries sustained by persons on our premises in the ordinary course of business. Nevertheless, there can be no assurance that such insurance will be adequate at all times and in all circumstances.

On May 1, 1999, during the running of an Indy Racing League Series racing event at LMSC, an on-track accident occurred that caused race debris to enter the spectator seating area. On February 13, 2001, a personal injury action related to this accident was filed against SMI, LMSC and IRL. This lawsuit seeks unspecified damages and punitive damages related to the injuries of a minor, as well as the medical expenses incurred and wages lost of their parents. On April 23, 2001, we filed our answer in this action. We intend to defend ourselves and to deny the allegations of negligence as well as related claims for punitive damages.

On May 20, 2000, near the end of a NASCAR-sanctioned event hosted at LMSC, a portion of a pedestrian bridge leading from its track facility to a parking area failed. In excess of 100 people were injured to varying degrees. Preliminary investigations indicate the failure resulted from excessive interior corrosion resulting from improperly manufactured bridge components. Tindall Corporation designed, manufactured and constructed the portion of the pedestrian bridge that failed. Tindall contends that a product that Tindall purchased from Anti-Hydro International, Inc. and that Tindall incorporated into the bridge caused the corrosion. To date, individuals claiming injuries from the bridge failure on May 20, 2000, filed 34 separate lawsuits. Generally, the plaintiffs filed these negligence and wrongful death lawsuits against SMI, LMSC, Tindall Corporation and Anti-Hydro International, Inc. seeking unspecified compensatory and punitive damages. Discovery is proceeding in all of the cases but will not be completed until June 2002. All of the state court lawsuits were consolidated before one judge and are pending in Mecklenburg County, North Carolina. The federal lawsuits are progressing under the same discovery plan that the parties are following in the consolidated state court lawsuit. We are vigorously defending ourselves and deny the allegations of negligence as well as the related claims for punitive damages. Additional lawsuits involving this incident may be filed in the future.

We also may be subject to product liability claims, for which we are self-insured, with respect to the manufacture and sale of Legends Cars and Oil-Chem products. Our financial condition and results of operations would be adversely affected to the extent claims and associated expenses exceed insurance recoveries.

CHANGES IN INCOME TAX LAWS COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

At December 31, 2001, net deferred tax liabilities totaled $102.1 million, including deferred tax assets of $32.1 million. These net deferred tax liabilities will likely reverse in future years and could negatively impact cash flows from operations in the years in which reversal occurs. Management believes realization of the deferred tax assets is more likely than not and no valuation allowance has been recorded. However, changes in tax laws, assumptions or estimates used in the accounting for income taxes, if significantly negative or unfavorable, could have a material adverse effect on amounts or timing of realization or settlement. Such effects could result in a material acceleration of income taxes currently payable or valuation charges for realization uncertainties, which could have a material adverse effect on our financial condition or future results of operations.

ENVIRONMENTAL REGULATION COMPLIANCE COSTS AND LAND USE LAWS MAY NEGATIVELY IMPACT OUR PROFITABILITY AND GROWTH.

Solid waste land filling has occurred on and around the property at LMSC for many years. Landfilling of general categories of municipal solid waste on the LMSC property ceased in 1992. However, there is one landfill currently operating at LMSC that is permitted to receive inert debris and waste from land clearing activities ("LCID landfill"), and one LCID landfill that was closed in 1999. Two other LCID landfills on the LMSC property were closed in 1994. LMSC intends to allow similar LCID landfills to be operated on the LMSC property in the future. Prior to 1999, LMSC leased certain property to Allied Waste Industries, Inc. ("Allied") for use as a construction and demolition debris landfill (a "C&D landfill"), which can receive solid waste resulting solely from construction, remodeling, repair or demolition operations on pavement, buildings or other structures, but which cannot receive inert debris, land-clearing debris or yard debris. In addition, Allied owns and operates an active solid waste landfill adjacent to LMSC. We believe that the active solid waste landfill was constructed in such a manner as to minimize the risk of contamination to surrounding property.

Portions of the inactive solid waste landfill areas on the LMSC property are subject to a groundwater monitoring program and data is submitted to the North Carolina Department of Environment and Natural Resources ("DENR"). DENR has noted that data from certain groundwater sampling events have indicated levels of certain regulated compounds that exceed acceptable trigger levels and organic compounds that exceed regulatory

groundwater standards. DENR has not acted to require any remedial action by us at this time with respect to this situation. In the future, DENR could possibly require us to take certain actions with respect to this situation that could result in material costs being incurred by us.

We believe that our operations, including the landfills on our property, are in substantial compliance with all applicable federal, state and local environmental laws and regulations. Nonetheless, if damage to persons or property or contamination of the environment is determined to have been caused by the conduct of our business or by pollutants used, generated or disposed of by us, or which may be found on our property, we may be held liable for such damage and may be required to pay the cost of investigation or remediation, or both, of such contamination or damage. The amount of such liability, as to which we are self-insured, could be material. State and local laws relating to the protection of the environment also can include noise abatement laws that may be applicable to our racing events. Changes in federal, state or local laws, regulations or requirements, or the discovery of previously unknown conditions, could require additional expenditures by us.

Our development of new motorsports facilities (and, to a lesser extent, the expansion of existing facilities) requires compliance with applicable federal, state and local land use planning, zoning and environmental regulations. Regulations governing the use and development of real estate may prevent us from acquiring or developing prime locations for motorsports facilities, substantially delay or complicate the process of improving existing facilities, and/or increase the costs of any of such activities. For instance, private litigants have filed a suit against Sonoma County, California seeking to alter or revoke the county's permits granted to SPR for SPR's planned renovation and expansion on alleged environmental issues. If the plaintiffs are successful, our planned expansion at SPR may be adversely impacted, which may have an adverse impact on our ability to grow revenues at SPR.

POTENTIAL ADVERSE MARKET PRICE EFFECT OF ADDITIONAL SHARES ELIGIBLE FOR FUTURE SALE.

The market price for our common stock could be adversely affected by the availability for public sale of up to 33,768,000 shares held or issuable on March 11, 2002, including:

NUMBER OF SHARES OF COMMON STOCK	MANNER OF HOLDING AND/OR ISSUANCE
29,000,000	Shares which are "restricted securities" as defined in Rule 144 under the Securities Act of 1933, as amended (the "Securities Act") and may be resold in compliance with Rule 144. These shares include those held by Mr. Smith, our Chairman and Chief Executive Officer.
2,523,000	Issuable on exercise of options granted under the Speedway Motorsports, Inc. 1994 Stock Option Plan. All but 167,000 of such shares are registered for resale under the Securities Act.
259,000	Issuable on exercise of options granted under the Speedway Motorsports, Inc. Employee Stock Purchase Plan. All such shares are registered for resale under the Securities Act.
260,000	Issuable on exercise of options granted under the Speedway Motorsports, Inc. Formula Stock Option Plan. All such shares are registered for resale under the Securities Act.
1,726,000	Issuable on conversion of outstanding 5-3/4% Convertible Subordinated Debentures due 2003. All such shares are registered for resale under the Securities Act.

SEASONALITY OF OUR MOTORSPORTS OPERATIONS ADVERSELY AFFECTS OUR THIRD QUARTER REVENUES.

We have derived a substantial portion of our total revenues from admissions and event related revenue attributable to NASCAR-sanctioned races held in March, April, May, June, August, and October. As a result, our business has been, and is expected to remain, highly seasonal. In 2001, our second and fourth quarters accounted for

68% of our total annual revenues and 93% of our total annual net income. In 2000, our second and fourth quarters accounted for 67% of our total annual revenues and 104% of our total annual net income. We sometimes produce minimal operating income or losses during our third quarter when we sponsor only one Winston Cup race weekend.

The concentration of our racing events in any quarter and the growth in our operations with attendant increases in overhead expenses may tend to minimize operating income or increase operating losses in other future quarters. Also, race dates at our various facilities may from time to time be changed, lessening the comparability of the financial results of quarters between years and increasing or decreasing the seasonal nature of our business.