

SPEEDWAY MOTORSPORTS INC

FORM 10-K (Annual Report)

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Address	US HIGHWAY 29 NORTH PO BOX 600 CONCORD, North Carolina 28026
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Sector	Services
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934 For the fiscal year ended December 31, 2000

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
(State or Other Jurisdiction
of Incorporation or Organization)

51-0363307
(IRS Employer
Identification No.)

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

28027
(Zip Code)

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

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. Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$325,005,184 based upon the closing sales price of the registrant's Common Stock on March 9, 2001 of \$25.57 per share. At March 9, 2001, 41,741,810 shares of 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.

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The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements, including the Notes thereto, appearing elsewhere herein. Statements in this Annual Report on Form 10-K that reflect projections or expectations of future financial or economic performance of the Company, and statements of the Company's 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 the Company's 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 statements. 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 Form 10-K.

PART I

Item 1. Business

Speedway Motorsports, Inc. (the "Company"), the owner and operator of 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"), is a leading promoter, marketer and sponsor of motorsports activities in the United States. The Company also provides event food, beverage, and souvenir merchandising services through its Finish Line Events ("FLE") subsidiary, and manufactures and distributes smaller-scale, modified racing cars and parts through its 600 Racing subsidiary. The Company currently will sponsor 17 major annual racing events in 2001 sanctioned by the National Association for Stock Car Auto Racing, Inc. ("NASCAR"), including ten races associated with the Winston Cup professional stock car racing series ("Winston Cup") and seven races associated with the Busch Grand National series. The Company will also sponsor three Indy Racing Northern Light Series ("IRL") racing events, one Fed-Ex Championship Auto Racing Teams ("CART") Series racing event, three NASCAR Craftsman Truck Series racing events, four major National Hot Rod Association ("NHRA") racing events, seven World of Outlaws ("WOO") racing events, and three UDTRA Pro Dirt Car Series ("UDTRA") racing events in 2001. The Company was incorporated in the State of Delaware in 1994.

Recent Developments

Television Broadcasting Rights. Beginning with the 2001 racing season, the domestic television broadcast rights for NASCAR Winston Cup and Busch Grand National Series events have been consolidated for the Company, NASCAR and others in the motorsports industry. The Company historically has negotiated directly with network and cable television companies for live coverage of its NASCAR-sanctioned races. For seasons starting in 2001, NASCAR has negotiated industry-wide television media rights agreements for all Winston Cup and Busch Grand National 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 will range from approximately 15% to 21%, averaging 17% annually, over the agreement terms.

Ancillary Broadcasting Rights. In February 2001, the Company announced that an ancillary rights package for, among other items, NASCAR.com, the NASCAR Channel, international broadcasting, satellite radio broadcasting, NASCAR images, SportsVision, FanScan, and specialty pay-per-view telecasts, has been reached with the Company, NASCAR and others in the motorsports industry. Ancillary rights package fees begin in 2001 with industry-wide totals estimated to approximate \$245 million over a 12 year period, excluding a profit participation aspect. Industry-wide total fees are estimated to approximate \$8.5 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 Grand National Series races as scheduled for the 2001 racing season, and would be impacted by future changes in race schedules.

General Overview

At December 31, 2000, the Company's total permanent speedway seating capacity was approximately 712,000, one of the largest in the motorsports industry. Management believes that spectator demand for its largest events exceeds existing permanent seating capacity at each of its speedways. In 2000, the Company added more than 33,000 permanent seats, including approximately 12,000 at BMS, 14,000 at LMSC, and 7,000 at LVMS. At December 31, 2000, AMS, BMS, LMSC, LVMS and TMS had permanent seating capacities of approximately 124,000, 146,000, 171,000, 114,000, and 157,000, respectively, in each case excluding infield admission, temporary seats, general admission, and dragway and dirt track seats. Also at December 31, 2000, the Company had a total of 663 luxury suites, with 141 at AMS, 106 at BMS, 120 at LMSC, 102 at LVMS, and 194 at TMS, in each case excluding dragway and dirt track suites. SPR currently does not have permanent seating capacity but provides temporary seating and suites for approximately 24,000 spectators in addition to other general admission seating arrangements along its 2.52 mile road course. The Company plans to continue a multi-year renovation of SPR, including the ongoing reconfiguration and modernization into a "stadium-style" road racing course, adding up to 25,000 new grandstand seats, 64,000 new hillside terrace seats, and 19 new luxury suites.

The Company derives revenues principally from the sale of tickets to automobile races and other events held at its speedways, from the sale of food, beverages and souvenirs during such events, from the licensing of television, cable network and radio rights to broadcast such events, and from the sale of sponsorships to companies that desire to advertise or

sell their products or services at such events. In 2000, the Company derived approximately 72% of its total revenues from NASCAR sanctioned events. The Company has experienced substantial growth in revenues and profitability as a result of its continued improvement, expansion and investments in facilities, its consistent marketing and promotional efforts and the overall increase in popularity of Winston Cup, Busch Grand National, Indy Racing League, National Hot Rod Association, World Of Outlaws and other motorsports events in the United States.

As described above, television broadcast and ancillary rights values have risen significantly. Published NASCAR Winston Cup and Busch Grand National television ratings indicate that so far the average ratings for the 2001 racing season have increased significantly over 2000. Although early in the season, these strong increases under the new television broadcasting contract are positive indications that the popularity of NASCAR racing is growing and is appealing to an ever-widening demographic audience. The Company is currently strategically positioned with speedways in six of the premier markets in the United States, including three of the top ten television markets. Similar to many televised sports, overall seasonal averages for motorsports may increase or decrease from year to year, while 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 2000, NASCAR sanctioned 94 Winston Cup, Busch Grand National 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.

In recent years, television coverage and corporate sponsorship have increased for NASCAR-sanctioned and other motorsports events. All NASCAR Winston Cup and Busch Grand National, Indy Racing League, Championship Auto Racing Teams, and major National Hot Rod Association events, as well as several World Of Outlaws and other events sponsored by the Company 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, Cracker Barrel, Harrah's Casino, NAPA, Save Mart, United Auto Workers, Food City, Sharpie and RJR Nabisco. The Company intends to increase the exposure of its current Winston Cup, Busch Grand National, Indy Racing League, Championship Auto Racing Teams, National Hot Rod Association and World of Outlaw events. The Company also intends to add television coverage to other speedway events, increase broadcast and sponsorship revenues and schedule additional racing and other events at each of its speedway facilities.

Management believes the historic consolidation of domestic television broadcast and ancillary rights for NASCAR Winston Cup and Busch Grand National Series events, which commences in 2001 (see "Recent Developments"), will significantly increase the media's interest, while expanding sponsorship, merchandising and attendance revenues. An important aspect of these rights packages is that increased contracted revenue streams begin in fiscal 2001 and continue for several years. Management also believes that the ancillary rights packages for internet, specialty pay-per-view, foreign distribution and other international television broadcast rights will intensify corporate and fan interest and create increased demand for NASCAR racing and related merchandising in foreign and other untapped markets.

Although somewhat common in other major sports venues, the Company's 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 similar to the Company's three year comprehensive marketing agreement with Nationwide Insurance focusing on safety and customer assistance, illustrates not only the increasingly broad spectrum of major national corporate sponsorship interest, but also the long-term confidence being placed in first-class facilities in premium markets. In 2001, Dodge is reentering NASCAR racing. This country's "big three" automakers will now be competing against each other 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, entertainment and service-oriented companies such as Harrah's Casino, Federal Express, Northern Lighting Technology, a leading Internet search engine, and others have recently become major sponsors.

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 as the leader in sponsor satisfaction in the eyes of national sports sponsors. In addition, brand loyalty (as measured by fan's usage of sponsors' products) is the highest of any nationally televised sport according to a study published by Performance

Research in 2000. Fueled by popular and accessible drivers, strong fan brand loyalty, a widening demographic reach, increasing appeal to corporate sponsors and rising broadcast revenues, industry competitors are actively pursuing internal growth and industry consolidation. 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.

Operating Strategy

The Company's 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. The Company markets its 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, management has 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 the Company's speedways. In 1992, LMSC became the first and only superspeedway in North America to offer nighttime racing, and now all of the Company's speedways, except SPR, offer it. The Company continues to improve and construct new food concessions, restrooms and other fan amenities at its speedways to increase spectator comfort and enjoyment. For example, BMS and LMSC have recently added 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. Because excess demand for premium seating continues, in 2000, BMS and LMSC added 12,000 and 14,000 stadium-style seats, respectively, both featuring outstanding views, convenient elevator access and popular food courts. The Company continues to reconfigure traffic patterns, entrances, and expand on-site roads and available parking at its speedways to ease congestion caused by the increases in attendance. For example, in recent years LMSC, SPR and TMS have acquired adjoining land to provide additional entrances and significantly expand spectator parking areas. These improvements complement the Company's plans to significantly upgrade and modernize SPR's facilities over the next few years with expanded seating, suites, fan amenities and pedestrian infrastructure. Lastly, TMS has significantly expanded its parking areas and improved traffic control dramatically reducing travel congestion. Both LVMS and TMS were designed to maximize spectator comfort and enjoyment, and the Company continues to make improvements as management acquires further operating experience with these new facilities.

Innovative Marketing and Event Promotion. Management believes that it is important to market the Company's scheduled events throughout the year, both regionally and nationally. The Company markets its events by offering tours of its facilities, providing satellite links for media outlets, conducting direct mail campaigns and staging pre-race promotional activities such as live music, skydivers and daredevil stunts. The Company's marketing program also includes the solicitation of 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. The Company's innovative marketing is exemplified by progressive programs such as offering Preferred Seat Licenses at TMS -- a first in the motorsports industry, and obtaining a ten-year facility naming rights agreement with Lowe's Home Improvement Warehouse -- another industry first. The Company's three year comprehensive marketing agreement with Nationwide Insurance focusing on safety and customer assistance is yet another example of its successful efforts in marketing the widening demographic reach of motorsports.

The Company constructed and operates 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 main super speedways. These VIP clubs contain first-class restaurant-entertainment clubs, and TMS includes a health-fitness membership club, and offer top quality catering and corporate meeting facilities. Open year-round, these two VIP clubs are focal points of the Company's ongoing efforts to improve amenities, attract corporate and other clientele, and provide enhanced facility comfort for the benefit of spectators. The Texas Motor Speedway Club opened in March 1999.

The Company has constructed 46 trackside condominiums at AMS and 76 condominiums at TMS above turn two of the speedway, of which 44 and 68, respectively, have been sold or contracted for sale as of December 31, 2000. The Company has also built and sold 40 trackside condominiums at LMSC in the 1980's and another 12 units at LMSC from 1991 to 1994. Many are used by team owners and drivers, which is believed to enhance their commercial appeal.

Utilization of Media. As discussed above, the Company no longer negotiates directly with network and cable television companies for live coverage of its NASCAR-sanctioned races. The Company, NASCAR and others in the motorsports industry have consolidated the domestic television and ancillary broadcast rights for NASCAR Winston Cup and Busch Grand National Series events beginning in 2001. Management believes the media's increased overall attention focused on motorsports will result in expanding sponsorship, merchandising and attendance revenues. Management also believes the ancillary rights package with the NASCAR Channel, NASCAR.com, international broadcasting, satellite radio broadcasting, SportsVision, FanScan, and specialty pay-per-view telecasts, will 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 and other new untapped markets.

The Company also broadcasts substantially all of its NASCAR Winston Cup and Busch Grand National Series racing events, as well as other events at each of its speedways, over its proprietary radio Performance Racing Network ("PRN"). PRN is syndicated nationwide to more than 500 stations, and along with the broadcasting of Company racing events, sponsors four weekly racing-oriented programs throughout the NASCAR season. In 2000, the Company acquired Racing Country USA, a national radio show syndicated to more than 300 affiliates nationwide. Its combination with PRN provides the Company with access to more than 11 million listeners nationwide plus over 800 radio stations throughout North America -- offering sponsors a very powerful and expansive promotional network. The Company plans to carry additional events at each of its speedways over PRN and Racing Country USA in 2001.

Management also seeks to increase the visibility of its racing events and facilities through local and regional media interaction. For example, each January the Company sponsors a four-day media tour at LMSC to promote the upcoming Winston Cup season. In 2001, 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

Management believes that the Company can achieve its growth objectives by increasing attendance and broadcasting, sponsorship and other revenues at existing facilities and by expanding its promotional and marketing expertise to take advantage of opportunities in attractive new markets. It intends to continue implementing this growth strategy through the following means:

Expansion and Improvement of Existing Facilities. Management believes that spectator demand for its largest events exceeds existing permanent seating capacity. The Company plans to continue expanding permanent grandstand seating and luxury suites, and making other significant renovations and improvements at its speedways in 2001, as further described in "Properties" and "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Capital Expenditures." The Company 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 the Company's 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 with permanent grandstand seating, luxury suites, and extensive fan amenities and facilities. BMS currently hosts an annual NHRA-sanctioned Nationals event and other bracket racing events, as well as various auto shows. Also in 1999, the Company added approximately 10,000 permanent seats at LMSC and 4,000 at TMS. In recent years, LMSC, SPR and TMS have purchased adjoining land to provide additional entrances and further expand its parking areas to improve traffic flow and ease congestion caused by the growth in attendance.

In 2000, the Company added approximately 12,000 permanent seats at BMS, 14,000 at LMSC, and 7,000 at LVMS. Construction of 4/10-mile, modern, lighted, dirt track facilities at LMSC and TMS was completed in 2000, where nationally-televised events such as World of Outlaws and UDTRA Pro Dirt Car Series, as well as American Motorcycle Association ("AMA") and other racing events are held annually. Also in 2000, LVMS completed reconstruction and expansion of one of its dragstrips into a state-of-the-art dragway with permanent grandstand seating, luxury suites, and extensive fan amenities and facilities. The Strip at Las Vegas is currently hosting two NHRA Nationals events in 2001. The Company plans to continue reconfiguring and modernizing SPR into a "stadium-style" road racing course, adding up to 25,000 new grandstand

bleacher seats, 64,000 new hillside terrace seats, and 19 new luxury suites. As in recent years, the Company will continue to improve and expand concessions, restroom and other fan amenities facilities at its speedways, as well as reconfiguring traffic patterns, entrances, and expanding on-site roads and available parking to ease congestion caused by the increases in attendance, consistent with management's commitment to quality and customer satisfaction. Management believes that the expansion and improvements will generate additional admissions and event related revenues. In 2002, after planning to add up to 89,000 new seats at SPR, the Company's total permanent speedway seating capacity would exceed 800,000.

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 the Company to expand its television coverage to include more races and to negotiate more favorable broadcast rights fees with television networks, as well as to negotiate more favorable contract terms with sponsors. Management believes that spectator interest in stock car racing will continue to grow, thereby increasing broadcast media and sponsors' interest in the sport. The Company intends to increase media exposure of its 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, management believes the newly acquired LVMS has the potential to significantly increase broadcasting and sponsorship revenues.

The LVMS acquisition was a major strategic transaction for the Company. Also, the acquisition of SPR marked the Company's entry into the Northern California television market, which is currently the fifth largest television market in the United States. These acquisitions achieve a critical mass west of the Mississippi River that enhances the Company's overall operations, as well as broadcast and sponsorship opportunities. The Company intends to capitalize on its top market entertainment value to further grow LVMS, the sport of NASCAR and other racing series.

The Company is currently strategically positioned with speedways in six of the premier markets in the United States, including three of the top ten television markets. Published NASCAR Winston Cup and Busch Grand National television ratings indicate that so far the average ratings for the 2001 racing season have increased significantly over 2000. These strong 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, the Company's first facility naming rights agreement with Lowe's Motor Speedway contains gross fees aggregating approximately \$35,000,000 over the ten year agreement term. Management believes these positive developments bode well for the Company's future naming rights possibilities and other innovative marketing opportunities.

Further Development of Finish Line Events, 600 Racing Legends Car and Performance Racing Network Businesses. In 1998, the Company restructured and consolidated its food, beverage and souvenir operations into Finish Line Events. FLE provides event food, beverage, and souvenir merchandising services, as well as expanded ancillary support services, to all of the Company's facilities and other unaffiliated sports-related venues. The Company believes this restructuring provides better products and expanded services to its customers, enhancing their overall entertainment experience, while allowing the Company to achieve substantial operating efficiencies.

Introduced by the Company in 1992, the Company developed the Legends Circuit for which it manufactures and sells cars and parts used in Legends Circuit racing events and is 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, the Company 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.

Management believes 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, management believes 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. Since 1995, Legends Cars have been manufactured by 600 Racing at a leased 92,000-square-foot facility located approximately two miles from LMSC. Legends Car revenues from this business have grown from \$5.7 million in 1994 to \$9.4 million in 2000.

Legends Circuit races continue to be the fastest growing short track racing division in motorsports. More than 1,900 sanctioned races were held nationwide in 2000, 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 the Company's

speedways except BMS. The Company plans to continue broadening the Legends Car Circuit, increasing the number of sanctioned races and tracks at which Legends Car races are held.

The Company broadcasts substantially all of its NASCAR Winston Cup and Busch Grand National Series racing events over its 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. In 2000, the Company acquired Racing Country USA, a national radio show syndicated to more than 300 affiliates nationwide. Founded in 1990, Racing Country USA is a two-hour radio show featuring country music hits and NASCAR-related programming. This combined programming with PRN provides the Company access to more than 11 million listeners nationwide, plus over 800 radio stations throughout North America. It also allows the Company to further promote its events and facilities on a weekly basis and offer sponsors a very powerful and expansive promotional network. The Company plans to carry other events at each of its speedways over PRN and Racing Country USA in 2001.

Increased Daily Usage of Existing Facilities. Management constantly seeks revenue-producing uses for the Company's 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. In recent years, the Company began hosting a summer Legends Car series at each of its speedways except BMS. BMS and LVMS have recently reconstructed and expanded their dragways with permanent grandstand seating and luxury suites. Also, BMS and LVMS combined are currently hosting three annual NHRA Nationals events, other NHRA and bracket racing events, as well as various auto shows throughout the year.

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 and UDTRA Pro Dirt Car Series, as well as 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 LMSC's hosting of a major country music concert in 2000, and TMS's spring Autofest featuring Pate Swap Meets. The Company is also hosting a major country music concert at LVMS in 2001 and is attempting to schedule music concerts at certain other facilities. Non-race-day track rental revenues were \$3,919,000 in 1998, \$7,802,000 in 1999, and \$10,034,000 in 2000.

Along with such increased daily usage of its facilities, the Company is scheduled to host an inaugural CART racing event at TMS, and three IRL 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, the Company plans to capitalize on its top market entertainment value to further grow the speedway and other racing series, and to promote new expanded venues. With the addition of CART racing to its season schedule, TMS currently promotes the largest number of major motorsports racing series in the world.

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

Operations

The Company's operations consist principally of racing and related events. The Company also conducts various other activities that generally are ancillary to its 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 the Company's speedways. The following are summaries of racing events scheduled in 2001 at each speedway. Management constantly pursues the scheduling of additional motorsports racing and other events.

AMS. In March 2001, AMS conducted the Cracker Barrel Old Country Store 500 Winston Cup race and the Aaron's 312 Busch Grand National race. AMS is scheduled to hold the last Winston Cup race of the season, as well as several other races and events. Its NASCAR-sanctioned racing schedule is as follows:

Date	Event	Circuit
----	-----	-----
March 10	"Aaron's 312"	Busch Grand National

March 11 "Cracker Barrel Old Country Store 500" Winston Cup November 18 "NAPA 500" Winston Cup

In 2001, AMS is also scheduled to hold one IRL event and one ARCA race.

BMS. In March 2001, BMS conducted the Food City 500 Winston Cup race and the Cheez-It 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 24	"Cheez-It 250"	Busch Grand National
March 25	"Food City 500"	Winston Cup
August 24	"Food City 250"	Busch Grand National
August 25	"Sharpie 500"	Winston Cup

In 2001, BMS is also scheduled to hold one NHRA Nationals event, one UDTRA event, and one WOO event.

LMSC. In 2001, 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 19	"The Winston"	Winston Cup (all-star race)
May 26	"CARQUEST Auto Parts 300"	Busch Grand National
May 27	"Coca-Cola 600"	Winston Cup
October 6	"Charlotte 300"	Busch Grand National
October 7	"UAW-GM Quality 500"	Winston Cup

In 2001, LMSC is also scheduled to hold two ARCA races, two WOO events, one American LeMans event, and one AMA event.

LVMS. In March 2001, LVMS conducted the UAW-DaimlerChrysler 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 3	"Sam's Town 300"	Busch Grand National
March 4	"UAW-DaimlerChrysler 400"	Winston Cup

In 2001, LVMS is also scheduled to hold one NASCAR Craftsman Truck Series race, two NHRA Nationals events, two WOO events, two NASCAR Winston West and two Winston Southwest Series events, and various other racing events.

SPR. In 2001, 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 24	"Dodge/Save Mart 350"	Winston Cup

In 2001, 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 2001, 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
----	-----	-----
March 31	"Jani-King 300"	Busch Grand National
April 1	"Harrah's 500"	Winston Cup

In 2001, TMS is also scheduled to hold two NASCAR Craftsman Truck Series races, two IRL events, one CART event, two WOO events and one American LeMans event.

The following table shows selected revenues for the three years ended December 31, 2000. All amounts for 1998 exclude information for LVMS before the December 1998 acquisition.

	2000	1999	1998
	-----	-----	-----
	(in thousands)		
Admissions	\$142,160	\$132,694	\$107,601
Broadcast revenue	34,495	28,547	20,014
Sponsorship revenue	33,977	29,202	18,346
Other event related revenue	95,162	90,567	67,099
Other operating revenue	48,503	36,483	16,736
	-----	-----	-----
Total	\$354,297	\$317,493	\$229,796
	=====	=====	=====

Admissions. Grandstand ticket prices at the Company's NASCAR-sanctioned events in 2000 range from \$10.00 to \$130.00. In general, the Company establishes ticket prices based on spectator demand and cost of living increases.

Broadcast Revenue. The Company has negotiated contracts with NASCAR for television station and network broadcast coverage of all of its NASCAR-sanctioned events. The Company also broadcasts substantially all of its NASCAR Winston Cup and Busch Grand National Series races over its proprietary Performance Racing Network, which also sponsors four weekly racing-oriented programs throughout the NASCAR season. The Company derives revenue from the sale of commercial time on PRN, which is syndicated nationwide to more than 500 stations. None of the Company's broadcast contracts accounted for as much as 5% of total revenues in 2000.

Sponsorship Revenue. The Company's 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. The Company currently has sponsorship contracts with such major manufacturing and consumer products companies as Coca-Cola, DaimlerChrysler, Dodge, General Motors, Miller Brewing Company, Anheuser-Busch, RJ Nabisco, NAPA, Cracker Barrel, Harrah's Casino, Save Mart, Food City, Sharpie, Chevrolet and Ford. Some contracts allow sponsors to name a particular racing event, as in the "Coca-Cola 600", "UAW- DaimlerChrysler 400", and the "UAW-GM Quality 500." Other considerations range from "Official Car" or "Official Truck" designations at Company speedways including Ford, Chevrolet, Dodge, and Pontiac, to exclusive advertising and promotional rights in sponsor product categories such as Anheuser-Busch and Miller. Also, the Company's ten-year facility naming rights agreement renamed Charlotte Motor Speedway as Lowe's Motor Speedway at Charlotte. None of the Company's event sponsors accounted for as much as 5% of total revenues in 2000.

Other Event Related Revenue. The Company derives other revenue from the sale of food, beverages, and souvenirs, from fees paid for catering "hospitality" receptions and private parties at its speedways and from parking. As of December 31, 2000, the Company's speedways had a total of approximately 663 luxury suites available for leasing to corporate sponsors or others at current 2000 annual rates ranging from \$20,000 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. The Company's tracks and related facilities are leased frequently 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.

Other Operating Revenue. The Company also derives other operating revenue from The Speedway Club at LMSC and The Texas Motor Speedway Club, dining and entertainment facilities located at the respective speedways, and from Legends Car operations. The Company also derives other revenue 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

The Company is the leading motorsports promoter in the local and regional markets served by its six speedways, and competes regionally and nationally with other speedway owners to sponsor events, especially NASCAR, IRL, CART, NHRA and WOO sanctioned events. The Company also competes 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, 2000, the Company had approximately 803 full-time employees and 248 part-time employees. The Company hires temporary employees to assist during periods of peak attendance at its events. None of the Company's employees are represented by a labor union. Management believes that the Company enjoys a good relationship with its employees.

Environmental Matters

Solid waste landfilling has occurred on and around the Company's 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 being permitted at LMSC 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 its 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. Management believes 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 acted to require any remedial action by the Company at this time with respect to this situation. In the future, DENR could possibly require the Company to take certain actions with respect to this situation that could result in material costs being incurred by the Company.

Management believes that the Company's operations, including the landfills on its 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 the Company's business or by pollutants, substances, contaminants or wastes used, generated or disposed of by the Company, or which may be found on the property of the Company, the Company 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 the Company is 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 by the Company.

Patents and Trademarks

The Company has trademark rights in "Speedway Motorsports", "Atlanta Motor Speedway", "Charlotte Motor Speedway", "Las Vegas Motor Speedway", "Sears Point Raceway", "Finish Line Events" and "Z - Max". It also has trademark rights concerning its "Legends Cars", "600 Racing", "The Speedway Club", "AutoFair", and its corporate logos. Trademark and service mark registrations are pending with respect to "Bristol Motor Speedway", "Motorsports By Mail", "WildMan", "Bandolero", and "Texas Motor Speedway". The Company also has six patents and five patent applications pending with respect to its Legends Car and Bandolero Car design and technology. Management's policy is to protect its intellectual property rights zealously, including through litigation, to protect their proprietary value in souvenir sales and market recognition.

Item 2. Properties

The Company's principal executive offices are located at 5555 Concord Parkway South, Concord, North Carolina, 28027, and its telephone number is

(704) 455-3239. A description of each Company speedway follows:

Atlanta Motor Speedway. AMS is located on 870 acres of Company-owned land in Hampton, Georgia, approximately 30 miles south of downtown Atlanta. Built in 1960, and owned by the Company since 1990, today AMS is a modern, attractive facility. In 1996, the Company 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 November 1997, the Company completed major renovations at AMS, including its reconfiguration into a "state-of-the-art" 1.54-mile, lighted, quad-oval superspeedway, the addition of approximately 22,000 permanent seats, including 58 new suites, and changing the start-finish line location. Other significant improvements in 1997 included new scoreboards, new garage areas, and new infield media and press box centers. Lighting was installed for its inaugural IRL night race in August 1998. At December 31, 2000, 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 2000, AMS plans to continue improving and expanding its on-site roads and available parking in 2001 to ease congestion and improve traffic flow.

Bristol Motor Speedway. The Company acquired BMS in January 1996. BMS is located on approximately 550 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 lighted dragstrip. BMS is the most popular facility in the Winston Cup circuit among race fans due to its 36 degree banked turns and lighted nighttime races. Management believes that spectator demand for its Winston Cup events at BMS exceeds existing permanent seating capacity. In 1996, BMS added approximately 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 approximately 39,000 permanent grandstand seats and constructed 55 new suites for a net increase of 31. In 1998, BMS added approximately 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, and made other site improvements. In 1999, BMS completed reconstruction and expansion of its dragstrip into a state-of-the-art dragway with permanent grandstand seating, luxury suites, and extensive fan amenities and facilities. In 2000, BMS added 12,000 stadium-style seats, featuring outstanding views, convenient elevator access and popular food courts. At December 31, 2000, BMS had permanent seating capacity of approximately 146,000, including 106 luxury suites. In 2001, 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 in Concord, North Carolina, approximately 12 miles northeast of uptown Charlotte. On Winston Cup race days it uses more than 1,000 acres of land, some of which is leased from others. 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 four 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. The Company has consistently improved and increased spectator seating arrangements at LMSC, and 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, among other site improvements. In 1998, LMSC added approximately 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 approximately 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. Also in 2000, LMSC completed construction of a 4/10-mile, modern, lighted, dirt track facility. At December 31, 2000, LMSC had permanent seating capacity of approximately 171,000, including 120 luxury suites. In 2001, LMSC plans to continue improving and expanding concessions, restroom and other fan amenities, expand its available parking to ease congestion and improve traffic flow, and make other site improvements.

Las Vegas Motor Speedway. The Company acquired LVMS in December 1998. LVMS, located on approximately 1,300 acres in Las Vegas, Nevada, is a 1.5-mile, lighted, asphalt superspeedway, and includes several other on-site 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. Construction of LVMS was substantially completed in 1997, and its first major NASCAR Winston Cup race was held in March 1998. The superspeedway's configuration readily allows for significant future expansion. In 1999, LVMS expanded concessions, restroom and other fan amenities facilities, and made other site improvements. In 2000, LVMS added approximately 7,000 permanent seats, expanded concessions, restroom and other fan amenities, and made other site improvements. 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. At December 31, 2000, LVMS had permanent seating capacity of approximately 114,000, including 102 luxury suites. In 2001, LVMS plans to continue improving and expanding fan amenities and make other site improvements.

Sears Point Raceway. The Company acquired SPR in November 1996. SPR, located on approximately 1,500 acres in Sonoma, California, consists of a 2.52-mile, twelve-turn road course, a one-quarter mile dragstrip, and a 157,000 square foot industrial park. SPR currently does not have permanent seating capacity but provides temporary seating and suites for approximately 24,000 spectators in addition to 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. Also in 1998, SPR was partially reconfigured into a 1.9-mile stadium-style road course featuring "The Chute" which provides spectators with improved sight lines and expanded viewing areas. The Chute provides multiple configurations within SPR's overall 2.52-mile road course. The Company plans to continue major renovations at SPR, including its ongoing reconfiguration and modernization into a "stadium-style" road racing course, adding up to 25,000 new grandstand seats, 64,000 new hillside terrace seats, and 19 new luxury suites. In addition, SPR plans to continue improving and expanding its on-site roads and available parking, and reconfiguring traffic patterns and entrances to ease congestion and improve traffic flow.

Texas Motor Speedway. TMS, located on approximately 1,360 acres in Fort Worth, Texas, is a 1.5-mile, lighted, banked, asphalt quad-oval superspeedway with permanent seating capacity of approximately 157,000, including 194 suites, and 76 condominiums. 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, preceded by a Busch Grand National race. TMS was designed to maximize spectator comfort and enjoyment, and further design improvements are expected at TMS as management acquires operating experience with this new facility. The TMS facilities are subject to a lease transaction with the Fort Worth Sports Authority as of December 31, 2000. See Note 2 to the Consolidated Financial Statements for information on the terms and conditions of the lease transaction. In 1999, TMS added approximately 4,000 permanent seats and, among other site improvements, expanded its parking areas and improved traffic control dramatically reducing travel congestion. In addition, TMS has an executive office tower adjoining the main grandstand and overlooking the speedway which houses The Texas Motor Speedway Club. In 2000, TMS completed construction of a 4/10-mile, modern, lighted, dirt track facility. At December 31, 2000, TMS had permanent seating capacity of approximately 157,000, including 194 luxury suites. In 2001, TMS plans to convert approximately 50 suites to speedway club-style seating areas. Although these suites are currently unleased, management believes excess demand for premium seating and services at TMS's largest events exceeds current availability, and that conversion will generate additional operating profits. Similar to 2000, TMS plans to continue improving and expanding its on-site roads and available parking in 2001 to ease congestion and improve traffic flow.

Item 3. Legal Proceedings

On April 23, 1996, the Northwest Independent School District (the "Texas School District"), within whose borders TMS is located, filed a complaint against TMS, among others, in a case styled Northwest Independent School District v. City of Fort Worth, F Sports Authority, Inc., the Governor of Texas, the Comptroller of Public Accounts of Texas, the Attorney General and Texas Motor Speedway, Inc. (the "School District Litigation"). The School District Litigation was filed in State District Court of Thrives County, Texas seeking a judgement that the statutory basis for any claimed tax exemption for TMS was unconstitutional under the Texas Constitution and that TMS would be required to pay ad valorem taxes on the TMS facility. In January 2000, the Texas School District settled this matter after affiliates of SMI conveyed approximately three acres of land to the Texas School District.

On May 1, 1999, during the running of an IRL event at LMSC, an on-track accident occurred that caused race car debris to enter the spectator seating area (the "May 1999 IRL Accident"). Three deaths and injuries to others resulted. The three decedents' estates filed separate wrongful death lawsuits against SMI, IRL and others in the Superior Court of Mecklenburg County, North Carolina. The Estate of Dexter Mobley lawsuit was filed on May 28, 1999, and the Estates of Randy Pyatte and Jeffrey Patton lawsuits were filed on August 26, 1999. These suits sought unspecified compensatory and punitive damages. These lawsuits were settled in May 2000 without any admission of wrongdoing or liability on the part of SMI. Settlement had no material adverse affect on the Company's financial position or results of operations.

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. SMI intends to file an 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 affect 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. All personal injury claims resulting from this incident are currently being handled by the bridge's manufacturer, Tindall Corporation, and its insurer.

To date, fifteen separate lawsuits have been filed by individuals claiming injuries from the bridge failure on May 20, 2000. All fifteen lawsuits seek unspecified compensatory and punitive damages. SMI has filed or will file shortly answers in all of the actions and preliminary discovery has begun in many of the cases but is not complete. SMI intends to defend itself and denies the allegations of negligence as well as 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 affect on the Company's financial position or future results of operations.

The fifteen lawsuits that have been filed are as follows: Bryan Heath Baker, Susan D. Baker, John A. Hepler, III, Tammy L. Hepler, Curtis D. Hepler and Patricia B. Hepler vs. Speedway Motorsports, Inc., Charlotte Motor Speedway, Inc., Tindall Corporation and Anti-Hydro International, Inc., Rowan County, North Carolina, filed October 12, 2000; Richard F. Brenner and Eileen M. Brenner vs. Speedway Motorsports, Inc., Charlotte Motor Speedway, Inc., Tindall Corporation and Anti-Hydro International, Inc., Mecklenburg County, North Carolina, filed 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 vs. Speedway Motorsports, Inc., Tindall Corporation and Anti-Hydro International, Inc., Rowan County, North Carolina, filed May 31, 2000; Thomas A. Joyner, Jr. and Cathy B. Joyner vs. Speedway Motorsports, Inc., Tindall Corporation and Anti-Hydro International, Inc., Cabarrus County, North Carolina, filed August 24, 2000; William A. Malesich vs. Speedway Motorsports, Inc., Charlotte Motor Speedway, Inc., Tindall Corporation and Anti-Hydro International, Inc., Mecklenburg County, North Carolina, filed November 13, 2000; Hugh E. Merchant and Dallas B. Merchant vs. Speedway Motorsports, Inc., Charlotte Motor Speedway, Inc., Tindall Corporation, and Anti-Hydro International, Inc., Rowan County, North Carolina, filed 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, vs. Speedway Motorsports, Inc., Charlotte Motor Speedway, Inc., Tindall Corporation and Anti-Hydro International, Inc., Wake County, North Carolina, filed December 27, 2000; Alexander Watson vs. Speedway Motorsports, Inc., Charlotte Motor Speedway, Inc., Tindall Corporation and Anti-Hydro International, Inc., Mecklenburg County, North Carolina, filed November 13, 2000; Matthew T. Watson vs. Speedway Motorsports, Inc., Charlotte Motor Speedway, Inc., Tindall Corporation and Anti-Hydro International, Inc., Mecklenburg County, North Carolina, filed November 13, 2000; David G. Yetter and Ruth M. Yetter vs. Speedway Motorsports, Inc., Charlotte Motor Speedway, Inc., Tindall Corporation and Anti-Hydro International, Inc., Mecklenburg County, North Carolina, filed November 13, 2000; Henry Stevenson Crawford and Carolyn E. Crawford vs. Speedway Motorsports, Inc., Tindall Corporation, and Anti-Hydro International, Inc., Cabarrus County, North Carolina, filed December 18, 2000; Michael L. Propes and Susan Propes vs. Speedway Motorsports, Inc., Tindall Corporation, and Anti-Hydro International, Inc., Cabarrus County, North Carolina, filed December 18, 2000; Terrell Kearsse, Deborah Kearsse, Michael Kearsse and Pam Kearsse vs. Charlotte Motor Speedway, Inc., Tindall Corporation and Anti-Hydro International, Inc., Cabarrus County, North Carolina, filed February 16, 2001; John Emery v. Speedway Motorsports, Inc., Charlotte Motor Speedway, Inc. and Tindall Corporation, United States District Court for the Middle District of North Carolina, filed February 23, 2001; and Tracy Foster v. Speedway Motorsports, Inc., Charlotte Motor Speedway, Inc. and Tindall Corporation, United States District Court for the Middle District of North Carolina, filed February 23, 2001.

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 Board failed to follow certain 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 affect 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 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., was filed in Delaware Chancery Court raising the same allegations and seeking the same relief as the Crandon Complaint. The Delaware court has consolidated the two cases. SMI believes that the consolidated complaints have no basis and will defend the action vigorously. SMI has filed an answer denying the allegations, and preliminary discovery has begun but is not yet complete.

On January 31, 2001, the Federal Trade Commission (the "FTC") filed a 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 denying the allegations and intends to defend itself. 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.

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. Company 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.

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

During the fourth quarter of 2000, no matters were submitted to a vote of security holders.

PART II

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

The common stock of SMI, \$.01 per share par value (the "Common Stock"), is traded on the New York Stock Exchange ("NYSE") under the symbol "TRK." The Common Stock has traded on the NYSE since the Company's initial public offering (the "IPO") in February 1995. As of March 9, 2001, 41,741,810 shares of Common Stock were outstanding and there were approximately 3,040 record holders of Common Stock.

The Company intends to retain future earnings to provide funds for the operation and expansion of its business. As a holding company, the Company will depend on dividends and other payments from each of its speedways and its other subsidiaries to pay cash dividends to stockholders, as well as to meet debt service and working capital requirements. The Company does not anticipate paying any cash dividends in the foreseeable future. Any decision concerning the payment of dividends on the Common Stock will depend upon the results of operations, financial condition and capital expenditure plans of the Company, as well as such other factors as the Board of Directors, in its sole discretion, may consider relevant. Furthermore, the Company's Credit Facility and Senior Subordinated Notes (as described in Note 5 to the Consolidated Financial Statements) include covenants which preclude the payment of dividends.

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

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
1999 -----		
First Quarter	41.250	24.625
Second Quarter	44.750	38.000
Third Quarter	46.313	35.000
Fourth Quarter	46.125	25.500

Item 6. Selected Financial Data

The following selected financial data for the five years ended December 31, 2000 have been derived from audited financial statements. The financial statements for each of the three years ended December 31, 2000 were audited by Deloitte & Touche LLP, and these financial statements and independent auditors' report are contained elsewhere herein. All of the data set forth below are qualified by this reference to, and should be read in conjunction with, the Company's Consolidated Financial Statements (including the Notes thereto), and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere herein.

Year Ended December 31:

	2000	1999	1998	1997	1996
(in thousands, except per share data)					
Income Statement Data (1)					
Revenues:					
Admissions	\$ 142,160	\$ 132,694	\$ 107,601	\$ 94,032	\$ 52,451
Event related revenue	163,634	148,316	105,459	83,177	36,414
Other operating revenue	48,503	36,483	16,736	14,917	13,248
Total revenues	354,297	317,493	229,796	192,126	102,113
Operating Expenses:					
Direct expense of events	117,229	110,650	83,046	65,347	30,173
Other direct operating expense	44,432	32,241	10,975	9,181	8,005
General and administrative	53,794	47,375	34,279	31,623	16,995
Depreciation and amortization	31,192	28,536	21,701	15,742	7,598
Preoperating expense of new facility (2)	--	--	--	1,850	--
Total operating expenses	246,647	218,802	150,001	123,743	62,771
Operating income	107,650	98,691	79,795	68,383	39,342
Interest income (expense), net	(26,973)	(27,686)	(12,228)	(5,313)	1,316
Concession contract rights resolution (3)	(3,185)	--	--	--	--
Acquisition loan cost amortization (4)	--	(3,398)	(752)	--	--
Other income	1,740	959	3,202	991	2,399
Income before income taxes and cumulative effect of accounting change	79,232	68,566	70,017	64,061	43,057
Provision for income taxes	31,100	27,123	27,646	25,883	16,652
Income before cumulative effect of accounting change	48,132	41,443	42,371	38,178	26,405
Cumulative effect of accounting change for club membership fees (5)	(1,257)	--	--	--	--
Net income	\$ 46,875	\$ 41,443	\$ 42,371	\$ 38,178	\$ 26,405
Basic Earnings Per Share:					
Before cumulative effect of accounting change	\$ 1.16	\$ 1.00	\$ 1.02	\$ 0.92	\$ 0.65
Accounting change for club membership fees (5)	(0.03)	--	--	--	--
Basic earnings per share	\$ 1.13	\$ 1.00	\$ 1.02	\$ 0.92	\$ 0.65
Weighted average shares outstanding	41,663	41,569	41,482	41,338	40,476
Diluted Earnings Per Share:					
Before cumulative effect of accounting change	\$ 1.13	\$ 0.97	\$ 1.00	\$ 0.89	\$ 0.64
Accounting change for club membership fees (5)	(0.03)	--	--	--	--
Diluted earnings per share	\$ 1.10	\$ 0.97	\$ 1.00	\$ 0.89	\$ 0.64
Weighted average shares outstanding	44,715	44,960	44,611	44,491	41,911
Pro forma Amounts Assuming Retroactive Application Of Accounting Change (5):					
Net income	\$ 48,132	\$ 40,601	\$ 42,294	\$ 38,104	\$ 26,334
Basic earnings per share	\$ 1.16	\$ 0.98	\$ 1.02	\$ 0.92	\$ 0.65
Diluted earnings per share	\$ 1.13	\$ 0.95	\$ 1.00	\$ 0.89	\$ 0.64
Balance Sheet Data (1)					
Total assets	\$ 991,957	\$ 995,982	\$ 904,877	\$597,168	\$409,284
Long-term debt, including current maturities:					
Revolving credit facility and other (6)	91,000	130,975	254,714	1,433	23,465
Senior subordinated notes	252,788	253,208	124,708	124,674	--
Convertible subordinated debentures	66,000	74,000	74,000	74,000	74,000
Capital lease obligations	309	377	502	19,433	18,165
Stockholders' equity	\$ 379,341	\$ 331,708	\$ 287,120	\$244,114	\$204,735

(1) These data for 1998 include LVMS acquired in December 1998, for 1997 include TMS which hosted its first racing event in April 1997, and for 1996 include AMS, LMSC and BMS acquired in January 1996 and SPR acquired in November 1996.

(2) 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.

(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. The present value of estimated net future benefits to operations under the contract rights is anticipated to exceed its costs. See Note 2 to the Consolidated Financial Statements.

(4) Acquisition loan cost amortization results from financing costs incurred in amending the Company's 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 28, 1999. See Note 5 to the Consolidated Financial Statements.

(5) The Company changed its 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. 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.

(6) Other debt includes principally notes payable outstanding for the acquisition of SoldUSA of \$1,000,000 and \$941,000 at December 31, 2000 and 1999, respectively, and for road construction of \$647,000, \$983,000 and \$1,465,000 at December 31, 1998, 1997 and 1996, 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, 2000 should be read in conjunction with the Consolidated Financial Statements (including the Notes thereto) appearing elsewhere herein.

Overview

The Company derives revenues principally from the sale of tickets to automobile races and other events held at its speedway facilities, from the sale of food, beverage and souvenirs during such events, from the licensing of television, cable network and radio rights to broadcast such events, from the sale of sponsorships to companies that desire to advertise or sell their products or services at such events, and from the rental of luxury suites during such events and other track facilities. The Company derives additional revenue from the operations of The Speedway Clubs at LMSC and TMS, 600 Racing, Motorsports By Mail, Oil-Chem, Racing Country USA, and SoldUSA. See Item 1 -- "Other Operating Revenue" and Note 1 to the Consolidated Financial Statements for descriptions of these businesses.

The Company classifies its revenues as admissions, event related revenue and other operating revenue. "Admissions" includes ticket sales for all of the Company's events. "Event related revenue" includes food, beverage and souvenir sales, broadcast rights fees, sponsorship fees, and luxury suite and track rentals. "Other operating revenue" includes the two Speedway Clubs, Legends Car, industrial park rental, MBM, Oil-Chem, SoldUSA and certain FLE revenues. The Company's revenue items produce different operating margins. Broadcast rights, sponsorships, ticket sales, and luxury suite and track rentals produce higher margins than concessions and souvenir sales, as well as sales of Legends Cars, MBM, Oil-Chem, or other operating revenues.

The Company classifies its expenses to include direct expense of events and other direct operating expense, among other things. "Direct expense of events" principally consists of race purses, sanctioning fees, cost of food, beverage and souvenir sales, compensation of certain employees and advertising. "Other direct operating expense" includes the cost of Speedway Clubs, Legends Car, industrial park rental, MBM, Oil-Chem, SoldUSA and certain FLE revenues.

The Company sponsors and promotes outdoor motorsports events. Weather conditions affect sales of tickets, concessions and souvenirs, among other things, at these events. Although the Company sells tickets well in advance of its larger events, poor weather conditions can have a negative effect on the Company's results of operations.

Significant growth in the Company's revenues will depend on consistent investment in facilities. The Company has several capital projects underway at each of its speedways.

The Company does not believe that its financial performance has been materially affected by inflation. The Company has been able to mitigate the effects of inflation by increasing prices.

Results of Operations

In 2000, the Company derived a substantial portion of its 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, the Company derived a substantial portion of its 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. In 1998, the Company derived a substantial portion of its total revenues from admissions and event related revenue attributable to 15 major NASCAR-sanctioned racing events, four IRL racing events, three NASCAR Craftsman Truck Series racing events, and one NHRA Nationals racing event.

The table below shows the relationship of income and expense items relative to total revenue for the three years ended December 31, 2000.

	Percentage of Total Revenue for Year Ended December 31:		
	2000	1999	1998
Revenues:			
Admissions	40.1%	41.8%	46.8%
Event related revenue	46.2	46.7	45.9
Other operating revenue	13.7	11.5	7.3
Total revenues	100.0%	100.0%	100.0%
Operating Expenses:			
Direct expense of events	33.1	34.9	36.1
Other direct operating expense	12.5	10.1	4.8
General and administrative	15.2	14.9	14.9
Depreciation and amortization	8.8	9.0	9.5
Total operating expenses	69.6	68.9	65.3
Operating income	30.4	31.1	34.7
Interest expense, net	(7.6)	(8.7)	(5.3)
Other income (expense), net	(0.4)	(0.8)	1.0
Income before income taxes and accounting change	22.4	21.6	30.4
Income tax provision	(8.8)	(8.5)	(12.0)
Income before accounting change	13.6	13.1	18.4
Accounting change for club membership fees	(0.4)	--	--
Net income	13.2%	13.1%	18.4%

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 the current period. The growth in admissions at NASCAR-sanctioned racing events reflects the continued increases in 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 point race.

Event Related Revenue for 2000 increased by \$15.3 million, or 10.3%, over such revenue for 1999. This increase was due primarily to increases in broadcast rights and sponsorship fees for NASCAR-sanctioned racing events. The increase also 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 point race, negatively impacted attendance with related effects on event related revenues.

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 opened in March 1999.

The overall increase was partially offset by decreased Legends Car sales, in connection with the delayed release of a new "Thunder Roadster" line of entry level stock car. The overall increase was also offset by revenues derived from the Las Vegas Industrial Park which was sold in January 2000.

Direct Expense of Events for 2000 increased by \$6.6 million, or 5.9%, over such expense for 1999. This increase was due to higher race purses and sanctioning fees required for NASCAR-sanctioned racing events held during the current period. The increase also 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 for 2000 was 38.3% compared to 39.4% for 1999.

Other Direct Operating Expense for 2000 increased by \$12.2 million, or 37.8%, over such expense for 1999. This increase is 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, LMSC Speedway Club, and TMS 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 the Company's 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 for 2000 was 15.2% and for 1999 was 14.9%.

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 the Company's speedways. The overall increase was offset by depreciation in 1999 on certain LVMS property which was sold in January 2000.

Operating Income for 2000 increased by \$9.0 million, or 9.1%, to \$107.7 million, over such income for 1999. This increase was due to the factors discussed above.

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 a reduction in outstanding borrowings under the Credit Facility during the current period. The decrease was partially offset by higher interest rates on the revolving 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. The present value of estimated net future benefits to operations under the contract rights is anticipated to exceed its costs. Notwithstanding this expected future benefit, their cost has been reflected as a current period expense because acquisition was beyond Accounting Principles Board Opinion No. 16's one year allocation period.

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 28, 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. The Company's effective income tax rate for 2000 was 39.3% and for 1999 was 39.6%.

Income Before 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, as of January 1, 2000 of the Company's 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.

Year Ended December 31, 1999 Compared to Year Ended December 31, 1998

Total Revenues for 1999 increased by \$87.7 million, or 38.2%, to \$317.5 million, over such revenues for 1998. This improvement was due to increases in all revenue items, particularly admissions and event related revenue.

Admissions for 1999 increased by \$25.1 million, or 23.3% to \$132.7 million, over admissions for 1998. This increase was primarily due to hosting NASCAR-sanctioned and IRL racing events at newly acquired LVMS, and to continued growth in NASCAR-sanctioned racing events held at the Company's other speedways during 1999. The growth in admissions reflects the continued increases in attendance and in ticket prices, and additions to permanent seating capacity. The increase was also due, to a lesser extent, to hosting a new NHRA racing event at BMS in 1999.

Event Related Revenue for 1999 increased by \$42.9 million, or 40.6% to \$148.3 million, over such revenue for 1998. This increase was primarily due to hosting NASCAR-sanctioned and IRL racing events at the Company's newly acquired LVMS. The increase also results from increases in sponsorship fees, including LMSC facility naming rights fees, in broadcast rights fees, and to growth in attendance, resulting in related increases in concessions and souvenir sales, at NASCAR-sanctioned racing events.

Other Operating Revenue for 1999 increased by \$19.7 million, or 118.0% to \$36.5 million, over such revenue for 1998. This increase was due to growth in revenues of Oil-Chem associated with the commencement of media and other promotional campaigns, and to revenues derived from apparel and other merchandise sold through outside venues, including FLE, MBM and WMI, and from The Texas Motor Speedway Club which opened in March 1999.

Direct Expense of Events for 1999 increased by \$27.6 million, or 33.2%, over such expense for 1998. This increase was due primarily to hosting NASCAR-sanctioned and IRL racing events at the Company's newly acquired LVMS. The increase also was due to higher race purses and sanctioning fees required for NASCAR-sanctioned racing events held during 1999, and to increased operating costs associated with the growth in attendance, including related increases in concessions and souvenir sales. The increase was also due to hosting a new NHRA racing event at BMS in 1999. Operating expenses associated with inaugural events or newly acquired speedways are typically higher than historical events or operations.

Other Direct Operating Expense for 1999 increased by \$21.3 million, or 193.8%, over such expense for 1998. This increase includes expenses associated with commencement of Oil-Chem's media and other promotional campaigns. The increase also includes expenses associated with other operating revenues derived from apparel and other merchandise sold through outside venues, including FLE, MBM and WMI, from The Texas Motor Speedway Club, and with the increase in Oil-Chem revenues.

General and Administrative Expense for 1999 increased by \$13.1 million, or 38.2%, over such expense for 1998. The increase was primarily attributable to costs associated with the Company's newly acquired LVMS, and to increases in operating costs associated with the growth and expansion at the Company's other speedways and operations. As a percentage of total revenues, general and administrative expense was 14.9% for both 1999 and 1998.

Depreciation and Amortization Expense for 1999 increased by \$6.8 million, or 31.5%, over such expense for 1998. This increase was primarily due to property and equipment and intangible assets related to the LVMS acquisition, and to additions to property and equipment at the Company's other speedways.

Operating Income for 1999 increased by \$18.9 million, or 23.7%, over such income for 1998. This increase was due to the factors discussed above.

Interest Expense, Net for 1999 was \$27.7 million compared to \$12.2 million for 1998. This increase was due primarily to higher average borrowings outstanding during 1999 as compared to 1998. The increase reflects additional borrowings to fund the LVMS acquisition, and a higher interest rate on the senior subordinated notes issued in May 1999.

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 28, 1999.

Other Income for 1999 decreased by \$2.2 million compared to such income for 1998. This decrease results primarily from gains on sales of thirteen TMS condominiums in 1998. The gain on sale of two TMS condominiums was recognized in 1999.

Income Tax Provision. The Company's effective income tax rate for 1999 was 39.6% and for 1998 was 39.5%.

Net Income for 1999 decreased by \$928,000, or 2.2%, compared to such income for 1998. This decrease was due to the factors discussed above.

Seasonality and Quarterly Results

The Company currently will sponsor 17 major annual racing events in 2001 sanctioned by NASCAR, including ten Winston Cup and seven Busch Grand National Series racing events. The Company will also sponsor three IRL racing events, one CART racing event, three NASCAR Craftsman Truck Series racing events, four major NHRA racing events, seven WOO racing events, and three UDTRA Pro Dirt Car Series racing events. As a result, the Company's business has been, and is expected to remain, highly seasonal.

In 2000 and 1999, the Company's second and fourth quarters accounted for 67% and 68%, respectively, of its total annual revenues and 86% and 89%, respectively, of its total annual operating income. The Company sometimes produces minimal operating income or losses during its third quarter when it hosts only one major NASCAR race weekend. In 1999, the Company's operating results for the first and third quarters were significantly impacted by the additional racing events held at LVMS. The concentration of racing events in the second quarter, and the growth in the Company's operations with attendant increases in overhead expenses, may tend to increase operating losses or minimize operating income in future first and third quarters.

Racing schedules may be changed from time to time and can lessen the comparability of operating results between quarters of successive years and increase or decrease the seasonal nature of the Company's motorsports business. The more significant racing schedule changes that have occurred during the last three years include the following: LVMS hosted an IRL racing event in the second quarter of 2000 which, along with a NASCAR Craftsman Truck Series racing event, was held in the third quarter of 1999. Also in the second quarter of 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 of 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 of 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 the Company's Quarterly Reports on Form 10-Q filed in the years ended December 31, 2000 and 1999. As further described in Note 2 to the Consolidated Financial Statements, the Company changed its 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. Previously reported amounts 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; operating income of \$13.6 million for the first quarter, \$76.7 million for the second quarter, and \$2.3 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 \$1,257,000 after income taxes, and is reflected below as of January 1, 2000 in the first quarter of 2000.

The pro forma amounts for fiscal year 1999 reflected below 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. Previously reported amounts for fiscal 1999 included: total revenues of \$53.1 million for the first quarter, \$140.1 million for the second quarter, \$48.6 million for the third quarter, and \$75.7 million for the fourth quarter; operating income of \$11.9 million for the first quarter and \$69.2 million for the second quarter, operating loss of \$657,000 for the third quarter, and operating income of \$18.3 million for the fourth quarter; and net income of \$2.0 million for the first quarter and \$37.4 million for the second quarter, net loss of \$4.8 million for the third quarter, and net income of \$6.8 million for the fourth quarter. Pro forma amounts for fiscal year 1999 are presented to provide comparability with restated amounts for fiscal year 2000.

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.

(In thousands, except NASCAR-Sanctioned Events and Per Share Amounts)					
2000 (Unaudited/Restated)					
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Total revenues	\$ 65,525	\$ 160,454	\$51,604	\$ 76,714	\$354,297
Operating income (loss)	12,873	76,344	2,138	16,295	107,650
Net income (loss) before cumulative effect of accounting change, as restated for 2000 and pro forma for 1999	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 and pro forma for 1999	\$ 2,703	\$ 41,718	\$ (4,641)	\$ 7,097	\$ 46,875
Basic earnings (loss) per share before accounting change as previously reported	\$ 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 and pro forma for 1999	\$ 0.07	\$ 1.00	\$ 0.11)	\$ 0.17	\$ 1.13
Diluted earnings (loss) per share before accounting change as previously reported	\$ 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 and pro forma for 1999	\$ 0.06	\$ 0.95	\$ 0.11)	\$ 0.17	\$ 1.10
NASCAR-sanctioned events	4	8	2	3	17

(In thousands, except NASCAR-Sanctioned Events and Per Share Amounts)					
1999 (Unaudited/Pro forma)					
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Total revenues	\$ 53,029	\$ 139,999	\$47,908	\$ 75,162	\$ 316,099
Operating income (loss)	11,814	69,100	(1,369)	17,751	97,297
Net income (loss) before cumulative effect of accounting change, as restated for 2000 and pro forma for 1999	1,963	37,379	(5,208)	6,467	40,601
Cumulative effect of accounting change	--	--	--	--	--
Net income (loss) as restated for 2000 and pro forma for 1999	\$ 1,963	\$ 37,379	\$ (5,208)	\$ 6,467	\$ 40,601
Basic earnings (loss) per share before accounting change as previously reported	\$ 0.05	\$ 0.90	\$ 0.11)	\$ 0.16	\$ 1.00
Accounting change	--	--	(0.02)	--	(0.02)

Basic earnings (loss) per share as restated for 2000 and pro forma for 1999	\$ 0.05	\$ 0.90	\$ 0.13)	\$ 0.16	\$ 0.98
	=====	=====	=====	=====	=====
Diluted earnings (loss) per share before accounting change as previously reported	\$ 0.05	\$ 0.84	\$ 0.11)	\$ 0.16	\$ 0.97
Accounting change	--	--	(0.02)	--	(0.02)
	-----	-----	-----	-----	-----
Diluted earnings (loss) per share as restated for 2000 and pro forma for 1999	\$ 0.05	\$ 0.84	\$ 0.13)	\$ 0.16	\$ 0.95
	=====	=====	=====	=====	=====
NASCAR-sanctioned events	4	8	2	3	17

Near-Term Operating Trends

There are many factors that affect the Company's growth potential, future operations and financial results. Fiscal 2001 will be the Company's first year under the multi-year consolidated domestic television broadcast and ancillary rights agreements for NASCAR Winston Cup and Busch Grand National Series events. These new agreements are expected to provide the Company with future increases in contracted broadcasting and other ancillary revenues. Total combined revenues under the domestic broadcast and ancillary rights agreements could approximate up to \$68 million in 2001, representing a \$38 million increase over 2000. While economic conditions and competitive racing can affect ticket sales, management believes ticket demand should continue to grow. However, to help bolster fan interest in challenging economic conditions, management has decided not to increase many ticket and concession prices at least for 2001.

Significant Factors in 2000

SPR Concession Contract Rights Resolution. In November 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. The Company's subsidiary Finish Line Events has provided such services since 1998. In September 2000, the Company reacquired such contract rights for approximately \$3.2 million, including legal and other transaction costs. Because fair value was not readily ascertainable until reaching final agreement in September 2000, the contract rights were not reflected in SPR's original purchase price allocation nor recorded until their value was established. Management anticipates the present value of estimated

net future benefits under the contract rights will exceed its costs. Notwithstanding this expected future benefit, their cost has been reflected as a current period expense because acquisition was beyond Accounting Principles Board Opinion No. 16's one year allocation period.

May 2000 Bridge Collapse after LMSC Race Event. 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. All personal injury claims resulting from this incident are currently being handled by the bridge's manufacturer, Tindall Corporation, and its insurer. To date, fifteen lawsuits resulting from this incident have been filed, all seeking unspecified compensatory and punitive damages. SMI has filed, or will file shortly, answers in all of the actions and preliminary discovery has begun in many of the cases but is not yet complete. See Item 3 -- "Legal Proceedings" for additional information on these legal matters. Additional lawsuits involving this incident may be filed in the future. SMI intends to defend itself and denies the allegations of negligence as well as related claims for punitive damages. Management does not believe the outcome of these lawsuits or this incident will have a material adverse affect on the Company's financial position or future results of operations.

Sale of Las Vegas Industrial Park. In January 2000, the Company sold the 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 was based on an independent appraisal and approximates the Company's net carrying value as of December 31, 2000 and selling costs. The sale proceeds were used to reduce outstanding borrowings under the Credit Facility. See Item 3 -- "Legal Proceedings" for information on related legal matters.

Complaint Against Oil-Chem Research Corp. In January 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 Item 3 -- "Legal Proceedings" for additional information on this legal matter. SMI has filed an answer in this action. SMI intends to defend itself and denies the allegations. 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.

May 1999 IRL Race Event Accident at LMSC. In May 2000, SMI settled three wrongful death lawsuits arising from the May 1, 1999 on-track accident during an IRL event at LMSC causing race car debris to enter the spectator seating area. Three deaths and other injuries resulted. The settled wrongful death lawsuits sought unspecified compensatory and punitive damages. This settlement had no material adverse affect on the Company's financial position or results of operations. A personal injury lawsuit was filed in February 2001 against SMI, IRL and others seeking unspecified compensatory and punitive damages. SMI has filed an answer in this pending action and preliminary discovery is underway but not yet completed. See Item 3 -- "Legal Proceedings" for additional information on these legal matters. SMI intends to defend itself and denies 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 affect on the Company's financial position or future results of operations.

Other Significant Factors in Fiscal 2000. The operating results for fiscal 2000, and more specifically the three months ended December 31, 2000, were negatively impacted by less than expected attendance and event related revenues at several of the Company's major racing events due to a convergence of uncontrollable factors including poor weather and an early substantial lead in and winning of the Winston Cup Series point race.

Liquidity and Capital Resources

The Company has historically met its working capital and capital expenditure requirements through a combination of cash flow from operations, bank borrowings and other debt and equity offerings. The Company expended significant amounts of cash in 2000 for improvements and expansion at its speedway facilities. Significant changes in the Company's financial condition and liquidity during 2000 resulted primarily from: (1) net cash generated by operations amounting to \$75.6 million, (2) capital expenditures amounting to \$85.5 million, and (3) reducing outstanding borrowings under the Credit Facility by \$40.0 million with proceeds from the sale of the LVMS Industrial Park, and reducing outstanding Convertible Subordinated Debentures by \$8.0 million. Cash flows from operations in 2000 were negatively impacted by a decrease in deferred race event income of \$21.3 million between December 31, 2000 and 1999 due primarily to changes in billing and payment terms of advance ticket sales and suites rentals and slower ticket sales for the upcoming 2001 racing season. At December 31, 2000, the Company had \$90.0 million in outstanding borrowings under the \$250.0 million Credit Facility.

Management anticipates that cash from operations, and funds available through the Credit Facility, will be sufficient to meet the Company's operating needs through 2001, including planned capital expenditures at its speedway facilities. Based upon anticipated future growth and financing requirements, management expects that the Company will, from time to time, engage in additional financing of a character and in amounts to be determined. The Company may, from time to time, redeem or retire convertible subordinated debentures and other debt, and purchase its other securities, depending on liquidity, prevailing market conditions, as well as such factors as permissibility under the Credit Facility, the Senior Subordinated Notes, and as the Board of Directors, in its sole discretion, may consider relevant. While the Company expects to continue to generate positive cash flows from its existing speedway operations, and has generally experienced improvement in its financial condition, liquidity and credit availability, such resources, as well as possibly others, could be needed to fund the Company's continued growth, including the continued expansion and improvement of its speedway facilities.

Capital Expenditures

Significant growth in the Company's revenues depends, in large part, on consistent investment in facilities. Therefore, the Company expects to continue to make substantial capital improvements in its facilities to meet increasing demand and to increase revenue. Currently, a number of significant capital projects are underway.

In 2000, AMS continued improving and expanding its on-site roads and available parking and made other site improvements. In 2000, the Company added approximately 12,000 permanent seats at BMS, 14,000 at LMSC, and 7,000 at LVMS, all featuring stadium-style premium seating. At BMS, LMSC and LVMS, the Company further expanded concessions, restroom and other fan amenities, and made other site improvements. Also, LMSC and TMS completed construction of 4/10-mile, modern, lighted, dirt track facilities. LVMS also completed reconstruction and expansion of one of its dragstrips into a state-of-the-art dragway with permanent grandstand seating, luxury suites, and extensive fan amenities and facilities.

In 2001, the Company plans to continue major renovations at SPR, including its ongoing reconfiguration and modernization into a "stadium-style" road racing course, adding up to 25,000 new grandstand seats, 64,000 new hillside terrace seats, and 19 new luxury suites. Also, SPR plans to continue improving and expanding its on-site roads and available parking, and reconfiguring traffic patterns and entrances to ease congestion and improve traffic flow. In 2001, TMS plans to convert approximately 50 suites to speedway club-style seating areas. Although these suites are currently unleased, management believes excess demand for premium seating and services at TMS's largest events exceeds current availability, and that conversion will generate additional operating profits. Similar to 2000, the Company plans to further expand concessions, restroom and other fan amenities for the convenience, comfort and enjoyment of fans, and to continue improving and expanding its on-site roads and available parking to ease congestion and improve traffic flow at each of its speedways in 2001.

The estimated aggregate cost of capital expenditures in 2001 will approximate \$55 million. Numerous factors, many of which are beyond the Company's control, may influence the ultimate costs and timing of various capital improvements at the Company's facilities, including undetected soil or land conditions, additional land acquisition costs, increases in the cost of construction materials and labor, unforeseen changes in the 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 the Company's estimates if the Company's 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 its existing speedway facilities and business operations, the Company is continually evaluating new opportunities that will add value for the Company's stockholders, including the acquisition and construction of new speedway facilities, the expansion and development of its existing Legends Cars and Oil-Chem products and markets and the expansion into complementary businesses.

Dividends

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

Recently Issued Accounting Standards

The Company will adopt Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities" as of January 1, 2001. SFAS No. 133 establishes 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 does not have any derivative instruments, adoption is expected to have no effect on the Company's financial statements or disclosures.

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

Environmental Matters

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. 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 Waste Industries, Inc. 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 Waste Industries owns and operates an active solid waste landfill adjacent to LMSC. Management believes that the active solid waste landfill was constructed in such a manner as to minimize the risk of contamination to surrounding property. Management also believes that the Company's operations, including the landfills and facilities on its property, are in substantial compliance with all applicable federal, state and local environmental laws and regulations. Management is not aware of any situations related to landfill operations which it expects would materially adversely affect the Company's financial position or future results of operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk. The Company's financial instruments with market risk exposure consist only of bank revolving Credit Facility borrowings which are sensitive to changes in interest rates. A change in interest rates of one percent on the balance outstanding at December 31, 2000 would cause a change in annual interest expense of approximately \$900,000. The Company's Senior Subordinated Notes and Convertible Subordinated Debentures are fixed interest rate debt obligations. See Note 5 to the Consolidated Financial Statements for information on the terms and conditions, including redemption and conversion features, of the Company's debt obligations. The table below presents the principal balances outstanding, fair values, interest rates and maturity dates as of December 31, 2000 and 1999 (in thousands):

	Carrying Value		Fair Value		Maturity Dates
	2000	1999	2000	1999	
Floating rate revolving credit facility (1) ..	\$ 90,000	\$130,000	\$ 90,000	\$130,000	May 2004
8.5% Senior subordinated notes payable	252,788	253,208	243,125	238,750	August 2007
5.75% Convertible subordinated debentures	66,000	74,000	63,030	77,330	September 2003

(1) The weighted-average interest rate on borrowings under the revolving Credit Facility was 7.6% in 2000 and 6.5% in 1999.

Equity Price Risk. The Company has marketable equity securities, all classified as "available for sale." Such investments are subject to price risk, which the Company attempts 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, 2000 and 1999 (in thousands):

	December 31,	
	2000	1999
Aggregate cost	\$1,615	1,637
Fair market value	864	1,181

Item 8. Financial Statements and Supplementary Data

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

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 entitled "Ownership of Capital Securities," "Election of Directors," and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement (to be filed hereafter) for SMI's Annual Meeting of the Stockholders to be held on May 3, 2001 (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 entitled "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 -- Owner 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 herein 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 hereby incorporated by reference to other documents on file with the Securities and Exchange Commission with which they are physically filed, to be a part hereof as of their respective dates.

EXHIBIT INDEX

Exhibit Number	Description
*3.1	Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 (File No. 33-87740) of the Company (the "Form S-1")).
*3.2	Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Form S-1).
*3.3	Amendment to Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.3 to the Registration Statement on Form S-3 (File No. 333-13431) of the Company (the "November 1996 Form S-3")).
*3.4	Amendment to Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.4 to the Registration Statement on Form S-4 (File No. 333-35091) of the Company (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 the Company 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 5 3/4% Convertible Subordinated Debenture due 2003 (included in the First Union Indenture).
*4.4	Indenture dated as of August 4, 1997 between the Company 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 8 1/2% 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 the Registration Statement on Form S-3 (File No. 333-80021) of the Company (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.
4.9	Fourth Supplemental Indenture to the First Trust Indenture, dated as of December 31, 2000.
*4.10	Indenture dated as of May 11, 1999 between the Company, 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 8 1/2% 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.

Exhibit Number	Description
*10.7	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).
*10.8	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).
*10.9	Speedway Motorsports, Inc. 1994 Stock Option Plan (incorporated by reference to Exhibit 10.45 to the Form S-1).
*10.10	Speedway Motorsports, Inc. Formula Stock Option Plan (incorporated by reference to Exhibit 10.13 to the Annual Report on Form 10-K of the Company for the year ended December 31, 1995 (the "1995 Form 10-K")).
*10.11	Speedway Motorsports, Inc. Employee Stock Purchase Plan amended and restated as of July 1, 1996 (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-8 (File No. 333-17687) of the Company).
*10.13	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).
*10.14	Non-Negotiable Promissory Note dated April 24, 1995 by O. Bruton Smith in favor of the Company (incorporated by reference to Exhibit 10.20 to the 1995 Form 10-K).
*10.15	Asset Purchase Agreement dated October 24, 1996 between the Company, as buyer, and Sears Point Raceway (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K of the Company filed as of December 4, 1996 (the "SPR Form 8-K")).
*10.16	Master Ground Lease dated November 18, 1996 by and between Brenda Raceway Corporation and the Company (incorporated by reference to Exhibit 99.2 to the SPR Form 8-K).
*10.17	Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents and Agreements dated as of November 18, 1996 by Brenda Raceway Corporation to First American Title Insurance Company for the benefit of Sonoma Funding Corporation (incorporated by reference to Exhibit 99.3 to the SPR Form 8-K).
*10.18	Promissory Note secured by Deed of Trust dated November 18, 1996 by Brenda Raceway Corporation in favor of Sonoma Funding Corporation (incorporated by reference to Exhibit 99.4 to the SPR Form 8-K).
*10.19	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 the Annual Report on Form 10-K of the Company for the year ended December 31, 1996 (the "1996 Form 10-K")).
*10.20	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).
*10.21	Guaranty Agreement dated as of December 18, 1996 among the Company, the City of Fort Worth, Texas and FW Sports Authority, Inc. (incorporated by reference to Exhibit 10.25 to the 1996 Form 10-K).
*10.30	Asset Purchase Agreement and Escrow Instructions dated November 17, 1998 between Speedway Motorsports, Inc., as buyer, and Las Vegas Motor Speedway, Inc., as seller (incorporated by reference to Exhibit 99.1 to the Company's current Report on Report 8-K filed as of December 15, 1998 ("the LVMS Form 8-K")).
*10.33	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).
*10.34	Registration Rights Agreement dated as of May 11, 1999 among the Company, NationsBank Montgomery Securities LLC, First Union Capital Markets Corp. and JC Bradford & Co., LLC (incorporated by reference to Exhibit 10.34 to the June 1999 Form S-4).
*10.35	Purchase Agreement dated as of May 4, 1999 among the Company, NationsBank Montgomery Securities LLC, First Union Capital Markets Corp. and JC Bradford & Co., LLC (incorporated by reference to Exhibit 10.35 to the June 1999 Form S-4).
*10.36	Credit Agreement dated as of May 28, 1999 (the "Credit Agreement") among the Company and Speedway Funding Corp., as borrowers, certain subsidiaries of the Company, 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).

Exhibit Number	Description
*10.37	Pledge Agreement dated as of May 28, 1999 among the Company and the subsidiaries of the Company 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).
*10.38	Contract for Sale of Real Estate dated as of December 23, 1999 between Las Vegas Motor Speedway, LLC and Las Vegas Industrial Park, LLC (incorporated by reference to Exhibit 10.1 to SMI's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000 (the "March 2000 Form 10-Q")).
*10.39	Subordinated Promissory Note dated January 12, 2000 by Las Vegas Industrial Park, LLC in favor of Las Vegas Motor Speedway, LLC (incorporated by reference to Exhibit 10.2 to the March 2000 Form 10-Q).
*10.40	Deed of Trust, Assignment of Rents and Fixture Filing dated as of January 12, 2000 among Las Vegas Industrial Park, LLC, National Title Co. and Las Vegas Motor Speedway, LLC (incorporated by reference to Exhibit 10.3 to the March 2000 Form 10-Q).
*10.41	Guaranty dated as of January 12, 2000 by O. Bruton Smith to and in favor of Las Vegas Motor Speedway, LLC (incorporated by reference to Exhibit 10.4 to the March 2000 Form 10-Q).
21.1	Subsidiaries of the Company.
23.0	Independent Auditors' Consent for Registration Statements No. 33-99942, No. 333-17687, and No. 333-49027 of Speedway Motorsports, Inc. on Form S-8.
99.1	Risk Factors regarding "forward-looking" statements.

*Previously filed.

(b) Reports on Form 8-K

No reports were filed on Form 8-K during the fourth quarter of 2000.

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 its behalf by the undersigned, thereunto duly authorized, in the City of Charlotte, State of North Carolina, on the 28th day of March, 2001.

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 28, 2001
/S/ H.A. "HUMPY" WHEELER ----- H.A. "Humpy" Wheeler	President, Chief Operating Officer and Directory	March 28, 2001
/S/ WILLIAM R. BROOKS ----- William R. Brooks	Vice President, Treasurer, Chief Financial Officer (principal financial officer and accounting officer) and Director	March 28, 2001
/S/ EDWIN R. CLARK ----- Edwin R. Clark	Executive Vice President and Director	March 28, 2001
/S/ WILLIAM P. BENTON ----- William P. Benton	Director	March 28, 2001
/S/ MARK M. GAMBILL ----- Mark M. Gambill	Director	March 28, 2001
/S/ TOM E. SMITH ----- Tom E. Smith	Director	March 28, 2001
/S/ JACK L. KEMP ----- Jack L. Kemp	Director	March 28, 2001

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SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

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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, 2000 and 1999, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. 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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for club membership fees in 2000.

DELOITTE & TOUCHE LLP

Charlotte, North Carolina
February 14, 2001

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2000 and 1999

	2000	1999
	-----	-----
	(Dollars in thousands)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 30,737	\$ 56,270
Accounts and notes receivable (Notes 2 and 8)	30,433	28,695
Prepaid income taxes (Note 7)	2,946	4,137
Inventories (Note 3)	16,487	15,287
Prepaid expenses (Note 2)	2,700	3,900
	-----	-----
Total Current Assets	83,303	108,289
	-----	-----
PROPERTY HELD FOR SALE (Note 4)	--	53,254
PROPERTY AND EQUIPMENT, NET (Notes 2 and 4)	798,481	741,580
GOODWILL AND OTHER INTANGIBLE ASSETS, NET (Note 2)	59,105	58,987
OTHER ASSETS:		
Speedway condominiums held for sale (Note 2)	4,419	5,359
Marketable equity securities (Note 2)	864	1,181
Notes and other receivables from affiliates (Note 8) ..	21,214	2,950
Notes receivable, other (Note 2)	11,645	10,068
Other assets (Note 2)	12,926	14,314
	-----	-----
Total Other Assets	51,068	33,872
	-----	-----
TOTAL	\$991,957	\$995,982
	=====	=====

See notes to consolidated financial statements.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Continued)

December 31, 2000 and 1999

	2000	1999
	-----	-----
	(Dollars in thousands)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt (Note 5)	\$ 168	\$ 160
Accounts payable	9,683	17,771
Deferred race event income, net (Note 2)	72,052	93,349
Accrued interest	9,591	10,897
Accrued expenses and other liabilities	13,689	9,805
	-----	-----
Total Current Liabilities	105,183	131,982
LONG-TERM DEBT (Notes 2 and 5)	409,929	458,400
PAYABLE TO AFFILIATES (Note 8)	3,911	4,320
DEFERRED INCOME, NET (Note 2)	17,130	15,262
DEFERRED INCOME TAXES (Note 7)	74,106	51,680
OTHER LIABILITIES	2,357	2,630
	-----	-----
Total Liabilities	612,616	664,274
	-----	-----
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, 41,739,000 and 41,647,000 shares issued and outstanding in 2000 and 1999	417	416
Additional paid-in capital	161,159	160,225
Retained earnings	218,215	171,340
Accumulated other comprehensive loss -- unrealized loss on marketable equity securities	(450)	(273)
	-----	-----
Total Stockholders' Equity	379,341	331,708
	-----	-----
TOTAL	\$991,957	\$995,982
	=====	=====

See notes to consolidated financial statements.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31, 2000, 1999 and 1998

	2000	1999	1998
	(In thousands, except per share amounts)		
REVENUES (Note 2):			
Admissions	\$ 142,160	\$ 132,694	\$ 107,601
Event related revenue	163,634	148,316	105,459
Other operating revenue	48,503	36,483	16,736
	-----	-----	-----
Total Revenues	354,297	317,493	229,796
	-----	-----	-----
OPERATING EXPENSES:			
Direct expense of events	117,229	110,650	83,046
Other direct operating expense	44,432	32,241	10,975
General and administrative	53,794	47,375	34,279
Depreciation and amortization	31,192	28,536	21,701
	-----	-----	-----
Total Operating Expenses	246,647	218,802	150,001
	-----	-----	-----
OPERATING INCOME	107,650	98,691	79,795
Interest expense, net (Notes 5 and 8)	(26,973)	(27,686)	(12,228)
Concession contract rights resolution (Note 2)	(3,185)	--	--
Acquisition loan cost amortization (Note 2)	--	(3,398)	(752)
Other income, net	1,740	959	3,202
	-----	-----	-----
INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	79,232	68,566	70,017
Provision for Income Taxes (Note 7)	(31,100)	(27,123)	(27,646)
	-----	-----	-----
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	48,132	41,443	42,371
Cumulative Effect of Accounting Change For Club Membership Fees (Note 2)	(1,257)	--	--
	-----	-----	-----
NET INCOME	\$ 46,875	\$ 41,443	\$ 42,371
	=====	=====	=====
BASIC EARNINGS PER SHARE (Note 6):			
Before Cumulative Effect of Accounting Change	\$ 1.16	\$ 1.00	\$ 1.02
Accounting Change	(0.03)	--	--
	-----	-----	-----
Basic Earnings Per Share	\$ 1.13	\$ 1.00	\$ 1.02
	=====	=====	=====
Weighted average shares outstanding	41,663	41,569	41,482
DILUTED EARNINGS PER SHARE (Note 6):			
Before Cumulative Effect of Accounting Change	\$ 1.13	\$ 0.97	\$ 1.00
Accounting Change	(0.03)	--	--
	-----	-----	-----
Diluted Earnings Per Share	\$ 1.10	\$ 0.97	\$ 1.00
	=====	=====	=====
Weighted average shares outstanding	44,715	44,960	44,611
PRO FORMA AMOUNTS ASSUMING RETROACTIVE APPLICATION OF ACCOUNTING CHANGE (Note 2):			
Net Income	\$ 48,132	\$ 40,601	\$ 42,294
Basic Earnings Per Share	\$ 1.16	\$ 0.98	\$ 1.02
Diluted Earnings Per Share	\$ 1.13	\$ 0.95	\$ 1.00

See notes to consolidated financial statements.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years Ended December 31, 2000, 1999 and 1998

(In thousands)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stock- holders' Equity
	Shares	Amount				
BALANCE, JANUARY 1, 1998	41,433	\$414	\$156,477	\$ 87,526	\$ (303)	\$244,114
Net income	--	--	--	42,371	--	42,371
Issuance of stock under employee stock purchase plan (Note 10)	16	--	340	--	--	340
Exercise of stock options (Note 10)	53	1	399	--	--	400
Net unrealized loss on marketable equity securities	--	--	--	--	(105)	(105)
BALANCE, DECEMBER 31, 1998	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

See notes to consolidated financial statements.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2000, 1999 and 1998

	2000	1999	1998
	-----	-----	-----
		(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 46,875	\$ 41,443	\$ 42,371
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	31,192	28,536	21,701
Amortization of acquisition loan costs	--	3,398	752
Amortization of deferred income	(1,179)	(1,366)	(891)
Deferred income tax provision	22,426	16,383	16,256
Cumulative effect of accounting change	1,257	--	--
Changes in operating assets and liabilities, net of effects of business acquisitions:			
Accounts receivable	(796)	(5,825)	(7,262)
Prepaid and accrued income taxes	1,191	6,219	(5,707)
Inventories	(1,200)	(4,447)	(1,384)
Condominiums held for sale	290	(429)	17,978
Accounts payable	(8,088)	11,179	(15,335)
Deferred race event income	(21,297)	8,636	16,258
Accrued expenses and other liabilities	2,578	5,680	672
Deferred income	1,790	376	3,243
Other assets and liabilities	583	(2,289)	(2,256)
	-----	-----	-----
Net Cash Provided by Operating Activities	75,622	107,494	86,396
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings under long-term debt	--	128,750	254,253
Principal payments on long-term debt	(47,234)	(124,805)	(18,565)
Payments of debt issuance costs	--	(6,446)	(4,053)
Issuance of stock under employee stock purchase plan	274	1,535	340
Exercise of common stock options	661	1,475	400
	-----	-----	-----
Net Cash Provided (Used) by Financing Activities	(46,299)	509	232,375
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(85,538)	(90,616)	(98,574)
Proceeds from sale of property held for sale to affiliate	40,008	--	--
Purchase of Las Vegas Motor Speedway	--	--	(210,400)
Purchase of marketable equity securities and other investments	(2,318)	(1,645)	(933)
Proceeds from sales of marketable equity securities and other investments	21	1,435	692
Distribution from equity method investee	--	--	1,300
Increase in notes and other receivables	(8,484)	(5,185)	(13,394)
Repayment of notes and other receivables	1,455	8,879	9,789
	-----	-----	-----
Net Cash Used by Investing Activities	(54,856)	(87,132)	(311,520)
	-----	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(25,533)	20,871	7,251
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	56,270	35,399	28,148
	-----	-----	-----
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 30,737	\$ 56,270	\$ 35,399
	=====	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for interest, net of amounts capitalized	\$ 32,788	\$ 24,942	\$ 14,951
SUPPLEMENTAL NONCASH INVESTING AND FINANCING ACTIVITIES INFORMATION:			
Increase in notes receivable for sale of Las Vegas Industrial Park and land (Note 4)	13,254	--	--
Net liabilities assumed and incurred in Las Vegas Motor Speedway acquisition (Note 12) ..	--	--	8,783

See notes to consolidated financial statements.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2000, 1999 and 1998

1. BASIS OF PRESENTATION AND DESCRIPTION OF BUSINESS

Basis of Presentation -- The consolidated financial statements include the accounts of Speedway Motorsports, Inc. (SMI) and 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., and Speedway Funding Corp. (collectively, the Company).

Current Year Business Acquisition -- In January 2000, the Company acquired certain tangible and intangible assets and operations of Racing Country USA, a nationally-syndicated radio show, for \$2,000,000 in cash. The acquisition was accounted for using the purchase method, and the results of operations after acquisition are included in the Company's consolidated statements of income. The Company may be required to pay additional consideration contingent upon RCU's operations exceeding certain targeted levels. However, the Company does not believe the final purchase price allocation will differ significantly from the preliminary allocation. The acquisition was not significant and, therefore, unaudited pro forma financial information is not presented.

Description of Business -- AMS owns and operates a 1.54-mile lighted, quad-oval, asphalt superspeedway located on approximately 870 acres in Hampton, Georgia. AMS currently hosts two major National Association for Stock Car Auto Racing (NASCAR) Winston Cup Series events annually, one in March and one in November. Additionally, one Busch Grand National race and one Automobile Racing Club of America (ARCA) race is held annually, each preceding a Winston Cup event. AMS also hosts an annual Indy Racing Northern Light Series (IRL) racing event. AMS has constructed 46 condominiums overlooking the Atlanta speedway and is in the process of marketing the 2 remaining condominiums.

BMS owns and operates a one-half mile lighted, 36-degree banked concrete oval speedway, and a one-quarter mile lighted dragstrip, located on approximately 550 acres in Bristol, Tennessee. BMS currently hosts two major NASCAR Winston Cup events annually. Additionally, two NASCAR-sanctioned Busch Grand National races are held annually, each preceding a Winston Cup event. BMS also owns and operates a state-of-the-art dragway with permanent grandstand seating, luxury suites, and extensive fan amenities and facilities. BMS currently conducts an annual National Hot Rod Association (NHRA) sanctioned Nationals racing event and other bracket racing events, as well as various auto shows. BMS also conducts major World of Outlaws (WOO) and UDTRA Pro Dirt Car (UDTRA) Series racing events annually.

LMSC owns and operates a 1.5-mile lighted quad-oval, asphalt superspeedway located in Concord, North Carolina. LMSC hosts three major NASCAR Winston Cup events annually, two in May and one in October. Additionally, two Busch Grand National and two ARCA races are held annually, each preceding a Winston Cup event. The Charlotte facility includes a 2.25-mile road course, a one-quarter mile asphalt oval track, a one-fifth mile asphalt oval track and a one-fifth mile dirt oval track, all of which hold race events throughout the year. In addition, LMSC has constructed 52 condominiums overlooking the main speedway, all of which have been sold. In 2000, LMSC completed construction of a 4/10-mile, modern, lighted, dirt track facility where nationally-televised events such as WOO, UDTRA, American Motorcycle Association (AMA) Series, and other racing events are held annually.

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, asphalt superspeedway, and several other on-site race tracks, located on approximately 1,300 acres in Las Vegas, Nevada. LVMS currently hosts several annual NASCAR-sanctioned racing events, including a Winston Cup Series, Busch Grand National Series, two Winston West Series, and two Winston Southwest Series racing events. Additional major events held annually include WOO and drag racing events, as well as various other motorsports events conducted at the on-site paved and dirt tracks. The racetrack is also rented throughout the year for non-racing activities such as driving schools and automobile testing.

In 2000, LVMS completed reconstruction and expansion of one of its dragstrips into a state-of-the-art dragway with permanent grandstand seating, luxury suites, and extensive fan amenities and facilities. The Strip at Las Vegas hosted an

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

1. BASIS OF PRESENTATION AND DESCRIPTION OF BUSINESS -- (Continued)

inaugural NHRA-sanctioned Nationals event in 2000, and is scheduled to host two Nationals events in 2001, as well as other NHRA and bracket racing events.

SPR, located on approximately 1,500 acres in Sonoma, California, owns and operates a 2.52-mile, twelve-turn road course, a one-quarter mile dragstrip, and a 157,000 square foot industrial park. SPR currently holds one major NASCAR Winston Cup racing event annually. Additional events held annually include a NASCAR-sanctioned Winston Southwest Series, NHRA Winston Drag Racing Series National, as well as AMA 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 1,360 acres in Fort Worth, Texas, is a 1.5-mile lighted, banked, asphalt quad-oval superspeedway. TMS currently hosts one major NASCAR Winston Cup event annually, preceded by a Busch Grand National racing event. TMS also hosts two NASCAR-sanctioned Craftsman Truck and two IRL Series racing events, and will host an inaugural Fed-Ex Championship Auto Racing Teams (CART) Series racing event in 2001. TMS has constructed 76 condominiums above turn two overlooking the speedway, 68 of which have been sold or contracted for sale as of December 31, 2000. In 2000, TMS substantially completed construction of a 4/10-mile, modern, lighted, dirt track facility where nationally- televised events such as WOO, UDTRA, AMA Series, and other racing events are held annually.

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. The TMS Club opened in March 1999.

FLE provides event food, beverage, and souvenir merchandising services at each of the Company's speedways and to other third party sports-oriented venues.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Recognition -- Admissions revenue consists of ticket sales. Event related revenues consist of amounts received from broadcasting rights, sponsorships, concessions, luxury suite rentals, commissions and souvenirs, and other event and speedway related revenue. 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 and certain FLE revenues.

The Company recognizes admissions 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.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES -- (Continued)

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 the fourth quarter of 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 change also reduced fiscal year 2000 other operating revenue by \$1,346,000, net income by \$813,000 after income taxes, and basic and diluted earnings per share by \$0.02. 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 and Notes Receivable -- Accounts receivable are reported net of allowance for doubtful accounts of \$1,351,000 and \$951,000 at December 31, 2000 and 1999. Bad debt expense amounted to \$1,134,000 in 2000, \$660,000 in 1999, and \$29,000 in 1998, and allowance for doubtful accounts reductions for actual write-offs and recoveries of specific accounts receivable amounted to \$734,000 in 2000, \$0 in 1999, and \$291,000 in 1998. Notes and other receivables are collateralized principally by property and other assets which management believes sufficient to ensure full collectibility. As such, no allowance for uncollectible amounts has been recorded.

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

Speedway Condominiums Held for Sale -- The Company has constructed 46 condominiums at AMS and 76 condominiums at TMS, of which 44 and 68, respectively, have been sold or contracted for sale as of December 31, 2000. Speedway condominiums held for sale are recorded at cost, and represent 2 condominiums at AMS and 8 condominiums at TMS which are substantially complete and are being marketed.

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. Depreciation expense amounted to \$29,286,000 in 2000, \$26,758,000 in 1999, and \$19,564,000 in 1998.

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

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES -- (Continued)

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 \$7,390,000 and \$5,615,000 at December 31, 2000 and 1999. Management periodically evaluates the recoverability of goodwill and other intangible assets based on expected future profitability and undiscounted operating cash flows of acquired businesses.

Marketable Equity Securities -- The Company's marketable equity securities are classified as "available for sale" and are not bought and held principally for the purpose of selling them in the near term. Accordingly, these securities are reported at fair value, with 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 2001, 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.

Valuation allowances for unrealized losses of \$450,000 and \$273,000, net of \$301,000 and \$183,000 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, 2000 and 1999, respectively. Sales of marketable equity securities resulted in realized losses of \$7,000 in 2000, and realized gains of \$415,000 in 1999 and \$150,000 in 1998.

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 Notes 5 and 12). Associated deferred financing costs of \$4,050,000 were amortized over the loan term which matured May 28, 1999. Deferred financing costs of \$14,381,000 and \$14,636,000 are reported net of accumulated amortization of \$4,912,000 and \$3,132,000 at December 31, 2000 and 1999.

Deferred Income -- Deferred income as of December 31, 2000 and 1999 consists of the following (in thousands):

	2000	1999
	-----	-----
TMS Preferred Seat License fees, net	\$11,067	\$11,802
Deferred gain on TMS condominium sales.	2,438	2,957
Deferred Speedway Club membership income	3,616	464
Other	9	39
	-----	-----
Total	\$17,130	\$15,262
	=====	=====

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.

Certain condominium sales contracts, aggregating approximately \$16,700,000 as of December 31, 2000, provide buyers the right to require the Company to repurchase real estate within three years from the purchase date. Gain recognition has been deferred until the buyer's right expires. Management believes the likelihood of buyers exercising such rights, in amounts that at any one time or in the aggregate would be significant, is remote.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES -- (Continued)

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. The Company changed its accounting policy for these Speedway Club membership fees in fiscal 2000 (see "Accounting Change For Club Membership Fees" above). 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 are being amortized into income principally over 15 years ending in 2001. Net membership income recognized for these extended and lifetime memberships was \$1,261,000 in 2000, \$1,934,000 in 1999, and \$500,000 in 1998. On a pro forma basis, had the new policy been in effect, these fees would have been \$540,000 in 1999 and \$373,000 in 1998.

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 \$21,187,000 in 2000, \$15,144,000 in 1999, and \$7,626,000 in 1998. Prepaid expense at December 31, 1999 included \$1,407,000 of deferred direct-response advertising costs related to then future media promotion of certain ORC products. These costs were amortized into expense in 2000 and no direct-response advertising costs are deferred at December 31, 2000.

Concession Contract Rights Resolution -- In November 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 subsidiary Finish Line Events has provided such services. In September 2000, the Company reacquired such contract rights for approximately \$3.2 million, including legal and other transaction costs. Because fair value was not readily ascertainable until reaching final agreement in September 2000, the contract rights were not reflected in SPR's original purchase price allocation nor recorded until their value was established. Management anticipates the present value of estimated net future benefits under the contract rights will exceed its costs. Notwithstanding this expected future benefit, the cost has been reflected as a current period expense because acquisition was beyond Accounting Principles Board (APB) Opinion No. 16's one year allocation period.

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 which recognizes compensation cost based on the intrinsic value of the equity instrument awarded as permitted under Statement of Financial Accounting Standards (SFAS) 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, 2000 and 1999 as follows (in thousands):

	Carrying Value		Fair Value	
	2000	1999	2000	1999
8.5% Senior subordinated notes payable	\$252,788	\$253,208	\$243,125	\$238,750
5.75% Convertible subordinated debentures ..	66,000	74,000	63,030	77,330

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

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES -- (Continued)

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, and accepts notes only 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.

Impact of New Accounting Standards -- The Company will adopt SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" as of January 1, 2001. SFAS No. 133 establishes 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 does not have any derivative instruments, adoption is expected to have no effect on the Company's financial statements or disclosures.

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

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

3. INVENTORIES

Inventories as of December 31, 2000 and 1999 consist of the following components (in thousands):

	2000	1999
Souvenirs and apparel	\$ 9,421	\$ 8,490
Finished vehicles, parts and accessories	4,212	4,310
Oil additives, food and other	2,854	2,487
	-----	-----
Total	\$16,487	\$15,287
	=====	=====

4. PROPERTY AND EQUIPMENT AND PROPERTY HELD FOR SALE

Property and equipment as of December 31, 2000 and 1999 is summarized as follows (dollars in thousands):

	Estimated Useful Lives	2000	1999
Land and land improvements	5-25	\$ 210,649	\$ 202,692
Racetracks and grandstands	5-45	392,495	333,037
Buildings and luxury suites	5-40	236,472	215,163
Machinery and equipment	3-20	41,002	39,409
Furniture and fixtures	5-20	16,347	15,034
Autos and trucks	3-10	4,756	4,282
Construction in progress		28,852	39,111
		-----	-----
Total		930,573	848,728
Less accumulated depreciation		(132,092)	(107,148)
		-----	-----
Net		\$ 798,481	\$ 741,580
		=====	=====

Construction In Progress -- At December 31, 2000, 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 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. SPR also plans to continue improving and expanding its

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

4. PROPERTY AND EQUIPMENT AND PROPERTY HELD FOR SALE -- (Continued)

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 2001 is approximately \$55,000,000.

Property Held For Sale -- 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 (see Note 8). The Company acquired the industrial park then under construction and land in connection with its acquisition of LVMS in December 1998. Construction was completed and rental operations commenced in 1999. The sales price approximated the Company's net carrying value as of December 31, 1999 and selling costs.

5. LONG-TERM DEBT

Long-term debt as of December 31, 2000 and 1999 consists of the following (in thousands):

	2000	1999
Revolving bank credit facility	\$ 90,000	\$130,000
Senior subordinated notes	252,788	253,208
Convertible subordinated debentures	66,000	74,000
Other notes payable	1,309	1,352
	-----	-----
Total	410,097	458,560
Less current maturities	(168)	(160)
	-----	-----
	\$409,929	\$458,400
	=====	=====

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, 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, and for working capital and general corporate purposes. At December 31, 2000, outstanding letters of credit amounted to \$106,000.

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 will be adjusted 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.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

5. LONG-TERM DEBT -- (Continued)

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 2000, the Company repurchased debentures aggregating \$8,000,000 in principal 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. 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. Redemption prices in fiscal year periods ending September 30 are 101.64% in 2001 and 100.82% in 2002. After September 30, 2002, the debentures are redeemable at par. As of December 31, 2000 and 1999, 2,122,000 and 2,379,000 shares of common stock would be issuable upon conversion (see Note 6).

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 (see Note 12). 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.

Annual maturities of debt at December 31, 2000 are as follows (in thousands):

2001	\$	168
2002		1,085
2003		66,028
2004		90,028
2005		--
Thereafter		252,788

		\$410,097
		=====

Interest expense, net includes interest expense of \$31,482,000 in 2000, \$30,083,000 in 1999, and \$15,258,000 in 1998, and includes interest income of \$4,509,000 in 2000, \$2,397,000 in 1999, and \$3,030,000 in 1998. The Company capitalized interest costs of \$2,912,000 in 2000, \$4,667,000 in 1999, and \$3,846,000 in 1998. The weighted-average interest rate on borrowings under bank revolving credit facilities was 7.6% in 2000, 6.5% in 1999, and 6.4% in 1998.

6. CAPITAL STRUCTURE AND PER SHARE DATA

Preferred Stock -- At December 31, 2000, 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 and outstanding at December 31, 2000 or 1999.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

6. CAPITAL STRUCTURE AND PER SHARE DATA -- (Continued)

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). The following schedule reconciles basic and diluted earnings per share (dollars and shares in thousands):

Year Ended:	Net Income	Weighted Average Shares	Earnings Per Share

December 31, 2000:			
Basic earnings per share before cumulative effect of accounting change			
for club membership fees (Note 2)	\$ 48,132	41,663	\$ 1.16
Accounting change, net of taxes	(1,257)	41,663	(0.03)
	-----		-----
Basic earnings per share	\$ 46,875	41,663	\$ 1.13
	=====		=====
Basic earnings per share before accounting change	\$ 48,132	41,663	\$ 1.16
Dilution adjustments:			
Common stock equivalents -- stock options	--	699	
5 3/4% Convertible debentures	2,321	2,353	
	-----		-----
Diluted earnings per share before cumulative effect of accounting change	50,453	44,715	\$ 1.13
Accounting change, net of taxes	(1,257)	44,715	(0.03)
	-----		-----
Diluted earnings per share	\$ 49,196	44,715	\$ 1.10
	=====		=====
December 31, 1999:			
Basic earnings per share	\$ 41,443	41,569	\$ 1.00
Dilution adjustments:			
Common stock equivalents -- stock options	--	1,012	
5 3/4% Convertible debentures	2,200	2,379	
	-----		-----
Diluted earnings per share	\$ 43,643	44,960	\$ 0.97
	=====		=====
December 31, 1998:			
Basic earnings per share	\$ 42,371	41,482	\$ 1.02
Dilution adjustments:			
Common stock equivalents -- stock options	--	750	
5 3/4% Convertible debentures	2,108	2,379	
	-----		-----
Diluted earnings per share	\$ 44,479	44,611	\$ 1.00
	=====		=====

7. INCOME TAXES

The components of the provision for income taxes are as follows (in thousands):

	2000	1999	1998
	-----	-----	-----
Current	\$ 8,674	\$10,740	\$11,390
Deferred	22,426	16,383	16,256
	-----	-----	-----
Total	\$31,100	\$27,123	\$27,646
	=====	=====	=====

The reconciliation of the statutory federal income tax rate and the effective income tax rate is as follows:

	2000	1999	1998
	-----	-----	-----
Statutory federal tax rate	35%	35%	35%
State and local income taxes, net of federal income tax effect	3	4	4
Other, net	1	--	--
	--	--	--
Total	39%	39%	39%
	==	==	==

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

7. INCOME TAXES -- (Continued)

The tax effect of temporary differences resulting in deferred income taxes are as follows (in thousands):

	2000	1999
	-----	-----
Deferred tax liabilities:		
Property and equipment	\$ 107,889	\$ 82,023
Expenses deducted for tax purposes and other	768	1,055
	-----	-----
Subtotal	108,657	83,078
	-----	-----
Deferred tax assets:		
Income previously recognized for tax purposes	(1,210)	(1,107)
Stock option compensation expense	(632)	(933)
PSL and other deferred income recognized for tax purposes	(5,276)	(4,511)
State and federal net operating loss carryforwards	(7,201)	(8,932)
Alternative minimum tax credit	(20,232)	(15,915)
	-----	-----
Subtotal	(34,551)	(31,398)
	-----	-----
Total net deferred tax liability	\$ 74,106	\$ 51,680
	=====	=====

The Company made income tax payments during 2000, 1999, and 1998 totaling approximately \$13,149,000, \$15,375,000, and \$16,328,000, respectively. At December 31, 2000, the Company has approximately \$21,780,000 of federal net operating loss carryforwards which expire in 2018 and 2019, and \$72,650,000 of state net operating loss carryforwards which expire in 2003 through 2019. The Company's alternative minimum tax credits do not expire. No valuation allowance against deferred tax assets has been recorded for any year presented.

8. RELATED PARTY TRANSACTIONS

Notes and other receivables at December 31, 2000 and 1999 include \$886,000 and \$848,000 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 2001, the balance has been classified as a noncurrent asset in the accompanying consolidated balance sheet.

Notes and other receivables at December 31, 2000 and 1999 include \$4,945,000 and \$2,103,000 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 2001, the balance has been classified as a noncurrent asset in the accompanying consolidated balance sheet.

Notes and other receivables at December 31, 2000 include \$15,383,000 due from Las Vegas Industrial Park, LLC, an entity owned by the Company's Chairman and Chief Executive Officer, including accrued interest. 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 for approximately \$53.3 million paid in cash of \$40.0 million and a note receivable of \$13.3 million. The note bears interest at LIBOR plus 2.00%, is collateralized by the underlying sold property, and is scheduled to mature in July 2002. Because the Company does not anticipate or require repayment during 2001, the balance has been classified as a noncurrent asset in the accompanying consolidated balance sheet.

From time to time, the Company paid certain expenses and made cash advances for various corporate purposes on behalf of Sonic Financial Corp. (Sonic Financial), a Company affiliate through common ownership, and of Las Vegas Industrial Park, LLC. At December 31, 2000, accounts receivable include \$940,000 due from Sonic Financial and \$1,643,000 due from Las Vegas Industrial Park, LLC. The amounts are classified as short-term based on expected repayment dates. There were no amounts outstanding due from Sonic Financial or Las Vegas Industrial Park, LLC at December 31, 1999.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

8. RELATED PARTY TRANSACTIONS -- (Continued)

Interest income of \$1,568,000 in 2000, \$179,000 in 1999, and \$115,000 in 1998 was earned on amounts due from related parties.

Amounts payable to affiliates at December 31, 2000 and 1999 includes \$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, 2000 and 1999 also include \$1,317,000 and \$1,726,000 owed to a former LVMS shareholder and executive officer in equal monthly payments through December 2003 at 6.4% imputed interest.

Interest expense of \$308,000 in 2000, \$266,000 in 1999, and \$151,000 in 1998 was accrued on amounts payable to affiliates.

9. LEGAL PROCEEDINGS AND CONTINGENCIES

On May 1, 1999, during the running of an IRL event at LMSC, an on-track accident occurred that caused race car debris to enter the spectator seating area (the "May 1999 IRL Accident"). Three deaths and injuries to others resulted. The three decedents' estates filed separate wrongful death lawsuits against SMI, IRL and others in the Superior Court of Mecklenburg County, North Carolina. The Estate of Dexter Mobley lawsuit was filed on May 28, 1999, and the Estates of Randy Pyatte and Jeffrey Patton lawsuits were filed on August 26, 1999. These suits sought unspecified compensatory and punitive damages. These lawsuits were settled in May 2000 without any admission of wrongdoing or liability on the part of SMI. Settlement had no material adverse affect on the Company's financial position or results of operations.

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. SMI intends to file an 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 affect 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. All personal injury claims resulting from this incident are currently being handled by the bridge's manufacturer, Tindall Corporation, and its insurer. To date, fifteen separate lawsuits have been filed by individuals claiming injuries from the bridge failure on May 20, 2000. All fifteen lawsuits were filed against SMI, LMSC, Tindall Corporation and Anti-Hydro International, Inc. in Cabarrus, Mecklenburg, Rowan and Wake Counties of North Carolina, and in the United States District Court for the Middle District of North Carolina, seeking unspecified compensatory and punitive damages. SMI has filed or will file shortly answers in all of the actions and preliminary discovery has begun in many of the cases but is not complete. SMI intends to defend itself and denies the allegations of negligence as well as 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 affect 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 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 the Company's 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 affect on the Company's financial position or future results of operations.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

9. LEGAL PROCEEDINGS AND CONTINGENCIES -- (Continued)

On August 23, 2000, a shareholder derivative complaint was filed against SMI and its directors in 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., was filed in Delaware Chancery Court raising the same allegations and seeking the same relief as the Crandon Complaint. The Delaware court has consolidated the two cases. SMI believes that the consolidated complaints have no basis and will defend the action vigorously. SMI has filed an answer denying the allegations, and preliminary discovery has begun.

On January 31, 2001, the Federal Trade Commission (the "FTC") filed a complaint against SMI and its subsidiary, Oil-Chem Research Corp., in the United States District Court, Middle District of North Carolina. The FTC is seeking a judgment to enjoin SMI and Oil-Chem Research Corp. 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 denying the allegations and intends to defend itself. 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.

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. Company 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. All options to purchase shares under this plan expire ten years from grant date. Such options provide for the purchase of common stock at a price as determined by the Compensation Committee of the Board of Directors.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

10. STOCK OPTION PLANS -- (Continued)

The exercise price of all stock options granted in 1998 through 2000 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 1998 through 2000 is summarized as follows:

	Shares in Thousands	Exercise Price Per Share	Weighted Average Exercise Price
Outstanding, January 1, 1998	1,331	\$ 3.75-\$23.50	\$ 10.40
Granted	200	25.63	25.63
Exercised	(53)	3.75-9.00	7.71
Outstanding, December 31, 1998	1,478	3.75-25.63	12.56
Granted	490	29.13-41.13	36.23
Cancelled	(5)	23.50	23.50
Exercised	(85)	9.00-23.50	17.67
Outstanding, December 31, 1999	1,878	3.75-41.13	18.49
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	2,231	\$ 3.75-\$41.13	\$ 20.19

As of December 31, 2000, 1999, and 1998, options aggregating 2,057,000, 1,618,000, and 1,438,000 were exercisable at weighted average exercise prices of \$18.97, \$16.04, and \$12.27 per share, and had weighted average remaining contractual lives of 6.64, 6.59, and 7.06 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. 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. Other option information regarding the Formula Option Plan for 1998 through 2000 is summarized as follows:

	Shares in Thousands	Exercise Price Per Share	Weighted Average Exercise Price
Outstanding, January 1, 1998	60	\$ 14.94-\$20.63	18.73
Granted	40	24.81	24.81
Exercised	--	--	--
Outstanding, December 31, 1998	100	14.94-24.81	21.16
Granted	55	26.88-27.88	27.60
Exercised	--	--	--
Outstanding, December 31, 1999	155	14.94-27.88	23.45
Granted	60	27.13	27.13
Exercised	--	--	--
Outstanding, December 31, 2000	215	\$ 14.94-\$27.88	\$ 24.47

All options outstanding as of December 31, 2000, 1999, and 1998 were exercisable, and had weighted average remaining contractual lives of 7.51, 7.94, and 8.20 years, respectively. Effective January 2, 2001, the Company granted options to purchase an additional 20,000 shares to each of the then three outside directors at an exercise price per share of \$22.31 at award date.

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 515,000, 545,000, and

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

10. STOCK OPTION PLANS -- (Continued)

240,000 options in 2000, 1999, and 1998 with weighted average grant-date fair values of \$10.38, \$12.56, and \$7.91, 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 \$43,631,000 or \$1.05 and \$1.03 per share for 2000, \$37,308,000 or \$0.90 and \$0.88 per share for 1999, and \$41,233,000 or \$0.99 and \$0.97 per share for 1998.

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 50.1% in 2000, 44.7% in 1999, and 37.8% in 1998; risk-free interest rates of 6.0% in 2000, 5.5% in 1999, and 4.6% in 1998; and expected lives of 3.0 years in 1998 through 2000. The model reflects that no dividends were declared in 1998 through 2000.

Options outstanding and exercisable for both stock option plans as of December 31, 2000 are as follows (shares in thousands):

Average Range of Exercise Prices	Options Outstanding			Options Exercisable		
	Number Outstanding	Weighted Average		Number Exercisable	Weighted Average	
		Exercise Price	Remaining Contractual Life (in years)		Exercise Price	Remaining Contractual Life (in years)
\$ 3.75	623	\$ 3.75	4.0	623	\$ 3.75	4.0
9.00	141	9.00	4.2	141	9.00	4.2
14.94-20.63	110	17.21	5.4	110	17.21	5.4
22.38	235	22.38	9.8	235	23.38	9.8
23.00-25.63	625	24.19	7.3	625	24.19	7.3
26.88-29.13	315	28.48	8.9	221	28.21	8.9
33.81	117	33.81	9.2	117	33.81	9.2
41.13	280	41.13	8.5	200	41.13	8.5
-----	-----	-----	-----	-----	-----	-----
\$3.75-\$41.13	2,446	\$ 20.57	6.9	2,272	\$ 19.49	6.7
=====	=====	=====	=====	=====	=====	=====

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. 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 2000, 1999, and 1998, employees purchased approximately 13,000, 60,000, and 16,000 shares granted under the Plan on January 1, 2000, 1999, and 1998 at an average purchase price of \$20.47, \$25.48, and \$21.79 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 \$243,000 in 2000, \$161,000 in 1999, and \$151,000 in 1998.

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

12. LAS VEGAS MOTOR SPEEDWAY ACQUISITION

On December 1, 1998, the Company acquired certain tangible and intangible assets, including the real and personal property and operations of LVMS, an industrial park and certain adjacent unimproved land for approximately \$215.0 million, consisting principally of net cash outlay of \$210.4 million and assumed associated deferred revenue. The LVMS acquisition was accounted for using the purchase method in accordance with APB No. 16. Accordingly, the results of operations after the acquisition date are included in the Company's consolidated statements of income.

The following unaudited pro forma financial information presents a summary of consolidated results of operations as if the LVMS acquisition had occurred as of January 1, 1998, after giving effect to certain adjustments, including amortization of goodwill, interest expense on acquisition debt and related income tax effects. The pro forma results have been prepared for comparative purposes only and do not purport to be indicative of what would have occurred had the acquisition been made on that date, nor are they necessarily indicative of results which may occur in the future.

	Pro forma (in thousands, except per share amounts) Year Ended December 31, 1998
Total revenues	\$ 264,583
Net income	\$ 40,672
Basic earnings per share	\$ 0.98
Diluted earnings per share	\$ 0.96

SPEEDWAY MOTORSPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (Continued)

13. CONDENSED GUARANTOR AND NON-GUARANTOR FINANCIAL INFORMATION -- (CONTINUED)

Condensed Consolidating Statements Of Operations For the Years Ended December 31, 2000, 1999 and 1998

	2000					1999		1998	
	Parent Only	Guarantors	Non- Guarantors	Eliminations	Consolidated	Parent Only	Guarantors	Parent Only	Guarantors
Total revenues	\$ 3,455	\$ 332,357	\$ 18,485	--	\$ 354,297	--	--	--	\$ 229,456
Total expenses	3,650	218,518	24,479	--	246,647	\$ 4,619	144,968	--	--
Operating income (loss)	(195)	113,839	(5,994)	--	107,650	(4,619)	84,488	(4,619)	84,488
Interest and other expense, net	4,609	(33,530)	504	--	(28,417)	3,516	(13,049)	3,516	(13,049)
Equity in net income (loss) of subsidiaries	45,453	--	--	\$ (45,453)	--	43,042	--	43,042	--
Net income (loss)	\$46,875	\$ 48,788	\$ (3,335)	\$ (45,453)	\$ 46,875	\$ 42,371	\$ 43,235	\$ 41,443	\$ 43,235
	=====	=====	=====	=====	=====	=====	=====	=====	=====
	1998					1998		1998	
	Parent Only	Guarantors	Non- Guarantors	Eliminations	Consolidated	Parent Only	Guarantors	Parent Only	Guarantors
Total revenues	\$ 641	\$ 309,179	\$ 7,673	--	\$ 317,493	--	--	--	\$ 229,456
Total expenses	4,009	202,358	12,435	--	218,802	\$ 4,619	144,968	--	--
Operating income (loss)	(3,368)	106,821	(4,762)	--	98,691	(4,619)	84,488	(4,619)	84,488
Interest and other expense, net	3,236	(32,618)	(743)	--	(30,125)	3,516	(13,049)	3,516	(13,049)
Equity in net income (loss) of subsidiaries	41,521	--	--	\$ (41,521)	--	43,042	--	43,042	--
Net income (loss)	\$ 41,443	\$ 44,848	\$ (3,327)	\$ (41,521)	\$ 41,443	\$ 42,371	\$ 43,235	\$ 41,443	\$ 43,235
	=====	=====	=====	=====	=====	=====	=====	=====	=====
	1998					1998		1998	
	Non- Guarantors	Eliminations	Consolidated						
Total revenues	\$ 340	--	\$229,796						
Total expenses	414	--	150,001						
Operating income (loss)	(74)	--	79,795						
Interest and other expense, net	(245)	--	(9,778)						
Equity in net income (loss) of subsidiaries	--	\$ (43,042)	--						
Net income (loss)	\$ (193)	\$ (43,042)	\$ 42,371						
	=====	=====	=====						

Condensed Consolidating Statements Of Cash Flows For the Years Ended December 31, 2000, 1999 and 1998

	2000			
	Parent Only	Guarantors	Non- Guarantors	Consolidated
Net cash provided by operations	\$ 33,528	\$ 41,831	\$ 263	\$ 75,622
Net cash provided (used) by financing activities, including LVMS acquisition loan borrowings in 1998	(55,159)	8,860	--	(46,299)
Net cash provided (used) by investing activities, including purchase of LVMS in 1998	(8,032)	(46,378)	(446)	(54,856)

	1999				1998	
	Parent Only	Guarantors	Non- Guarantors	Consolidated	Parent Only	Guarantors
Net cash provided by operations	\$12,658	\$ 92,304	\$ 2,532	\$ 107,494	\$ 13,087	\$ 73,187
Net cash provided (used) by financing activities, including LVMS acquisition loan borrowings in 1998	1,296	(787)	--	509	17,140	215,235
Net cash provided (used) by investing activities, including purchase of LVMS in 1998	3,432	(88,417)	(2,147)	(87,132)	(11,670)	(299,731)

	1998	
	Non-Guarantors	Consolidated
Net cash provided by operations	\$ 122	\$ 86,396
Net cash provided (used) by financing activities, including LVMS acquisition loan borrowings in 1998	--	232,375
Net cash provided (used) by investing activities, including purchase of LVMS in 1998	(119)	(311,520)

Exhibit 4.8

THIRD SUPPLEMENTAL INDENTURE

THIRD SUPPLEMENTAL INDENTURE (this "Third Supplemental Indenture"), dated as of December 31, 1999, among MOTORSPORTS BY MAIL, LLC, a North Carolina limited liability company ("MBM"), SPEEDWAY FUNDING CORPORATION, a Nevada corporation ("SFC") and collectively with MBM, the "Guaranteeing Subsidiaries"), SPEEDWAY MOTORSPORTS, INC., a Delaware corporation (the "Company"), the other guarantors listed on the signature pages to the Indenture and Supplemental Indentures referred to below (the "Guarantors") and U.S. BANK TRUST NATIONAL ASSOCIATION, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company and the other Guarantors have heretofore executed and delivered to the Trustee an Indenture dated as of August 4, 1997 (as supplemented from time to time, the "Indenture"), providing for the issuance in an aggregate principal amount of up to \$200,000,000 of the Company's 8 1/2% Senior Subordinated Notes due 2007 (the "Notes");

WHEREAS, a First Supplemental Indenture dated as of April 1, 1999 (the "First Supplemental Indenture") by and among the Company, the Guarantors, the guaranteeing subsidiaries listed on the signature pages thereto and the Trustee was previously entered into, supplementing the Indenture to add additional Guarantors of the Notes;

WHEREAS, a Second Supplemental Indenture dated as of June 1, 1999 (the "Second Supplemental Indenture") by and among the Company, the Guarantors, the guaranteeing subsidiaries listed on the signature pages thereto and the Trustee was previously entered into, supplementing the Indenture to add additional Guarantors of the Notes;

WHEREAS, the parties hereto desire to execute and deliver this Third Supplemental Indenture in order to amend the Indenture to add the Guaranteeing Subsidiaries as Guarantors of the Notes in accordance with the Indenture;

WHEREAS, the Indenture provides that under certain circumstances each of the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which each of the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Note Guarantee");

WHEREAS, SFC is a wholly-owned subsidiary of the Company;

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WHEREAS, MBM is a wholly-owned subsidiary of Speedway Systems, LLC, which is an indirectly wholly-owned subsidiary of the Company;

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Third Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each of the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. Agreement to Guarantee. Each of the Guaranteeing Subsidiaries hereby agrees as follows (notwithstanding anything to the contrary in this Third Supplemental Indenture, such agreements of the Guaranteeing Subsidiaries shall be construed as identical to those agreements made by the Guarantors under the Indenture, and the obligations and rights of the Guaranteeing Subsidiaries hereunder shall be no more and no less than those of the Guarantors under the Indenture):
 - (a) Along with all Guarantors named in the Indenture, to jointly and severally unconditionally Guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Company under this Third Supplemental Indenture, the Indenture or the Notes, that:
 - (i) the principal of and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee under this Third Supplemental Indenture, the Indenture or the Notes will be promptly paid in full or performed, all in accordance with the terms of this Third Supplemental Indenture, the Indenture and the Notes; and
 - (ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, each of the Guaranteeing Subsidiaries and the Guarantors will be jointly and severally obligated to pay the same immediately.
 - (b) The obligations of the Guaranteeing Subsidiaries hereunder and under the Indenture shall be unconditional, irrespective of the validity, regularity or enforceability of this Third

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Supplemental Indenture, the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof, of the Indenture or of the Notes, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived by each of the Guaranteeing Subsidiaries: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.

(d) This Note Guarantee shall not be discharged except by complete performance of the obligations contained herein, and in the Notes and the Indenture, and each of the Guaranteeing Subsidiaries accepts all obligations of a Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guaranteeing Subsidiaries or the Guarantors, or any Custodian, Trustee, liquidator or other similar official acting in relation to either the Company, the Guaranteeing Subsidiaries or the Guarantors, any amount paid by any of them to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) Each of the Guaranteeing Subsidiaries agrees that they shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby and by the Indenture until payment in full of all obligations guaranteed hereby and by the Indenture.

(g) As between the Guarantors and the Guaranteeing Subsidiaries, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby and by the Indenture may be accelerated as provided in Article VI of the Indenture for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby and by the Indenture, and (y) in the event of any declaration of acceleration of such obligations as provided in Article VI of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guaranteeing Subsidiaries for the purpose of this Note Guarantee.

(h) The Guaranteeing Subsidiaries and the Guarantors shall have the right to seek contribution from any non-paying Guaranteeing Subsidiary or Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantee.

(i) Notwithstanding anything to the contrary in this Third Supplemental Indenture or in Article XI of the Indenture, the aggregate amount of the Obligations guaranteed hereunder and under the Indenture by any Guaranteeing Subsidiary shall be reduced to the extent necessary to prevent the Note Guarantee of such Guaranteeing Subsidiary from violating or becoming voidable under any law

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relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors.

3. Execution and Delivery. Notwithstanding Section 11.02 of the Indenture, each of the Guaranteeing Subsidiaries agrees that the Note Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

4. Guaranteeing Subsidiaries May Consolidate Etc. on Certain Terms.

(a) Except as set forth in Articles IV and V of the Indenture, nothing contained in this Third Supplemental Indenture, in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guaranteeing Subsidiary with or into the Company or shall prevent any sale or conveyance of the property of a Guaranteeing Subsidiary as an entirety or substantially as an entirety, to the Company.

(b) Except as set forth in Article IV of the Indenture, nothing contained in this Third Supplemental Indenture, in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guaranteeing Subsidiary with or into a corporation or corporations other than the Company (whether or not affiliated with the Guaranteeing Subsidiary), or successive consolidations or mergers in which a Guaranteeing Subsidiary or its successor or successors shall be a party or parties, or shall prevent any sale or conveyance of the property of a Guaranteeing Subsidiary as an entirety or substantially as an entirety, to a corporation other than the Company (whether or not affiliated with the Guaranteeing Subsidiary) authorized to acquire and operate the same; provided, however, that (i) each Guaranteeing Subsidiary hereby covenants and agrees that, upon any such consolidation, merger, sale or conveyance, the Note Guarantee, and the due and punctual performance and observance of all of the covenants and conditions of this Third Supplemental Indenture and the Indenture to be performed by such Guaranteeing Subsidiary, shall be expressly assumed (in the event that the Guaranteeing Subsidiary is not the surviving corporation in the merger) by supplemental indenture reasonably satisfactory in form to the Trustee, executed and delivered to the Trustee, by the corporation formed by such consolidation, or into which the Guaranteeing Subsidiary shall have been merged, or by the corporation which shall have acquired such property and (ii) immediately after giving effect to such transaction, no Default or Event of Default would exist. In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Note Guarantee and the due and punctual performance of all of the covenants and conditions of this Third Supplemental Indenture and the Indenture to be performed by the Guaranteeing Subsidiary, such successor corporation shall succeed to and be substituted for the Guaranteeing Subsidiary with the same effect as if it had been named herein as a Guaranteeing Subsidiary. Such successor corporation thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon all of the Notes issuable under the Indenture which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with

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the terms of the Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution of this Third Supplemental Indenture.

5. Releases.

(a) Concurrently with any sale of assets (including, if applicable, all of the capital stock of any Guaranteeing Subsidiary), any Liens in favor of the Trustee in the assets sold thereby shall be released; provided, that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture if the assets sold in such sale or other disposition include all or substantially all of the assets of any Guaranteeing Subsidiary or all of the capital stock of any Guaranteeing Subsidiary, then such Guaranteeing Subsidiary (in the event of a sale or other disposition or all of the capital stock of such Guaranteeing Subsidiary) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of a Guaranteeing Subsidiary) shall be released and relieved of its obligations under its Note Guarantee or Section 11.03 of the Indenture, as the case may be; provided, that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of any Guaranteeing Subsidiary from its obligations under its Note Guarantee.

(b) Upon the release by all holders of Senior Indebtedness and Guarantor Senior Indebtedness of all guarantees issued by a Guaranteeing Subsidiary relating to such Senior Indebtedness and Guarantor Senior Indebtedness and all Liens on the property and assets of such Guaranteeing Subsidiary relating to Senior Indebtedness and Guarantor Senior Indebtedness, then such Guaranteeing Subsidiary shall be released and relieved of any obligations under its Note Guarantee. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that all holders of Senior Indebtedness and Guarantor Senior Indebtedness have released all guarantees issued by a Guaranteeing Subsidiary and all Liens on the property and assets of such Guaranteeing Subsidiary relating to such Senior Indebtedness and Guarantor Senior Indebtedness, the Trustee shall execute any documents reasonably required in order to evidence the release of such Guaranteeing Subsidiary from its obligations under its Note Guarantee.

(c) Any Guaranteeing Subsidiary not released from its obligations under its Note Guarantee pursuant to either of paragraphs (a) or (b) of this Section 5 shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor or any Guaranteeing Subsidiary under this Third Supplemental Indenture or the Indenture, respectively, as provided in Article XI of the Indenture or this Third Supplemental Indenture, respectively.

6. Subordination of Note Guarantees. The obligations of each Guaranteeing Subsidiary under its Note Guarantee pursuant to this Third Supplemental Indenture and Article XI of the

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Indenture shall be junior and subordinated to the Guarantor Senior Indebtedness of such Guaranting Subsidiary on the same basis as the Notes are junior and subordinated to Senior Indebtedness. For the purposes of the foregoing sentence, the Trustee and the Holders shall have the right to receive and/or retain payments by any of the Guaranting Subsidiaries only at such times as they may receive and/or retain payments in respect of the Notes pursuant to the Indenture, including Article X of the Indenture.

7. No Recourse Against Others. No past, present or future director, officer, employee, incorporator, stockholder or agent of either of the Guaranting Subsidiaries, as such, shall have any liability for any obligations of the Company, any Guarantor or any of the Guaranting Subsidiaries under the Notes, the Subsidiary Guarantees, the Note Guarantees, the Indenture or this Third Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

8. Second Supplemental Indenture. The Second Supplemental Indenture is hereby amended and restated in its entirety by this Third Supplemental Indenture.

9. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS THIRD SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

10. Counterparts. The parties may sign any number of copies of this Third Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

11. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

12. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Third Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranting Subsidiaries and the Company.

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IN WITNESS WHEREOF, the parties hereto have caused this Third Supplemental Indenture to be duly executed and attested, all as of the date first above written.

GUARANTEEING SUBSIDIARIES:

SPEEDWAY FUNDING CORPORATION

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

MOTORSPORTS BY MAIL, LLC

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Manager

COMPANY:

SPEEDWAY MOTORSPORTS, INC.

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

GUARANTORS:

ATLANTA MOTOR SPEEDWAY, INC.

BRISTOL MOTOR SPEEDWAY, INC.

CHARLOTTE MOTOR SPEEDWAY, INC.

SPR ACQUISITION CORPORATION

TEXAS MOTOR SPEEDWAY, INC.

600 RACING, INC.

SPEEDWAY CONSULTING & DESIGN, INC.

INEX CORP.

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President
IMS SYSTEMS LIMITED PARTNERSHIP

By: Speedway Motorsports, Inc., its general partner

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

LAS VEGAS MOTOR SPEEDWAY, LLC

SMI SYSTEMS, LLC

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Manager

SPEEDWAY STSTEMS, LLC

By: IMS Systems Limited Partnership, its sole manager

By: Speedway Motorsports, Inc., its general partner

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

TRUSTEE:

**U. S. BANK TRUST NATIONAL ASSOCIATION,
as Trustee.**

By: /s/ Rick Prokosch

Authorized Signatory

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FOURTH SUPPLEMENTAL INDENTURE

FOURTH SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of December 31, 2000, among SPEEDWAY HOLDINGS, LLC, a Delaware limited liability company ("Speedway Holdings"), CHARLOTTE MOTOR SPEEDWAY, LLC, a Delaware limited liability company ("CMS"), LAS VEGAS MOTOR SPEEDWAY, LLC, a Delaware limited liability company ("LVMS"), SPR, LLC, a Delaware limited liability company ("SPR"), SPEEDWAY FUNDING, LLC, a Delaware limited liability company ("Speedway Funding"), SEARS POINT RACEWAY, LLC, a Delaware limited liability company ("Sears Point"), NEVADA SPEEDWAY, LLC, a Delaware limited liability company ("Nevada Speedway"), SPEEDWAY PROPERTIES COMPANY, LLC, a Delaware limited liability company ("Speedway Properties") and SPEEDWAY MEDIA, LLC, a Delaware limited liability company ("Speedway Media" and collectively with Speedway Holdings, CMS, LVMS, SPR, Speedway Funding, Sears Point, Nevada Speedway and Speedway Properties, the "Guaranteeing Subsidiaries"), SPEEDWAY MOTORSPORTS, INC., a Delaware corporation (the "Company"), the other Guarantors (as listed on the signature pages to the Indenture referred to below) and U.S. BANK TRUST NATIONAL ASSOCIATION, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company and the other Guarantors have heretofore executed and delivered to the Trustee an Indenture dated as of August 4, 1997 (as supplemented by the First Supplemental Indenture dated as of April 1, 1999, the Second Supplemental Indenture dated as of June 1, 1999 and the Third Supplemental Indenture dated as of December 31, 1999, the "Indenture"), providing for the issuance in an aggregate principal amount of up to \$200,000,000 of the Company's 8 1/2% Senior Subordinated Notes due 2007 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances each of the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which each of the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Note Guarantee");

WHEREAS, Speedway Holdings is a wholly-owned subsidiary of the Company;

WHEREAS, CMS is a wholly-owned subsidiary of Speedway Holdings, which is a wholly-owned subsidiary of the Company;

WHEREAS, LVMS is a wholly-owned subsidiary of Speedway Holdings, which is a wholly-owned subsidiary of the Company;

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WHEREAS, SPR is a wholly-owned subsidiary of Speedway Holdings, which is a wholly-owned subsidiary of the Company;

WHEREAS, Speedway Funding is a wholly-owned subsidiary of SPR, which is an indirectly wholly-owned subsidiary of the Company;

WHEREAS, Sears Point is a wholly-owned subsidiary of SPR, which is an indirectly wholly-owned subsidiary of the Company;

WHEREAS, Nevada Speedway is a wholly-owned subsidiary of LVMS, which is an indirectly wholly-owned subsidiary of the Company;

WHEREAS, Speedway Properties is a wholly-owned subsidiary of LVMS, which is an indirectly wholly-owned subsidiary of the Company;

WHEREAS, Speedway Media is a wholly-owned subsidiary of Speedway Properties, which is an indirectly wholly-owned subsidiary of the Company;

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each of the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. Agreement to Guarantee. Each of the Guaranteeing Subsidiaries hereby agrees as follows (notwithstanding anything to the contrary in this Third Supplemental Indenture, such agreements of the Guaranteeing Subsidiaries shall be construed as identical to those agreements made by the Guarantors under the Indenture, and the obligations and rights of the Guaranteeing Subsidiaries hereunder shall be no more and no less than those of the Guarantors under the Indenture):
 - (a) Along with all Guarantors named in the Indenture, to jointly and severally unconditionally Guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Company under this Third Supplemental Indenture, the Indenture or the Notes, that:

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(i) the principal of and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee under this Third Supplemental Indenture, the Indenture or the Notes will be promptly paid in full or performed, all in accordance with the terms of this Third Supplemental Indenture, the Indenture and the Notes; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, each of the Guaranteeing Subsidiaries and the Guarantors will be jointly and severally obligated to pay the same immediately.

(b) The obligations of the Guaranteeing Subsidiaries hereunder and under the Indenture shall be unconditional, irrespective of the validity, regularity or enforceability of this Third Supplemental Indenture, the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof, of the Indenture or of the Notes, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived by each of the Guaranteeing Subsidiaries: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.

(d) This Note Guarantee shall not be discharged except by complete performance of the obligations contained herein, and in the Notes and the Indenture, and each of the Guaranteeing Subsidiaries accepts all obligations of a Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guaranteeing Subsidiaries or the Guarantors, or any Custodian, Trustee, liquidator or other similar official acting in relation to either the Company, the Guaranteeing Subsidiaries or the Guarantors, any amount paid by any of them to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) Each of the Guaranteeing Subsidiaries agrees that they shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby and by the Indenture until payment in full of all obligations guaranteed hereby and by the Indenture.

(g) As between the Guarantors and the Guaranteeing Subsidiaries, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby

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and by the Indenture may be accelerated as provided in Article VI of the Indenture for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby and by the Indenture, and (y) in the event of any declaration of acceleration of such obligations as provided in Article VI of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guaranteeing Subsidiaries for the purpose of this Note Guarantee.

(h) The Guaranteeing Subsidiaries and the Guarantors shall have the right to seek contribution from any non-paying Guaranteeing Subsidiary or Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantee.

(i) Notwithstanding anything to the contrary in this Third Supplemental Indenture or in Article XI of the Indenture, the aggregate amount of the Obligations guaranteed hereunder and under the Indenture by any Guaranteeing Subsidiary shall be reduced to the extent necessary to prevent the Note Guarantee of such Guaranteeing Subsidiary from violating or becoming voidable under any law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors.

3. Execution and Delivery. Notwithstanding Section 11.02 of the Indenture, each of the Guaranteeing Subsidiaries agrees that the Note Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

4. Guaranteeing Subsidiaries May Consolidate Etc. on Certain Terms.

(a) Except as set forth in Articles IV and V of the Indenture, nothing contained in this Third Supplemental Indenture, in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guaranteeing Subsidiary with or into the Company or shall prevent any sale or conveyance of the property of a Guaranteeing Subsidiary as an entirety or substantially as an entirety, to the Company.

(b) Except as set forth in Article IV of the Indenture, nothing contained in this Third Supplemental Indenture, in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guaranteeing Subsidiary with or into a corporation or corporations other than the Company (whether or not affiliated with the Guaranteeing Subsidiary), or successive consolidations or mergers in which a Guaranteeing Subsidiary or its successor or successors shall be a party or parties, or shall prevent any sale or conveyance of the property of a Guaranteeing Subsidiary as an entirety or substantially as an entirety, to a corporation other than the Company (whether or not affiliated with the Guaranteeing Subsidiary) authorized to acquire and operate the same; provided, however, that (i) each Guaranteeing Subsidiary hereby covenants and agrees that, upon any such consolidation, merger, sale or conveyance, the Note Guarantee, and the due and punctual performance and observance of all of the covenants and conditions of this Third Supplemental Indenture and the Indenture to be performed by such Guaranteeing Subsidiary, shall be expressly assumed (in the event that the Guaranteeing Subsidiary is not the surviving corporation in the

merger) by supplemental indenture reasonably satisfactory in form to the Trustee, executed and delivered to the Trustee, by the corporation formed by such consolidation, or into which the Guaranting Subsidiary shall have been merged, or by the corporation which shall have acquired such property and (ii) immediately after giving effect to such transaction, no Default or Event of Default would exist. In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Note Guarantee and the due and punctual performance of all of the covenants and conditions of this Third Supplemental Indenture and the Indenture to be performed by the Guaranting Subsidiary, such successor corporation shall succeed to and be substituted for the Guaranting Subsidiary with the same effect as if it had been named herein as a Guaranting Subsidiary. Such successor corporation thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon all of the Notes issuable under the Indenture which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution of this Third Supplemental Indenture.

5. Releases.

(a) Concurrently with any sale of assets (including, if applicable, all of the capital stock of any Guaranting Subsidiary), any Liens in favor of the Trustee in the assets sold thereby shall be released; provided, that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture if the assets sold in such sale or other disposition include all or substantially all of the assets of any Guaranting Subsidiary or all of the capital stock of any Guaranting Subsidiary, then such Guaranting Subsidiary (in the event of a sale or other disposition or all of the capital stock of such Guaranting Subsidiary) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of a Guaranting Subsidiary) shall be released and relieved of its obligations under its Note Guarantee or Section 11.03 of the Indenture, as the case may be; provided, that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of any Guaranting Subsidiary from its obligations under its Note Guarantee.

(b) Upon the release by all holders of Senior Indebtedness and Guarantor Senior Indebtedness of all guarantees issued by a Guaranting Subsidiary relating to such Senior Indebtedness and Guarantor Senior Indebtedness and all Liens on the property and assets of such Guaranting Subsidiary relating to Senior Indebtedness and Guarantor Senior Indebtedness, then such Guaranting Subsidiary shall be released and relieved of any obligations under its Note

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Guarantee. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that all holders of Senior Indebtedness and Guarantor Senior Indebtedness have released all guarantees issued by a Guaranteeing Subsidiary and all Liens on the property and assets of such Guaranteeing Subsidiary relating to such Senior Indebtedness and Guarantor Senior Indebtedness, the Trustee shall execute any documents reasonably required in order to evidence the release of such Guaranteeing Subsidiary from its obligations under its Note Guarantee.

(c) Any Guaranteeing Subsidiary not released from its obligations under its Note Guarantee pursuant to either of paragraphs (a) or (b) of this Section 5 shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor or any Guaranteeing Subsidiary under this Third Supplemental Indenture or the Indenture, respectively, as provided in Article XI of the Indenture or this Third Supplemental Indenture, respectively.

6. Subordination of Note Guarantees. The obligations of each Guaranteeing Subsidiary under its Note Guarantee pursuant to this Third Supplemental Indenture and Article XI of the Indenture shall be junior and subordinated to the Guarantor Senior Indebtedness of such Guaranteeing Subsidiary on the same basis as the Notes are junior and subordinated to Senior Indebtedness. For the purposes of the foregoing sentence, the Trustee and the Holders shall have the right to receive and/or retain payments by any of the Guaranteeing Subsidiaries only at such times as they may receive and/or retain payments in respect of the Notes pursuant to the Indenture, including Article X of the Indenture.

7. No Recourse Against Others. No past, present or future director, officer, employee, incorporator, stockholder or agent of either of the Guaranteeing Subsidiaries, as such, shall have any liability for any obligations of the Company, any Guarantor or any of the Guaranteeing Subsidiaries under the Notes, the Subsidiary Guarantees, the Note Guarantees, the Indenture or this Third Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

8. Second Supplemental Indenture. The Second Supplemental Indenture is hereby amended and restated in its entirety by this Third Supplemental Indenture.

9. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS THIRD SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

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10. Counterparts. The parties may sign any number of copies of this Third Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

11. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

12. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Third Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Supplemental Indenture to be duly executed and attested, all as of the date first above written.

GUARANTEEING SUBSIDIARIES:

**SPEEDWAY HOLDINGS, LLC
SPEEDWAY FUNDING, LLC
SPEEDWAY MEDIA, LLC
SPEEDWAY PROPERTIES COMPANY, LLC**

/s/ William R. Brooks

*Name: William R. Brooks
Title: Manager*

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**CHARLOTTE MOTOR SPEEDWAY, LLC
SPR, LLC**

By: /s/ O. Bruton Smith

Name: O. Bruton Smith
Title: Manager

**LAS VEGAS MOTOR SPEEDWAY, LLC
SEARS POINT RACEWAY, LLC
NEVADA SPEEDWAY, LLC**

By: /s/ Randall Storey

Name: Randall Storey
Title: Manager

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COMPANY:

SPEEDWAY MOTORSPORTS, INC.

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

GUARANTORS:

**ATLANTA MOTOR SPEEDWAY, INC.
BRISTOL MOTOR SPEEDWAY, INC.
TEXAS MOTOR SPEEDWAY, INC.
600 RACING, INC.
SPEEDWAY CONSULTING & DESIGN, INC.
INEX CORP.**

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

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**MOTORSPORTS BY MAIL, LLC
SMI SYSTEMS, LLC**

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Manager

IMS SYSTEMS LIMITED PARTNERSHIP

By: Speedway Motorsports, Inc., its General Partner

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

SPEEDWAY SYSTEMS, LLC

By: IMS Systems Limited Partnership, its sole
manager

By: Speedway Motorsports, Inc., its general
partner

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

TRUSTEE:

**U.S. BANK TRUST NATIONAL ASSOCIATION,
as Trustee.**

By: /s/ Rick Prokosch

Authorized Signatory

Exhibit 4.13

SECOND SUPPLEMENTAL INDENTURE

SECOND SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of December 31, 1999, among MOTORSPORTS BY MAIL LLC, a North Carolina limited liability company ("MBM"), SPEEDWAY FUNDING CORPORATION, a Nevada corporation ("SFC," and collectively with MBM, the "Guaranteeing Subsidiaries"), SPEEDWAY MOTORSPORTS, INC., a Delaware corporation (the "Company"), the other Guarantors (as listed on the signature pages to the Indenture referred to below) and U.S. BANK TRUST NATIONAL ASSOCIATION, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company and the other Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of May 11, 1999, as supplemented by the First Supplemental Indenture dated as of June 1, 1999 (the "Indenture"), providing for the issuance in an aggregate principal amount of up to \$325,000,000 of the Company's 8 1/2% Senior Subordinated Notes due 2007 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances each of the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which each of the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Note Guarantee");

WHEREAS, SFC is a wholly-owned subsidiary of the Company;

WHEREAS, MBM is a wholly-owned subsidiary of Speedway Systems, LLC, a North Carolina limited liability company that is an indirectly wholly-owned subsidiary of the Company; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each of the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

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2. Agreement to Guarantee. Each of the Guaranteeing Subsidiaries hereby agrees as follows (notwithstanding anything to the contrary in this Supplemental Indenture, such agreements of the Guaranteeing Subsidiaries shall be construed as identical to those agreements made by the Guarantors under the Indenture, and the obligations and rights of the Guaranteeing Subsidiaries hereunder shall be no more and no less than those of the Guarantors under the Indenture):

(a) Along with all Guarantors named in the Indenture, to jointly and severally unconditionally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Company under this Supplemental Indenture, the Indenture or the Notes, that:

(i) the principal of and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee under this Supplemental Indenture, the Indenture or the Notes will be promptly paid in full or performed, all in accordance with the terms of this Supplemental Indenture, the Indenture and the Notes; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, each of the Guaranteeing Subsidiaries and the Guarantors will be jointly and severally obligated to pay the same immediately.

(b) The obligations of the Guaranteeing Subsidiaries hereunder and under the Indenture shall be unconditional, irrespective of the validity, regularity or enforceability of this Supplemental Indenture, the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof, of the Indenture or of the Notes, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived by each of the Guaranteeing Subsidiaries: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.

(d) This Note Guarantee shall not be discharged except by complete performance of the obligations contained herein, and in the Notes and the Indenture, and each of the Guaranteeing Subsidiaries accepts all obligations of a Guarantor under the Indenture.

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(e) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guaranteeing Subsidiaries or the Guarantors, or any Custodian, Trustee, liquidator or other similar official acting in relation to either the Company, the Guaranteeing Subsidiaries or the Guarantors, any amount paid by any of them to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) Each of the Guaranteeing Subsidiaries agrees that they shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby and by the Indenture until payment in full of all obligations guaranteed hereby and by the Indenture.

(g) As between the Guarantors and the Guaranteeing Subsidiaries, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby and by the Indenture may be accelerated as provided in Article VI of the Indenture for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby and by the Indenture, and (y) in the event of any declaration of acceleration of such obligations as provided in Article VI of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guaranteeing Subsidiaries for the purpose of this Note Guarantee.

(h) The Guaranteeing Subsidiaries and the Guarantors shall have the right to seek contribution from any non-paying Guaranteeing Subsidiary or Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantee.

(i) Notwithstanding anything to the contrary in this Supplemental Indenture or in Article XI of the Indenture, the aggregate amount of the Obligations guaranteed hereunder and under the Indenture by any Guaranteeing Subsidiary shall be reduced to the extent necessary to prevent the Note Guarantee of such Guaranteeing Subsidiary from violating or becoming voidable under any law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors.

3. Execution and Delivery. Notwithstanding Section 11.02 of the Indenture, each of the Guaranteeing Subsidiaries agrees that the Note Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

4. Guaranteeing Subsidiaries May Consolidate Etc. on Certain Terms.

(a) Except as set forth in Articles IV and V of the Indenture, nothing contained in this Supplemental Indenture, in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guaranteeing Subsidiary with or into the Company or shall prevent any sale or conveyance of the property of a Guaranteeing Subsidiary as an entirety or substantially as an entirety, to the Company.

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(b) Except as set forth in Article IV of the Indenture, nothing contained in this Supplemental Indenture, in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guaranteeing Subsidiary with or into a corporation or corporations other than the Company (whether or not affiliated with the Guaranteeing Subsidiary), or successive consolidations or mergers in which a Guaranteeing Subsidiary or its successor or successors shall be a party or parties, or shall prevent any sale or conveyance of the property of a Guaranteeing Subsidiary as an entirety or substantially as an entirety, to a corporation other than the Company (whether or not affiliated with the Guaranteeing Subsidiary) authorized to acquire and operate the same; provided, however, that (i) each Guaranteeing Subsidiary hereby covenants and agrees that, upon any such consolidation, merger, sale or conveyance, the Note Guarantee, and the due and punctual performance and observance of all of the covenants and conditions of this Supplemental Indenture and the Indenture to be performed by such Guaranteeing Subsidiary, shall be expressly assumed (in the event that the Guaranteeing Subsidiary is not the surviving corporation in the merger) by supplemental indenture reasonably satisfactory in form to the Trustee, executed and delivered to the Trustee, by the corporation formed by such consolidation, or into which the Guaranteeing Subsidiary shall have been merged, or by the corporation which shall have acquired such property and (ii) immediately after giving effect to such transaction, no Default or Event of Default would exist. In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Note Guarantee and the due and punctual performance of all of the covenants and conditions of this Supplemental Indenture and the Indenture to be performed by the Guaranteeing Subsidiary, such successor corporation shall succeed to and be substituted for the Guaranteeing Subsidiary with the same effect as if it had been named herein as a Guaranteeing Subsidiary. Such successor corporation thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon all of the Notes issuable under the Indenture which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution of this Supplemental Indenture.

5. Releases.

(a) Concurrently with any sale of assets (including, if applicable, all of the capital stock of any Guaranteeing Subsidiary), any Liens in favor of the Trustee in the assets sold thereby shall be released; provided, that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture if the assets sold in such sale or other disposition include all or substantially all of the assets of any Guaranteeing Subsidiary or all of the capital stock of any Guaranteeing Subsidiary, then such Guaranteeing Subsidiary (in the event of a sale or other disposition or all of the capital stock of such Guaranteeing Subsidiary) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of a Guaranteeing Subsidiary) shall be released and relieved of its obligations under its Note Guarantee or Section 11.03 of the Indenture, as the case may be;

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provided, that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of any Guaranteeing Subsidiary from its obligations under its Note Guarantee.

(b) Upon the release by all holders of Senior Indebtedness and Guarantor Senior Indebtedness of all guarantees issued by a Guaranteeing Subsidiary relating to such Senior Indebtedness and Guarantor Senior Indebtedness and all Liens on the property and assets of such Guaranteeing Subsidiary relating to Senior Indebtedness and Guarantor Senior Indebtedness, then such Guaranteeing Subsidiary shall be released and relieved of any obligations under its Note Guarantee. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that all holders of Senior Indebtedness and Guarantor Senior Indebtedness have released all guarantees issued by a Guaranteeing Subsidiary and all Liens on the property and assets of such Guaranteeing Subsidiary relating to such Senior Indebtedness and Guarantor Senior Indebtedness, the Trustee shall execute any documents reasonably required in order to evidence the release of such Guaranteeing Subsidiary from its obligations under its Note Guarantee.

(c) Any Guaranteeing Subsidiary not released from its obligations under its Note Guarantee pursuant to either of paragraphs (a) or (b) of this Section 5 shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor or any Guaranteeing Subsidiary under this Supplemental Indenture or the Indenture, respectively, as provided in Article XI of the Indenture or this Supplemental Indenture, respectively.

6. Subordination of Note Guarantees. The obligations of each Guaranteeing Subsidiary under its Note Guarantee pursuant to this Supplemental Indenture and Article XI of the Indenture shall be junior and subordinated to the Guarantor Senior Indebtedness of such Guaranteeing Subsidiary on the same basis as the Notes are junior and subordinated to Senior Indebtedness. For the purposes of the foregoing sentence, the Trustee and the Holders shall have the right to receive and/or retain payments by any of the Guaranteeing Subsidiaries only at such times as they may receive and/or retain payments in respect of the Notes pursuant to the Indenture, including Article X of the Indenture.

7. No Recourse Against Others. No past, present or future director, officer, employee, incorporator, stockholder or agent of either of the Guaranteeing Subsidiaries, as such, shall have any liability for any obligations of the Company, any Guarantor or any of the Guaranteeing Subsidiaries under the Notes, the Subsidiary Guarantees, the Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to

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waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

8. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

9. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

10. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

11. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

GUARANTEEING SUBSIDIARIES:

SPPEDWAY FUNDING CORPORATION

/s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

MOTORSPORTS BY MAIL, LLC

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Manager

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COMPANY:

SPEEDWAY MOTORSPORTS, INC.

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

GUARANTORS:

ATLANTA MOTOR SPEEDWAY, INC.

BRISTOL MOTOR SPEEDWAY, INC.

CHARLOTTE MOTOR SPEEDWAY, INC.

SPR ACQUISITION CORPORATION

TEXAS MOTOR SPEEDWAY, INC.

600 RACING, INC.

SPEEDWAY CONSULTING & DESIGN, INC.

INEX CORP.

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

LAS VEGAS MOTOR SPEEDWAY, LLC

SMI SYSTEMS, LLC

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Manager

IMS SYSTEMS LIMITED PARTNERSHIP

By: Speedway Motorsports, Inc., its General Partner

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

SPEEDWAY SYSTEMS, LLC

By: IMS Systems Limited Partnership, its sole manager

By: Speedway Motorsports, Inc., its general partner

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

TRUSTEE:

**U.S. BANK TRUST NATIONAL ASSOCIATION,
as Trustee.**

By: /s/ Rick Prokosch

Authorized Signatory

CLT:404306.1

THIRD SUPPLEMENTAL INDENTURE

THIRD SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of December 31, 2000, among SPEEDWAY HOLDINGS, LLC, a Delaware limited liability company ("Speedway Holdings"), CHARLOTTE MOTOR SPEEDWAY, LLC, a Delaware limited liability company ("CMS"), LAS VEGAS MOTOR SPEEDWAY, LLC, a Delaware limited liability company ("LVMS"), SPR, LLC, a Delaware limited liability company ("SPR"), SPEEDWAY FUNDING, LLC, a Delaware limited liability company ("Speedway Funding"), SEARS POINT RACEWAY, LLC, a Delaware limited liability company ("Sears Point"), NEVADA SPEEDWAY, LLC, a Delaware limited liability company ("Nevada Speedway"), SPEEDWAY PROPERTIES COMPANY, LLC, a Delaware limited liability company ("Speedway Properties") and SPEEDWAY MEDIA, LLC, a Delaware limited liability company ("Speedway Media" and collectively with Speedway Holdings, CMS, LVMS, SPR, Speedway Funding, Sears Point, Nevada Speedway and Speedway Properties, the "Guaranteeing Subsidiaries"), SPEEDWAY MOTORSPORTS, INC., a Delaware corporation (the "Company"), the other Guarantors (as listed on the signature pages to the Indenture referred to below) and U.S. BANK TRUST NATIONAL ASSOCIATION, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company and the other Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of May 11, 1999, as supplemented by the First Supplemental Indenture dated as of June 1, 1999 and the Second Supplemental Indenture dated as of December 31, 1999 (the "Indenture"), providing for the issuance in an aggregate principal amount of up to \$325,000,000 of the Company's 8 1/2% Senior Subordinated Notes due 2007 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances each of the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which each of the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Note Guarantee");

WHEREAS, Speedway Holdings is a wholly-owned subsidiary of the Company;

WHEREAS, CMS is a wholly-owned subsidiary of Speedway Holdings, which is a wholly-owned subsidiary of the Company;

WHEREAS, LVMS is a wholly-owned subsidiary of Speedway Holdings, which is a wholly-owned subsidiary of the Company;

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WHEREAS, SPR is a wholly-owned subsidiary of Speedway Holdings, which is a wholly-owned subsidiary of the Company;

WHEREAS, Speedway Funding is a wholly-owned subsidiary of SPR, which is an indirectly wholly-owned subsidiary of the Company;

WHEREAS, Sears Point is a wholly-owned subsidiary of SPR, which is an indirectly wholly-owned subsidiary of the Company;

WHEREAS, Nevada Speedway is a wholly-owned subsidiary of LVMS, which is an indirectly wholly-owned subsidiary of the Company;

WHEREAS, Speedway Properties is a wholly-owned subsidiary of LVMS, which is an indirectly wholly-owned subsidiary of the Company;

WHEREAS, Speedway Media is a wholly-owned subsidiary of Speedway Properties, which is an indirectly wholly-owned subsidiary of the Company;

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each of the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. Agreement to Guarantee. Each of the Guaranteeing Subsidiaries hereby agrees as follows (notwithstanding anything to the contrary in this Supplemental Indenture, such agreements of the Guaranteeing Subsidiaries shall be construed as identical to those agreements made by the Guarantors under the Indenture, and the obligations and rights of the Guaranteeing Subsidiaries hereunder shall be no more and no less than those of the Guarantors under the Indenture):
 - (a) Along with all Guarantors named in the Indenture, to jointly and severally unconditionally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Company under this Supplemental Indenture, the Indenture or the Notes, that:
 - (i) the principal of and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the

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overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee under this Supplemental Indenture, the Indenture or the Notes will be promptly paid in full or performed, all in accordance with the terms of this Supplemental Indenture, the Indenture and the Notes; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, each of the Guaranteeing Subsidiaries and the Guarantors will be jointly and severally obligated to pay the same immediately.

(b) The obligations of the Guaranteeing Subsidiaries hereunder and under the Indenture shall be unconditional, irrespective of the validity, regularity or enforceability of this Supplemental Indenture, the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof, of the Indenture or of the Notes, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived by each of the Guaranteeing Subsidiaries: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.

(d) This Note Guarantee shall not be discharged except by complete performance of the obligations contained herein, and in the Notes and the Indenture, and each of the Guaranteeing Subsidiaries accepts all obligations of a Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guaranteeing Subsidiaries or the Guarantors, or any Custodian, Trustee, liquidator or other similar official acting in relation to either the Company, the Guaranteeing Subsidiaries or the Guarantors, any amount paid by any of them to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) Each of the Guaranteeing Subsidiaries agrees that they shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby and by the Indenture until payment in full of all obligations guaranteed hereby and by the Indenture.

(g) As between the Guarantors and the Guaranteeing Subsidiaries, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby and by the Indenture may be accelerated as provided in Article VI of the Indenture for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such

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acceleration in respect of the obligations guaranteed hereby and by the Indenture, and (y) in the event of any declaration of acceleration of such obligations as provided in Article VI of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guaranteeing Subsidiaries for the purpose of this Note Guarantee.

(h) The Guaranteeing Subsidiaries and the Guarantors shall have the right to seek contribution from any non-paying Guaranteeing Subsidiary or Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantee.

(i) Notwithstanding anything to the contrary in this Supplemental Indenture or in Article XI of the Indenture, the aggregate amount of the Obligations guaranteed hereunder and under the Indenture by any Guaranteeing Subsidiary shall be reduced to the extent necessary to prevent the Note Guarantee of such Guaranteeing Subsidiary from violating or becoming voidable under any law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors.

3. Execution and Delivery. Notwithstanding Section 11.02 of the Indenture, each of the Guaranteeing Subsidiaries agrees that the Note Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Note Guarantee.

4. Guaranteeing Subsidiaries May Consolidate Etc. on Certain Terms.

(a) Except as set forth in Articles IV and V of the Indenture, nothing contained in this Supplemental Indenture, in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guaranteeing Subsidiary with or into the Company or shall prevent any sale or conveyance of the property of a Guaranteeing Subsidiary as an entirety or substantially as an entirety, to the Company.

(b) Except as set forth in Article IV of the Indenture, nothing contained in this Supplemental Indenture, in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guaranteeing Subsidiary with or into a corporation or corporations other than the Company (whether or not affiliated with the Guaranteeing Subsidiary), or successive consolidations or mergers in which a Guaranteeing Subsidiary or its successor or successors shall be a party or parties, or shall prevent any sale or conveyance of the property of a Guaranteeing Subsidiary as an entirety or substantially as an entirety, to a corporation other than the Company (whether or not affiliated with the Guaranteeing Subsidiary) authorized to acquire and operate the same; provided, however, that (i) each Guaranteeing Subsidiary hereby covenants and agrees that, upon any such consolidation, merger, sale or conveyance, the Note Guarantee, and the due and punctual performance and observance of all of the covenants and conditions of this Supplemental Indenture and the Indenture to be performed by such Guaranteeing Subsidiary, shall be expressly assumed (in the event that the Guaranteeing Subsidiary is not the surviving corporation in the merger) by supplemental indenture reasonably satisfactory in form to the Trustee, executed and delivered to the Trustee, by the corporation formed by such consolidation, or into which the Guaranteeing Subsidiary shall have been merged, or by the corporation which shall have acquired such property and (ii)

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immediately after giving effect to such transaction, no Default or Event of Default would exist. In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Note Guarantee and the due and punctual performance of all of the covenants and conditions of this Supplemental Indenture and the Indenture to be performed by the Guaranteeing Subsidiary, such successor corporation shall succeed to and be substituted for the Guaranteeing Subsidiary with the same effect as if it had been named herein as a Guaranteeing Subsidiary. Such successor corporation thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon all of the Notes issuable under the Indenture which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution of this Supplemental Indenture.

5. Releases.

(a) Concurrently with any sale of assets (including, if applicable, all of the capital stock of any Guaranteeing Subsidiary), any Liens in favor of the Trustee in the assets sold thereby shall be released; provided, that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture if the assets sold in such sale or other disposition include all or substantially all of the assets of any Guaranteeing Subsidiary or all of the capital stock of any Guaranteeing Subsidiary, then such Guaranteeing Subsidiary (in the event of a sale or other disposition or all of the capital stock of such Guaranteeing Subsidiary) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of a Guaranteeing Subsidiary) shall be released and relieved of its obligations under its Note Guarantee or Section 11.03 of the Indenture, as the case may be; provided, that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.10 of the Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of any Guaranteeing Subsidiary from its obligations under its Note Guarantee.

(b) Upon the release by all holders of Senior Indebtedness and Guarantor Senior Indebtedness of all guarantees issued by a Guaranteeing Subsidiary relating to such Senior Indebtedness and Guarantor Senior Indebtedness and all Liens on the property and assets of such Guaranteeing Subsidiary relating to Senior Indebtedness and Guarantor Senior Indebtedness, then such Guaranteeing Subsidiary shall be released and relieved of any obligations under its Note Guarantee. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that all holders of Senior Indebtedness and Guarantor Senior Indebtedness have released all guarantees issued by a Guaranteeing Subsidiary and all Liens on the property and

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assets of such Guaranteeing Subsidiary relating to such Senior Indebtedness and Guarantor Senior Indebtedness, the Trustee shall execute any documents reasonably required in order to evidence the release of such Guaranteeing Subsidiary from its obligations under its Note Guarantee.

(c) Any Guaranteeing Subsidiary not released from its obligations under its Note Guarantee pursuant to either of paragraphs (a) or (b) of this Section 5 shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor or any Guaranteeing Subsidiary under this Supplemental Indenture or the Indenture, respectively, as provided in Article XI of the Indenture or this Supplemental Indenture, respectively.

6. Subordination of Note Guarantees. The obligations of each Guaranteeing Subsidiary under its Note Guarantee pursuant to this Supplemental Indenture and Article XI of the Indenture shall be junior and subordinated to the Guarantor Senior Indebtedness of such Guaranteeing Subsidiary on the same basis as the Notes are junior and subordinated to Senior Indebtedness. For the purposes of the foregoing sentence, the Trustee and the Holders shall have the right to receive and/or retain payments by any of the Guaranteeing Subsidiaries only at such times as they may receive and/or retain payments in respect of the Notes pursuant to the Indenture, including Article X of the Indenture.

7. No Recourse Against Others. No past, present or future director, officer, employee, incorporator, stockholder or agent of either of the Guaranteeing Subsidiaries, as such, shall have any liability for any obligations of the Company, any Guarantor or any of the Guaranteeing Subsidiaries under the Notes, the Subsidiary Guarantees, the Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

8. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

9. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

10. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

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11. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company. IN WITNESS WHEREOF, the parties hereto have caused this Third Supplemental Indenture to be duly executed and attested, all as of the date first above written.

GUARANTEEING SUBSIDIARIES:

**SPEEDWAY HOLDINGS, LLC
SPEEDWAY FUNDING, LLC
SPEEDWAY MEDIA, LLC
SPEEDWAY PROPERTIES COMPANY, LLC**

/s/ William R. Brooks

*Name: William R. Brooks
Title: Manager*

**CHARLOTTE MOTOR SPEEDWAY, LLC
SPR, LLC**

By: /s/ O. Bruton Smith

*Name: O. Bruton Smith
Title: Manager*

**LAS VEGAS MOTOR SPEEDWAY, LLC
SEARS POINT RACEWAY, LLC
NEVADA SPEEDWAY, LLC**

By: /s/ Randall Storey

*Name: Randall Storey
Title: Manager*

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COMPANY:

SPEEDWAY MOTORSPORTS, INC.

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

GUARANTORS:

ATLANTA MOTOR SPEEDWAY, INC.
BRISTOL MOTOR SPEEDWAY, INC.
TEXAS MOTOR SPEEDWAY, INC.
600 RACING, INC.
SPEEDWAY CONSULTING & DESIGN, INC.
INEX CORP.

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

MOTORSPORTS BY MAIL, LLC
SMI SYSTEMS, LLC

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Manager

IMS SYSTEMS LIMITED PARTNERSHIP

By: Speedway Motorsports, Inc., its General Partner

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

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SPEEDWAY SYSTEMS, LLC

By: IMS Systems Limited Partnership, its sole manager

By: Speedway Motorsports, Inc., its general partner

By: /s/ William R. Brooks

Name: William R. Brooks
Title: Vice President

TRUSTEE:

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Trustee.

By: /s/ Rick Prokosch

Authorized Signatory

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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.

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 Media LLC d/b/a Racing Country USA, a North Carolina limited liability company.

Speedway Properties Company LLC, a Delaware limited liability company.

SoldUSA, Inc., a Delaware corporation.

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement Nos. 33-99942, 333-17687 and 333-49027 of Speedway Motorsports, Inc. on Forms S-8 of our report dated February 14, 2001, appearing in the Annual Report on Form 10-K of Speedway Motorsports, Inc. for the year ended December 31, 2000.

Charlotte, North Carolina

March 28, 2001

EXHIBIT 99.1

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 the Company, or its officers or directors. Any of these risks could cause actual results to differ materially from those reflected in such forward-looking statements.

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 National Association for Stock Car Auto Racing, Inc. ("NASCAR"), the sanctioning body for Winston Cup and Busch Grand National races. We currently hold licenses to sponsor ten Winston Cup races and seven Busch Grand National races. In 2000, we derived approximately 72% 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.

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 International Speedway Corporation ("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 promotor in the local and regional markets served at Atlanta, Bristol, ("LMSC") Lowe's, 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, CART, IRL, and 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:

- o the tobacco industry will continue to sponsor motorsports events;
- o suitable alternative sponsors could be located; or
- o 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 2000. 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 KEY PERSONNEL OF SMI 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, the Company's Chairman and Chief Executive Officer, and H. A. "Humpy" Wheeler, its 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.

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, October and November. As a result, our business has been, and is expected to remain, highly seasonal. In 2000, our second and fourth quarters accounted for 67% of our total annual revenues and 86% of our total annual operating income. In 1999, our second and fourth quarters accounted for 68% of our total annual revenues and 89% of our total annual operating 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 the second quarter, the impact of racing events at Las Vegas Motor Speedway acquired in 1998, and the growth in our operations with attendant increases in overhead expenses may tend to minimize operating income or increase operating losses in future first and third 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.

COSTS ASSOCIATED WITH CAPITAL IMPROVEMENTS COULD ADVERSELY AFFECT OUR PROFITABILITY.

Significant growth in SMI's revenues depends, in large part, on consistent investment in facilities. Therefore, SMI expects to continue to make substantial capital improvements in its facilities to meet increasing demand 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 the 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. 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.

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 as 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 tickets 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 Sold USA 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 SUBSTANTIAL INDEBTEDNESS COULD ADVERSELY AFFECT OUR FINANCIAL HEALTH.

As of December 31, 2000, we had total outstanding long-term debt of approximately \$409.9 million. Our indebtedness could have significant consequences such as:

- o increasing our vulnerability to general adverse economic and industry conditions;
- o limiting our ability to fund future working capital, capital expenditures costs and other general corporate requirements;
- o requiring us to dedicate a substantial portion of our cash flow from operations to payments on or indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- o limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- o placing us at a competitive disadvantage compared to our competitors that have less debt; and
- o limiting, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds. Failure to comply with such covenants with our creditors could result in an event of default and the acceleration of our debt maturity dates to the default date, which, if such covenant default is not cured or waived, could have a material adverse effect on us.

OUR ABILITY TO SECURE ADDITIONAL INDEBTEDNESS COULD FURTHER EXACERBATE THE RISKS ASSOCIATED WITH OUR SUBSTANTIAL LEVERAGE.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of our Credit Facility and Senior Subordinated Notes indenture do not fully prohibit us or our subsidiaries from doing so. Our Credit Facility permits borrowings of up to \$250.0 million, of which \$90.0 million was outstanding as of December 31, 2000. In addition, those borrowings are secured by a pledge of all the capital stock, limited partnership interests and limited liability company interests of our operating subsidiaries. If new debt is added to our and our subsidiaries' current debt levels, the related risks that we and they now face could intensify.

OUR ABILITY TO GENERATE CASH TO SERVICE OUR INDEBTEDNESS OR FUND OTHER LIQUIDITY NEEDS DEPENDS ON MANY FACTORS BEYOND OUR CONTROL.

Our ability to make payments on and to refinance our indebtedness and to fund planned capital expenditures and research and development efforts will depend on our ability to generate sufficient cash flow from operations in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you that our business will generate sufficient cash flow from operations, that currently anticipated cost savings and operating improvements will be realized on schedule or that future borrowings will be available to us under our Credit Facility in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all.

OUR CHAIRMAN OWNS A MAJORITY OF SMI'S COMMON STOCK, WHICH WILL AFFECT ANY POTENTIAL CHANGE OF CONTROL.

As of December 31, 2000, Mr. O. Bruton Smith, our Chairman and Chief Executive Officer, owned, directly and indirectly, approximately 65.5% of the outstanding shares of 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.

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 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. All personal injury claims resulting from this incident are currently being handled by the bridge's manufacturer, Tindall Corporation, and its insurer. To date, fifteen lawsuits resulting from this incident have been filed, all seeking unspecified compensatory and punitive damages. SMI has filed, or will file shortly, answers in all of the actions and preliminary discovery has begun in many of the cases but is not yet complete. Additional lawsuits involving this incident may be filed in the future. SMI intends to defend itself and denies the allegations of negligence as well as related claims for punitive damages.

On May 1, 1999, during the running of an IRL event at LMSC, an on-track accident occurred that caused race car debris to enter the spectator seating area. Three deaths and other injuries resulted. In May 2000, SMI settled three wrongful death lawsuits arising from the on-track accident. The settled wrongful death lawsuits sought unspecified compensatory and punitive damages. This settlement had no material adverse affect on the Company's financial position or results of operations. A personal injury lawsuit was filed in February 2001 against SMI, IRL and others seeking unspecified compensatory and punitive damages. SMI has filed an answer in this pending action and preliminary discovery is underway but not yet completed. SMI intends to defend itself and denies the allegations of negligence as well as related claims for punitive damages.

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.

ENVIRONMENTAL REGULATION COMPLIANCE COSTS MAY NEGATIVELY IMPACT OUR PROFITABILITY.

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. Changes in federal, state or local laws, regulations or requirements, or the discovery of previously unknown conditions, could require additional expenditures by us.

RESTRICTIONS IMPOSED BY TERMS OF OUR INDEBTEDNESS COULD LIMIT OUR ABILITY TO RESPOND TO CHANGING BUSINESS AND ECONOMIC CONDITIONS AND TO SECURE ADDITIONAL FINANCING.

Our Credit Facility and our Senior Subordinated Notes indenture restrict, among other things, our and our subsidiaries' ability to do any of the following:

- o incur additional indebtedness;
- o pay dividends or make certain other restricted payments;

o incur liens to secure PARI PASSU or subordinated indebtedness;

o sell stock of subsidiaries;

- o apply net proceeds from certain asset sales;
- o merge or consolidate with any other person;
- o sell, assign, transfer, lease, convey or otherwise dispose of substantially all of our assets;
- o enter into certain transactions with affiliates; or
- o incur indebtedness that is subordinate in right of payment to any senior indebtedness and senior in right of payment to the Senior Subordinated Notes.

As a result of these covenants, our ability to respond to changing business and economic conditions and to secure additional financing, if needed, may be significantly restricted. We may be prevented from engaging in transactions that might otherwise be considered beneficial to us.

The Credit Facility contains more extensive and restrictive covenants and restrictions than the Senior Subordinate Notes indenture. It 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, to be 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.

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 4,200,000 shares held or issuable on December 31, 2000, including:

NUMBER OF SHARES OF COMMON STOCK	MANNER OF HOLDING AND/OR ISSUANCE
3,000,000	Shares which are "restricted securities" as defined in Rule 144 under the Securities Act and may be resold in compliance with Rule 144. Issuable on exercise of options granted under the Speedway Motorsports, Inc. 1994 Stock Option Plan. All such shares are registered for resale under the Securities Act.
400,000	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.
800,000	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.