

J. P. KING AUCTION COMPANY, INC.

TERMS OF AUCTION

**Spokane Raceway Park
Airway Heights (Spokane County), Washington
April 10, 2008 at 1:00 P.M. (P.T.)**

J. P. King Auction Company, Inc. ("King"), an Alabama corporation headquartered at 108 Fountain Avenue in Gadsden, Alabama 35901 (telephone 800-662-5464 or 256-546-5217 and facsimile 256-543-8036) and its Washington broker, Errold R. Sutter ("Broker") whose address is 27329 Northridge Road, Davenport, WA 99122 (King and its Broker being referred to herein collectively as "Auctioneer") have contracted with Washington Motorsports Limited Partnership ("Seller"), by and through Barry W. Davidson ("Receiver") serving as General Receiver of Washington Motorsports Limited Partnership, a Washington limited partnership, appointed under the jurisdiction and by the authority of the Superior Court, State of Washington, County of Spokane ("Court"), pursuant to an Order entered July 1, 2005, Case no. 03-2-068654, to offer to sell at public auction ("Auction") certain real property ("Property"). These terms, plus any additions, deletions, and/or revisions announced by Auctioneer before the commencement of the Auction, represent the exclusive terms for the Auction ("Terms of Auction").

1. **AGENCY:** Auctioneer is acting exclusively as an agent for Seller and not as an agent for any Bidder or Buyer. No third-party broker is acting as a sub-agent of Auctioneer.

2. **COLLUSION:** Bid-rigging is a federal felony punishable by imprisonment and fine. Auctioneer will report all illegal conduct to the F.B.I. and cooperate with any prosecution.

3. **COPYRIGHT:** The Auction is the exclusive intellectual property of Auctioneer, covered by copyright protection, and may not be recorded, reproduced, or used in any form by anyone other than Auctioneer.

4. **PROPERTY:** The Property is described in the "Real Property Sale Contract" ("Sale Contract"), a copy of which is available from Auctioneer, online at www.jpking.com, and posted at the Auction. A personal property list was not provided by the Seller. Personal property remaining at the time of closing shall convey with the real estate, unless otherwise agreed with the Buyer or ordered by the Court. The Seller, Receiver and Auctioneer shall have no liability whatsoever to Buyer for any subsequent claim of variance, deficiency, or defect in the personal property conveyed.

5. **DUE DILIGENCE:** Seller and Auctioneer do not attempt to provide Bidder with all of the information Bidder may need to make an informed decision about the Auction and Property. Bidder should obtain professional advice and conduct due diligence on the Property, title commitment (available from Auctioneer and posted at the Auction), surrounding area, all information provided by Seller or Auctioneer, "Property Information Package" (available from Auctioneer, online at www.jpking.com, and posted at the Auction), public records, Terms of Auction, Auction, Sale Contract, transaction contemplated, and all circumstances, defects, facts, issues, problems, and other relevant matters (collectively "Property Issues"). All information provided by Auctioneer came from Seller and is believed to be accurate, but neither Seller, Receiver nor Auctioneer guarantee, represent, or warrant its accuracy or completeness and Bidder should not rely upon it without independent inspection and verification from sources Bidder knows to be reliable. Seller, Receiver and Auctioneer are not required to update any information provided or published and shall have no liability on any basis for failing to do so.

6. **DISCLAIMER:** Participation in the Auction is at Bidder's sole risk and Seller, Receiver and Auctioneer, plus their agents, contractors, and employees, shall have no liability on any basis. The Property will be offered in "**AS IS, WHERE IS**" condition. To the fullest extent allowed by law, Seller, Receiver and Auctioneer unconditionally disclaim any guarantee, representation, or warranty of every kind, whether expressed, implied, or statutory, whether oral or written, whether past, present, or future, with respect to all Property Issues, except as expressly provided in the Terms of Auction and the Sale Contract.

7. **DISCLOSURES:** The Property will be offered for sale and conveyed subject to all conditions, covenants, deeds, easements, reservations, restrictions, right-of-ways, title exceptions, and matters of record. Maps, depictions, and sketches in any materials related to the Property are for illustration purposes only and Seller, Receiver and Auctioneer do not guarantee, represent, or warrant their accuracy or completeness.

Property Specific Disclosures: Property specific disclosures shall be attached to these Terms of Auction as referenced herein.

8. **REGISTRATION:** Any competent adult with a satisfactory photo identification who properly registers and complies with the Terms of Auction may bid. Auctioneer may refuse to register or expel any person who is disruptive, noncompliant, or previously caused a problem for Seller or Auctioneer. Bidder must deposit a cashier's check in the amount of Ten Thousand Dollars and no cents (\$10,000.00) per Parcel or Fifty Thousand Dollars and no cents (\$50,000.00) for the Entirety with Auctioneer at registration. This deposit must be in the form of a cashier's check made payable to Bidder. Any person intending to bid on behalf of another must present Auctioneer with an executed, enforceable, recorded, and unexpired power of attorney which is subject to Auctioneer's approval. The requirements for Bidder registration may be waived by Auctioneer with respect to any Bidder, without waiving same for any other Bidder. By registering, Bidder acknowledges receipt of the Terms of Auction and access to the Sale Contract and unconditionally and irrevocably agrees to be bound by both.

9. **BUYER'S PREMIUM:** A Ten percent (10.00%) buyer's premium shall be in effect for the Auction and added to the amount of the highest bid price or offer price for the Property to arrive at the selling price for the Property ("total contract price").

10. **AUCTION:** Auctioneer's discretion includes, but is not limited to, the auction method, bid-calling, bid increments, and determining the buyer. The decision of Auctioneer is final regarding all matters that arise before, during, or after the Auction. Seller shall not bid on the Property, either directly or indirectly. Bidder shall not retract any bid. An individual purchase shall be considered a singular transaction whether it includes one or more parcels. Under no circumstances will the sale of any parcel be contingent upon the sale of any other parcel whether or not purchased by the same Buyer.

(a) The Property is scheduled to be sold to the highest respective bidder(s) subject to Court approval, using "High Bidder's Choice" and "Multi-Parcel Bidding" (also known as "Multi-Par Bidding") methods of auction as follows:

(b) **Round One:** The initial highest Bidder in round one will select any one or more of the parcels from the Property inventory designated for round-one bidding. Once the initial highest bidder has completed this selection, if any parcels in the round-one Property inventory remain available, bidding will resume in a second phase of round one for the available parcels. The highest Bidder in the second phase of round one will select any one or more of the available parcels from the round-one Property inventory. This process will continue into a third and subsequent phases of round-one bidding until all parcels in the round-one Property inventory have been selected by their respective highest Bidders. Prior to starting the second and any subsequent phase of round-one bidding, Seller and Auctioneer may offer Bidders, on a first-come-first-served basis, the opportunity to select any one or more of the unselected parcels included in the round-one Property inventory for the amount of the last highest Bidder's bid. Once a high Bidder has selected one or more parcels from the round-one Property inventory, that Bidder may NOT exchange any parcel previously selected for any other parcel.

(c) **Round Two:** All Bidders, including the respective high bidders in round one, shall have the right to select any parcel for re-bidding in round two, or to select and combine any two or more parcels for re-bidding, on the terms defined by Auctioneer and subject to a minimum, five-percent (5.00%) increase over the current highest bid price for the parcel(s) selected. Round-two bidding shall remain open for the parcel(s) selected through one or more phases of bidding until all bidding for all of the parcels has ended and the Bidders make no further request to re-bid any parcel or combination of parcels, at which time Auctioneer will close the round-two bidding and announce which parcels have been sold and the identities of the respective highest Bidder(s) to become the Buyer(s).

11. **SALE CONTRACT:** This is a cash sale which is contingent on subsequent Court approval, but is not contingent upon any other matter, including Buyer obtaining financing. Buyer shall immediately execute the Sale Contract and all related documents presented by Auctioneer to bind Bidder and Seller to the sale of the Property. Any Buyer purchasing on behalf of a business or arm of government ("artificial person") shall immediately execute the Sale Contract in both the artificial person's and buyer's names, until such time as the artificial person presents Auctioneer with acceptable, written evidence of the artificial person's good standing in its state of formation, plus written authority, in a form acceptable to Auctioneer, agreeing to be bound by the Sale Contract. The Terms of Auction are incorporated into the Sale Contract which defines the entire agreement between Seller and Buyer. The Terms of Auction complement the Sale Contract and, in the event of any conflict between them, the Sale Contract shall control in all instances. Buyer shall execute the Sale Contract and no addition, deletion, or revision shall be permitted.

12. **DEPOSIT:** Buyer shall immediately pay to the escrow/closing agent, in U. S. Dollars, an earnest money deposit of no less than Ten percent (10.00%) of the total contract price of the Property ("deposit"). If for any reason Buyer fails to timely execute the Sale Contract or pay the deposit, Seller has sole discretion, to: (a) pursue all legal and equitable remedies available against Buyer, or (b) declare Buyer's bid to be immediately forfeited, null, and void, without any requirement of notice, and immediately re-sell the Property to another buyer.

13. *DISPUTES*: Any action, claim, controversy, counterclaim, dispute, or proceeding arising out of the Property Issues and involving Seller, Receiver, Bidder, Buyer, or Auctioneer, in any combination, whether controlled by federal or state law, and whether an issue of law or equity shall be determined and resolved exclusively by the Court. The parties waive the right to trial by jury. The prevailing party shall be entitled to collect from the other its full costs, including reasonable attorneys' fees.

14. *CHOICE OF LAW, JURISDICTION, AND VENUE*: Any Auction matter shall be exclusively construed and governed in accordance with the laws of the State of Washington, without regard to its conflict of laws principles. The exclusive jurisdiction and venue for any controversy or claim between the parties shall be within the Court.

15. *MISCELLANEOUS*: The Terms of Auction shall bind Bidders and their agents, assigns, attorneys, beneficiaries, brokers, directors, distributees, employees, executors, heirs, legatees, officers, representatives, shareholders, and successors in interest. No deletion, modification, supplement, or waiver of any provision of the Terms of Auction shall be made, except by Auctioneer's written revision or announcement at the Auction.

PROPERTY SPECIFIC DISCLOSURES

DISCLAIMER: Seller, Receiver and Auctioneer (this term to include Broker) do not, here or otherwise, attempt to provide Bidder with all of the information Bidder may need to conduct due diligence and make an informed decision about the Auction and Property. Participation in the Auction is at Bidder's sole risk and Seller, Receiver and Auctioneer, plus their agents, brokers, contractors, employees, and representatives shall have no liability whatsoever on any basis. The Property will be offered and sold in "AS IS, WHERE IS" condition with all defects, faults, issues, and related problems. To the fullest extent allowed by law, Seller, Receiver and Auctioneer unconditionally disclaim any guarantee, representation, or warranty of every kind, whether expressed, implied, or statutory, whether oral or written, whether past, present, or future, with respect to all issues and matters affecting, involving, or related in any way to the Auction and Property, except as expressly provided for in the *Terms of Auction* and the *Real Property Sale Contract*. The disclosures that follow are made to Bidders to assist them in performing their due diligence, but this list is not represented to be complete or correct and there may be other defects, facts, faults, issues, items, problems, and other relevant matters affecting, involving, or related in some way to the Property. Bidders should govern themselves accordingly.

General

Revised Parcel Division: The boundary lines for Parcels #1 and #5 have been adjusted. Bidder(s) should review the final Parcel Exhibit Map, prepared by USKH Engineering of Spokane, last revision dated March 18, 2008, which has been posted at the auction and included in the Bidder's packet. Each parcel is further described in the legal descriptions as outlined in the title commitment.

Washington State Outdoor Advertising Sign Permits: The Seller makes no representation regarding the status of certification or availability of Washington State Outdoor Advertising Sign Permits for the Property, wherever located.

Food Service Establishment Permits: The Seller makes no representation regarding the status of certification or availability of Spokane Regional Health District or other Food Service Establishment Permits for the Property.

Noxious Weeds: The Seller makes no representation regarding the existence or control of noxious weeds on the Property, or compliance with the Spokane County Noxious Weed Control Program.

Drinking Water: The Seller makes no representation regarding compliance with the State of Washington Department of Health Office of Drinking Water Annual Water Facilities Inventory, or any other matter regarding compliance with the requirements of the State of Washington Department of Health Office of Drinking Water.

Parcel Nos. 1 through 13

Fencing: Any fencing situated on the Property is not necessarily an indication of the Property's boundary. Buyer should rely on the legal description of the Property contained within the title commitment prepared by LandAmerica Transnation for a description of the location of any and all Property boundaries.

Wet Lands: Portions of the Property are considered wetlands.

Hazardous Substances and Phase I Environmental: WML, the Receiver and the Auctioneer make no representation regarding the presence or absence of Hazardous Substances on or under the Property. "Hazardous Substances", as used herein means any hazardous or toxic substances, materials or wastes on or under the property in concentrations, quantities or amounts which exceed levels requiring remediation or removal pursuant to any local, state, and/or federal environmental law. The Property is selling subject to the disclosures and information contained the *Phase I Environmental Site Assessment* ("Environmental Study"), dated December 21, 2007, which was prepared by USKH of Spokane, Washington. Buyers will be purchasing the Property "AS-IS, WHERE-IS" and agrees to be solely liable for, and to indemnify and hold harmless WML, the Receiver and the Auctioneer from, any and all costs, damages, and expenses in the event that Hazardous Substances are required to be remediated or removed from the Property by any local, state or environmental law. There are no environmental liens associated with the Property. The Seller will not perform any further remediation and a Phase II environmental assessment study will not be performed. Every Bidder should read and understand the Environmental Study provided in the Sale Contract.

Litigation and Lis Pendens: The Property is subject to a lawsuit (the “Second Moe Suit”) that was commenced by the filing of a Complaint for Declaratory Judgment to Enforce Lien (the “Complaint”) on or about March 19, 2008 in the Superior Court, State of Washington, County of Spokane in case no. 08-2-1313-2, captioned Orville Moe and Deonne Moe v. Barry Davidson, as Receiver of Washington Motorsports, Ltd., a Limited Partnership, KNAEZ Joint Venture and the Kalispel Tribe of Indians. A First Amended Complaint (the “Amended Complaint”) was filed on March 26, 2008 and it did not include Orville Moe as a Plaintiff. The Complaint and Amended Complaint should be read in their entirety. In summary, the Second Moe Suit, among other matters, seeks the imposition of a paramount equitable lien on all or part of the Property, and seeks entry of an order foreclosing that lien. The Property is also subject to a Lis Pendens that was recorded with Spokane County Auditor on March 20, 2008, referencing the Second Moe Suit.

The Receiver has filed motions (the “Motions”) with the Court for entry of cease and desist orders regarding the Second Moe Suit and Orville and Deonne Moes’s stated objectives therein. The Motions, among other matters, seek the entry of orders directing Orville and Deonne Moe and their agents, servants, employees, attorneys, and those acting directly or indirectly in active concert or participation with them to Cease and Desist from continuing prosecution of the Second Moe Suit. The Motions also seek cancellation of the Lis Pendens, and entry of an order directing Orville and Deonne Moe and their agents, servants, employees, attorneys, and those acting directly or indirectly in active concert or participation with them to not take any actions which obstruct, interrupt, hinder, interfere with, frustrate, disturb, prevent, impede, stop or inhibit the orderly conduct of the auction of WML’s property scheduled to be conducted on April 10, 2008, or any time thereafter, and authorizing any law enforcement officer to take such lawful measures as may be necessary and appropriate to enforce the provisions of this Order to permit such auction to be conducted in an orderly manner. The Motions also seek entry of an order directing Orville and Deonne Moe to not personally attend the auction, while not preventing Orville and Deonne Moe from submitting a qualified bid for the Property through an authorized agent, or from submitting a qualified bid via telephone or the Internet, should they desire to do so. A hearing on the Motions is set for April 9, 2008 at 9:00 a.m.

Parcel No. 1 (Spokane Raceway Park)

Managed Sewer System: The wastewater disposal system was built in the 1970’s. The system is composed of three parallel sewer lines connecting into a single vault. Wastewater discharge flows to an elevated lagoon system which is located in the center of the road course track.

Personal Property: A personal property list was not provided by the Seller. Except as provided herein, no personal property, including, without limitation, mobile homes, vehicles, trailers, and equipment, shall convey with the real estate, unless otherwise agreed with the Buyer and authorized by the Court. The Seller, if authorized by the Court, may abandon and leave any personal property remaining on the premises at closing, with no liability for clean up or removal. The Seller, Receiver and Auctioneer shall have no liability whatsoever to Buyer for any subsequent claim of variance, deficiency, or defect in any the personal property that may be conveyed.

Potable Water: Parcel no. 1 has an 110,000 gallon elevated water tank and three smaller storage tanks which are filled from two wells located on the Property.

Fire Protection: Fire protection is provided during racing functions by the Airway Heights Fire Department. Presently there is no written agreement.

Ambulance Services: Ambulance services are provided by third parties, and on site emergency services are contracted to third parties, using the Seller’s ambulance and independent emergency medical technicians.

Racing Equipment: Parcel 1 will convey with (1) one scoreboard, (2) a full TSI timing system with “Christmas Tree” located at the drag strip, (3) a timer with a photo cell located at the oval track, (4) existing public address system, and (5) lighting.

Scales: There are two scales for race car weigh-in. The first is a permanent in-ground scale that is forty years old. The scale has not been used in approximately 15 years and is in disrepair. The second scale is a five year old portable scale. The portable scale was last inspected in 2005.

Parcel Nos. 2 through 13

Septic Systems: The Seller has not performed percolation soil tests on the Property. The condition of the soil in each Parcel is unknown and Seller and Auctioneer make no representation or warranty of the quality, suitability, or usability of the soil for any purpose, or the availability of municipal sewer services.

Parcel No. 13

Mining Lease and Grant of Easement: Parcel no. 13 is selling subject to a Mining Lease and Grant of Easement with CPM Development Corporation, Spokane, WA (“CPM”) which began in 1994 and will not expire until December 31, 2010. CPM operates a hot-mix asphalt plant and aggregate pit. Use of the mining operations is limited to Parcel 13.

Parcel No. 1 and 13

Ingress/Egress: The main spectator entrance to Parcel no. 1 is via Hayford Road. The entrance to the CPM operations on Parcel no. 13 and the office facility on Parcel no. 1 is via Sprague Avenue.

The Property is selling subject to all rights of access for ingress/egress and utility services by the Buyers of Parcel nos. 1 and 13 that may be created by a specific-purpose easement following the Auction and by the time of the closing of the sales of the Property.

Should Parcel no. 1 and Parcel no. 13 sell to one or more Buyers, the route of ingress/egress and utility easements shall be exclusively from and to Sprague Avenue and shall involve no other Parcels of the Property. The Buyer of Parcel 1 shall be required to grant, or Seller shall retain, a specific-purpose easement for ingress/egress and utility services to the Buyer of Parcel 13 in order that the Buyer of Parcel 13 will have free and clear access to Sprague Avenue.