MEMORANDUM NO. (DRAFT)

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

DENVER MOUNTAIN EXPRESS, INC.

Private Placement Memorandum
Dated July 21, 2003

A PRIVATE PLACEMENT OF SERIES A PREFERRED STOCK

Minimum offering:	**40,000 shares ($100,000.00)**
Maximum offering:	**200,000 shares ($500,000.00)**
Offering price:	**$2.50 per share**
Minimum investment:	**10,000 shares ($25,000.00)**

A PRIVATE PLACEMENT OF COMMON STOCK

Minimum offering:	**0 shares ($0.00)**
Maximum offering:	**100,000 shares ($225,000.00)**
Offering price:	**$2.25 per share**
Minimum investment:	**10,000 shares ($22,500.00)**

This Confidential Private Placement Memorandum (the "Memorandum") relates to the sale of up to 200,000 shares of Series A preferred stock (the "Preferred Stock") of Denver Mountain Express, Inc. (the "Company" or "Denver Mountain Express") at a price of $2.50 per share and up to 100,000 shares of common stock (the "Common Stock") at a price of $2.25 per share. There is no public market for any securities of the Company and no such market is expected to develop following this offering (the "Offering").

Sales of the Preferred Stock and Common Stock will be made to persons who qualify as "accredited investors" as that term is defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended (the "Securities Act") and to "non-accredited investors." The minimum investment per purchaser is $22,500, except the Company reserves the right to accept purchases of lesser amounts.

The Company is offering a minimum of 40,000 shares of its Preferred Stock (the "Preferred Shares") and 0 shares of its Common Stock (the "Common Shares") (together the "Shares") and a maximum of 200,000 Preferred Shares and 100,000 Common Shares. The Preferred Shares are being offered by the Company at a price of $2.50 per share and the Common Shares at a price of $2.25 per share. All proceeds received from subscribers will be deposited in either an interest bearing or non-interest bearing account. If at least 40,000 Preferred Shares are subscribed for prior to August 31, 2003 (or by September 30, 2003 if the Offering is extended by the Company) and certain closing conditions are satisfied, an initial closing will be held as soon as practicable thereafter, and the funds held in the bank account will be turned over to the Company. In such event, the Company may continue to seek additional funds by offering up to the maximum number of Shares. Any such additional sales must be completed by September 30, 2003, or such later extended date as set by the Company. If at least 40,000 Preferred Shares have not been subscribed for by the close of business on August 31, 2003 (or by September 30, 2003 if the Offering is extended by the Company), all proceeds received from subscribers will be refunded in full, without deduction and without interest.

The proceeds of this placement will be used by the Company to provide additional capital to fund its operating costs, service its debt, acquire new vehicles, update its reservation system, expand its operations, and for working capital purposes.

The securities offered hereby are speculative and involve a high degree of risk. Investors must be prepared to bear the economic risk of the investment for an indefinite period of time and must be able to withstand a loss of their entire investment.

See "Risk Factors" commencing on page 3.

The date of this Memorandum is July 21, 2003

SUMMARY INFORMATION FOR INVESTORS

THE INFORMATION CONTAINED IN THIS MEMORANDUM IS CONFIDENTIAL AND PROPRIETARY TO THE COMPANY AND IS BEING SUBMITTED TO PROSPECTIVE INVESTORS IN THE COMPANY SOLELY FOR SUCH INVESTORS' CONFIDENTIAL USE WITH THE EXPRESS UNDERSTANDING THAT, WITHOUT THE PRIOR EXPRESS WRITTEN PERMISSION OF THE COMPANY, SUCH PERSONS WILL NOT RELEASE THIS DOCUMENT OR DISCUSS THE INFORMATION CONTAINED HEREIN OR MAKE REPRODUCTIONS OF OR USE THIS MEMORANDUM FOR ANY PURPOSE OTHER THAN EVALUATING A POTENTIAL INVESTMENT IN THE PREFERRED SHARES.

A PROSPECTIVE INVESTOR, BY ACCEPTING DELIVERY OF THIS MEMORANDUM, AGREES TO COMPLY WITH THE FOREGOING PARAGRAPH AND PROMPTLY RETURN TO THE COMPANY THIS MEMORANDUM AND ANY OTHER DOCUMENTS OR INFORMATION FURNISHED BY THE COMPANY IF THE PROSPECTIVE INVESTOR ELECTS NOT TO PURCHASE ANY OF THE SECURITIES OFFERED HEREBY.

THE SALE, TRANSFER OR OTHER DISPOSITION OF THE SECURITIES PURCHASED PURSUANT TO THIS MEMORANDUM IS RESTRICTED BY APPLICABLE FEDERAL AND STATE SECURITIES LAWS.

THIS OFFERING IS SUBJECT TO WITHDRAWAL, CANCELLATION OR MODIFICATION BY THE COMPANY WITHOUT NOTICE. THE COMPANY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT ANY SUBSCRIPTION, IN WHOLE OR IN PART, FOR ANY REASON OR TO ALLOT ANY SUBSCRIBER LESS THAN THE NUMBER OF PREFERRED SHARES SUBSCRIBED FOR.

THIS MEMORANDUM CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF DOCUMENTS RELATING TO THE BUSINESS OF THE COMPANY AND THE PURCHASE OF THE PREFERRED SHARES, AS WELL AS SUMMARIES OF VARIOUS PROVISIONS OF RELEVANT STATUTES AND REGULATIONS. SUCH SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE TEXTS OF THE ORIGINAL DOCUMENTS, STATUTES AND REGULATIONS, WHICH ARE AVAILABLE UPON REQUEST.

EACH INVESTOR MUST CONDUCT AND RELY ON THEIR OWN EVALUATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE PREFERRED SHARES. SEE “RISK FACTORS” FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH THE PURCHASE OF THE SECURITIES OFFERED HEREBY.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY JURISDICTION OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. EXCEPT AS OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF THE DATE HEREOF. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY AFTER THE DATE HEREOF.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OTHER THAN THAT CONTAINED IN THIS MEMORANDUM, OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFERING MADE HEREBY AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN MADE OR AUTHORIZED BY THE COMPANY.

THE STATEMENTS IN THIS MEMORANDUM THAT MAY BE CONSIDERED FORWARD LOOKING ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED.

SUBSCRIBERS MAY, IF THEY SO DESIRE, MAKE INQUIRIES OF THE COMPANY WITH RESPECT TO THE COMPANY'S BUSINESS OR ANY OTHER MATTERS RELATING TO THE COMPANY AND AN INVESTMENT IN THE SECURITIES OFFERED HEREBY. SUBSCRIBERS MAY OBTAIN ANY ADDITIONAL INFORMATION WHICH SUCH PERSONS DEEM TO BE NECESSARY IN CONNECTION WITH MAKING AN INVESTMENT DECISION IN ORDER TO VERIFY SUCH INFORMATION (TO THE EXTENT THAT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE). IN CONNECTION WITH SUCH INQUIRY, ANY DOCUMENTS WHICH ANY SUBSCRIBER WISHES TO REVIEW WILL BE MADE AVAILABLE FOR INSPECTION AND COPYING OR PROVIDED UPON REQUEST, SUBJECT TO THE SUBSCRIBER'S AGREEMENT TO MAINTAIN SUCH INFORMATION IN CONFIDENCE AND TO RETURN THE SAME TO THE COMPANY IF THE RECIPIENT DOES NOT PURCHASE THE SECURITIES OFFERED HEREUNDER. ANY SUCH REQUESTS FOR ADDITIONAL INFORMATION OR DOCUMENTS SHOULD BE MADE IN WRITING TO THE COMPANY, ADDRESSED AS FOLLOWS: DENVER MOUNTAIN EXPRESS, 1550 LARIMER STREET, SUITE 280, DENVER, COLORADO 80202, ATTENTION: NOEL CULBERSON.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, INVESTMENT OR TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN ADVISORS AS TO LEGAL, INVESTMENT, TAX AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE COMPANY.

THE PRICE OF THE SECURITIES OFFERED HEREBY HAS BEEN DETERMINED BY THE COMPANY AND DOES NOT NECESSARILY BEAR ANY RELATIONSHIP TO THE ASSETS, BOOK VALUE OR POTENTIAL PERFORMANCE OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE.

JURISDICTIONAL NOTICES TO ALL INVESTORS

For Residents of All States:

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF CERTAIN STATES AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SAID SECURITIES ACT AND SUCH SECURITIES LAWS. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID SECURITIES ACT AND SUCH SECURITIES LAWS OR PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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Exhibits

THE OFFERING

Securities offered	40,000 – 200,000 shares of Denver Mountain Express Preferred Stock 0 - 100,000 shares of Denver Mountain Express Common Stock
Preferred Stock to be outstanding after the minimum placement	40,000 shares.
Preferred Stock to be outstanding after the maximum placement	200,000 shares.
Common Stock to be outstanding after the minimum placement	1,052,631 shares.
Common Stock to be outstanding after the maximum placement	1,152,631 shares.
Dividend policy	The Company will pay an annual cumulative dividend of 5% to the holders of the Preferred Stock.
Conversion policy	Series A Preferred Stock Shareholders may, at their sole discretion, convert the Preferred Stock into Common Stock at a conversion rate of 1 to 1. Series A Preferred Stock Shareholders may elect to make this conversion no earlier than August 1, 2006.
Preferred Stock Redemption policy	The Company must redeem the Preferred Stock at a redemption rate of 100% prior to August 1, 2011. In addition, the Preferred Stock will be automatically redeemed at the redemption rate of 100% upon certain change in control events.
Common Stock Repurchase policy	The Company will repurchase Common Stock at the sole discretion of the Company board of directors based on available funds at the end of the calendar year. The repurchase price will be determined by a multiple of 1.25 times annual revenue. Annual revenue will be confirmed by an independent audit of the Company's year end financial statements. Each shareholder will then be given the option to sell shares at the predetermined share price. Shares will be repurchased on a prorated basis until either all available funds are expended or until all shareholder sales demand is met.

Use of proceeds..	The Company estimates that it will receive net proceeds from the minimum placement of approximately $100,000 and the net proceeds from the maximum placement of approximately $725,000, in each case, before the deduction of expenses of this Offering. The Company expects to use the net proceeds to provide additional capital to fund its operating costs, service its debt, acquire new vehicles, update its reservation system, expand its operations and for working capital purposes. There can be no assurance that we will sell the minimum or more than the minimum amount of Preferred Stock and Common Stock offered hereby.
Risk factors..	The Shares offered hereby are highly speculative and involve a high degree of risk. Our Preferred Stock and Common Stock should not be purchased by investors who cannot afford the loss of their entire investment. For a discussion of certain risks investors should consider before investing in the Preferred Stock, see “Risk Factors.”

SELECTED FINANCIAL DATA

Statement of Operations Data:

	For the Years Ended December 31, 2001	For the Years Ended December 31, 2002	January – March 2003
Revenue	$251,569.00	$541,942.00	$430,151.00
Operating Expenses	($240,119.00)	($570,479.00)	($372,216.00)
Other Income/Expense	$1,524.00	$0.00	$ 0.00
Net Income	$ 12,974.00	($ 28,537.00)	$ 57,935.00

Balance Sheet Data:

	For the Years Ended December 31, 2001 (1)	For the Years Ended December 31, 2002 (1)	March 31, 2003 (1) (2)
Cash	$ 3,499.89	$ 6,313.93	$ 2,531.46
Total Current Assets	$ 12,479.89	$ 10,608.17	$ 10,060.30
Total Assets	$ 600,635.18	$668,155.67	$1,631,060.30
Total Current Liabilities	$ 173,497.56	$115,547.79	$ 132,634.00
Total Liabilities	$ 439,497.56	$368,547.79	$1,370,434.00
Total Equity	$ 161,137.62	$299,607.88	$ 260,626.3

(1) Assets include intangible assets consisting of Colorado P.U.C. licenses and are valued as follows: Metro Denver licenses valued at actual cost. Closing date of the purchase of the Metro Denver licenses is expected to occur after final regulatory approval at the end of July 2003. DIA-Eagle County license valued at actual lease purchase cost, and DIA-Summit County and downtown Denver – Summit and Eagle Counties license values are estimated based on DIA – Eagle County license actual purchase price.

(2) We estimate the market value of Denver Mountain Express P.U.C. licenses if sold aggregately as follows:

DIA – Denver Metro Area	$1,500,000
DIA – Summit County	$1,500,000
DIA – Eagle County	$2,000,000
DIA – Colorado Springs	$ 500,000
DT Denver – Summit & Eagle County	$ 500,000
Summit & Eagle County - Blackhawk	$ 300,000
Total	$6,300,000

RISK FACTORS

You should carefully consider the following risks before you decide to buy our Preferred Stock. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business.

If any of the events described in the following risks actually occur, our business, financial condition and operating results could be materially adversely affected. In such case, you may lose all or part of your investment.

Unfavorable changes in government regulation could harm our business.

The Company currently maintains regulated state licenses that allow for the operation of a scheduled and charter transportation service.

These licenses serve as a barrier to entry in the passenger transportation market and if the government were to deregulate the passenger transportation industry completely or were to issue additional licenses, our business would be materially adversely affected.

We are subject to various regulatory rules and conditions.

As a participant in a regulated industry, we are subject to and must adhere to regulatory rules and conditions in order to maintain our licenses. These conditions include driver hiring requirements, vehicle maintenance records and procedures, as well as other conditions. If we were to fail to meet these regulatory rules and conditions, we would face substantial fines and the potential loss of our licenses.

In addition to state and local government regulation, we also face additional regulations imposed by DIA. If we fail to abide by DIA's rules and regulations, it could result in the forfeiture of our right to pick-up and drop-off passengers at DIA.

If any of the above were to occur, our business and operations would be adversely affected.

Our operations are dependent upon the travel industry.

Our business focus is on transporting passengers, including tourists and business travelers, to and from DIA, downtown Denver and Denver west to various mountain resorts. If general economic conditions or further terrorist actions result in a reduction in business or tourism travel, our passenger volume and profit margins would suffer.

We may not compete successfully because of the number and strength of our competitors.

Our main competitors currently include Super Shuttle, Colorado Mountain Express and Resort Express. These competitors have been in business longer than us and have greater name recognition and financial and marketing resources than we do. In addition, they are able to devote greater resources to sourcing, promoting and selling their services.

In addition to our main competitors, we also face competition from luxury limousine and charter service companies. Though limited as to type of vehicle, prices charged and service schedule, these companies offer service to the geographic areas we currently serve.

Competition within the industry may adversely affect our profitability and result in lower sales, lower gross profits and greater operating costs. If we are unable to effectively compete, our business will be materially impacted.

We may face competition from potential new entrants into our market.

Even though we maintain exclusive licenses from the State of Colorado, other avenues exist for entry into the passenger transportation industry. Companies can gain entry under federal authority if they can establish that they offer inter-state service. If additional companies were to enter the industry, our business and operations could be materially adversely affected.

We may be subject to liability claims if people are injured as a result of an accident involving a Denver Mountain Express vehicle.

Our business focuses on transporting passengers between DIA, downtown Denver, Colorado Springs, and various mountain resort areas. As a result, our drivers experience hazardous mountain driving conditions that may result in accidents involving Company vehicles. Even though we maintain adequate insurance coverage, a serious accident could result in litigation against the Company or a loss to the Company's reputation, either of which could affect our business operations.

We currently owe back payroll taxes to the Internal Revenue Service.

Denver Mountain Express currently owes the IRS approximately $75,000 for unpaid payroll taxes for the 2001 and 2002 calendar years. The Company has reached a tentative agreement for a payment plan with the IRS to pay off the balance due in monthly installments. This agreement is subject to certain conditions that if not met would render the agreement void. In such event the Company's business may be materially impacted.

If we fail to sell all the shares in this placement, we may be compelled to seek additional capital to proceed with our business plan and as a result we may be unable to implement our planned operations.

This private placement is made on a "best efforts, all or none" basis with respect to the minimum placement and on a "best efforts" basis with respect to the remaining Preferred Shares offered. If only the minimum number of Preferred Shares is sold, we may experience additional risks such as the need to rely on debt financing or strategic partners that may not be present at the time when we need such additional capital. In that event, we may be compelled to seek additional capital sooner than would otherwise be necessary to proceed with our business plan. No person has committed to provide us with additional capital, and there can be no assurance that such additional funds will be available when required or on terms acceptable to us.

We may experience significant fluctuations in our revenues and quarterly operating results.

Our quarterly revenues and operating results could fluctuate for many reasons, including variations in the mix of sales, price changes in response to competitive factors, and increases in costs. Additionally, a high percentage of the expenses relating to our business are relatively fixed and as a result, a variation to our sales can cause significant variations in operating results from quarter to quarter and could result in losses. The demand for our services is also significantly affected by the general level of economic activity at any particular time, and fluctuations in the general economy could seriously harm our business.

The loss of key management could negatively affect our business.

We are dependent upon our key management members. If we were to lose the services of these members within a short period of time, it could have a material adverse effect on our operations. We do not currently maintain key person insurance on any management member. Our continued success is also dependent upon our ability to attract and retain qualified team members to meet our needs. We may not be able to attract and retain team members as necessary to operate our business. If we are unable to obtain qualified team members, our business and reputation could be materially impacted.

Investors may never recoup their initial investment or receive a return on their investment.

An investment in the Preferred Stock of Denver Mountain Express is highly risky and speculative. While Denver Mountain Express believes that investors will recoup their initial investment and will receive a return on their investment, there can be no assurance that the investor will receive any additional monies beyond their annual dividend. In the event that Denver Mountain Express is unable to increase cash flow and/or grow its business or, in the event Denver Mountain Express desires to sell its business and is unable to sell its business on commercially reasonable terms, investors will likely not receive an additional return on such investment. Additionally, there can be no assurance that investors will not lose their entire investment in the Company.

Investors may experience dilution in the future.

The Company may issue additional shares of Preferred Stock and or Common Stock in the future to raise additional funds for business expansion or operations. The issuance of such Preferred or Common Stock will have the effect of diluting the ownership interest of existing shareholders.

Our officers and directors will exercise significant control over Denver Mountain Express.

Our officers and directors control 100% of the outstanding shares of common stock. Because of this level of stock ownership, these persons, as a group, are able to control Denver Mountain Express and direct its affairs and business, including decisions about the acquisition or disposition of assets, future issuances of stock and the election of directors. The large percentage of stock held by such individuals could also delay or prevent a change in control.

The Shares we are offering in this private placement is subject to restrictions on transferability and you may be required to bear the financial risks of your investment for an indefinite period of time.

The Shares we are offering in this private placement is subject to restrictions on transferability and resale, and may not be transferred or resold except as permitted under the Securities Act of 1933, and any applicable State securities laws. As an investor in our Shares you should be aware that you may be required to bear the financial risks of your investment for an indefinite period of time. You should further be aware that a public market for our Shares will most likely never materialize.

No market exists for our preferred stock or common stock and our determination of the offering price of this private placement bears no relation to the actual value of our preferred stock or common stock.

No market exists for these securities, and the offering price of the Shares has been determined in our sole discretion. The offering price of our Shares may bear no relation to its actual value. Among the factors considered in determining the offering price were estimates of our prospects, our future operations and revenues, and our beliefs regarding current conditions in the passenger transportation industry.

Further, the offering price does not necessarily bear any relationship to our assets, book value or any other objective criteria of value.

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USE OF PROCEEDS

Denver Mountain Express will receive net proceeds from this placement of approximately $100,000, assuming the minimum placement is sold, and approximately $725,000 if the maximum placement is sold. Expenses of the offering will be deducted from such amounts.

The primary purpose of the placement is to provide Denver Mountain Express with working capital to fund its growth. Denver Mountain Express expects that funds will be applied in the following amounts and in the following priorities, based upon receipt of the minimum or maximum proceeds less estimated expenses:

	Minimum Placement Funds	**Maximum Placement Funds**
New vehicles	$ 25,000	$ 100,000
Reservation System	$ 10,000	$ 10,000
Marketing	$ 15,000	$ 75,000
Debt Service	$ 25,000	$ 300,000
Insurance	$ 10,000	$ 10,000
Working Capital (1)	$ 15,000	$ 230,000
Total	**$100,000**	**$ 725,000**

(1) The Company may use working capital funds to pay the Company's outstanding payroll taxes due to the IRS.

FORWARD LOOKING STATEMENTS

All statements other than statements of historical facts included in this Memorandum, including without limitation, statements regarding our future financial position, business strategy, projected costs and plans, objectives of our management for future operations and projected financial data, are forward-looking statements. In addition, forward-looking statements generally can be identified by, but are not limited to, the use of forward-looking terminology such as “may,” “will,” “proposed,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” or “continue” or the negative thereof or variations thereon or similar terminology. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we cannot assure you that such expectations will prove to have been correct. Such statements involve certain known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the forward-looking statements. Important factors that could cause actual results to differ materially from our expectations are disclosed under “Risk Factors” and elsewhere in this Memorandum, including without limitation, in conjunction with the forward-looking statements included in this Memorandum. Also, subsequent written and oral forward-looking statements attributable to our company, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements. We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this Memorandum.

DIVIDEND POLICY

We are obligated to pay an annual, cumulative dividend of 5% on our Series A Preferred Stock. Such dividend cumulates, if not paid, and the Company cannot pay dividends on its common stock until the Series A dividends have been paid (or funds have been set aside for their payment) in full. We have not currently established any other series of preferred stock, but may do so in the future.

We may never declare or pay any dividends on our common stock. We currently expect to retain future earnings, if any, for use in the operation and expansion of our business and do not currently anticipate paying any cash dividends in the foreseeable future on our common stock.

CONVERSION POLICY

Our Series A Preferred Stock is convertible into common stock of the Company at a one to one ratio, at the Series A Preferred Stockholders’ sole option, on or after August 1, 2006.

PREFERRED STOCK REDEMPTION POLICY

Our Series A Preferred Stock is subject to redemption by the Company, no later than August 1, 2011 and is redeemed automatically upon an initial public offering, merger or sale of substantially all the assets, in both instances at a redemption price equal to par value of the initial investment.

COMMON STOCK REPURCHASE POLICY

Our Common Stock will by repurchased by the Company according to the following repurchase policy: At the end of each calendar year, Denver Mountain Express board of directors will set aside available funds for the repurchase of common stock. The repurchase price will be determined by a multiple of 1.25 times annual revenue. Annual revenue will be confirmed by an independent audit of the Company’s year-end financial statements. Each shareholder will then be given the option to sell shares at the predetermined share price. Shares will be repurchased on a prorated basis until either all available funds are expended or until all shareholder sales demand is met.

CAPITALIZATION

The following table sets forth (i) the actual capitalization of Denver Mountain Express as of March 31, 2003, and (ii) the pro forma as adjusted capitalization of Denver Mountain Express after giving effect to the sale of the maximum 200,000 shares of Preferred stock at $2.50 per share and the maximum 100,000 shares of Common stock at $2.25 per share in this placement.

	Actual (1)	**Proforma As Adjusted (1)**
Total Liabilities	$ 1,370,434.00	$ 1,070,434.00
Shareholders' equity:		
Common Stock, no par value per share; 2,000,000 shares authorized, 1,052,631 shares issued and outstanding; 1,152,631 shares issued and outstanding after maximum placement	$ 100.00	$ 225,100.00
Preferred stock, no par value per share; 1,000,000 shares authorized, -0- shares issued and outstanding; 200,000 shares issued and outstanding after maximum placement	$ --	$ 500.000.00
Additional paid-in capital	$ 39,290.00	$ 39,290.00
Retained earnings (deficit)	$ 180,010.08	$ 180,010.08
Total shareholders' equity	$ 260,626.30	$ 985,626.30
Total capitalization	$ 1,631,060.30	$ 2,056,060.30

(1) Assets include intangible assets consisting of Colorado P.U.C. licenses and are valued as follows: Metro Denver licenses valued at actual cost. Closing date of the purchase of the Metro Denver licenses is expected to occur after final regulatory approval at the end of July 2003. DIA-Eagle County license valued at actual lease purchase cost, and DIA-Summit County and downtown Denver – Summit and Eagle Counties license values are estimated based on DIA – Eagle County license actual purchase price.

BUSINESS

The Company was originally incorporated on July 30, 1999 in the state of Colorado under the name Hotels of Denver Mountain Carrier, Inc. On June 6, 2000 the Company filed to d/b/a Denver Mountain Express. On May 29, 2002 the Company changed its name to Denver Mountain Express, Inc.

General

Denver Mountain Express was founded by Jason D. Greenstein in the winter of 1998-1999 with one sport utility vehicle running one run a day between Central Downtown Denver Luxury Hotels and the major ski resorts along the I-70 corridor. By its fifth year of operation, the company expanded to over 20 vehicles, two offices, a ticket counter at DIA, over 90 employees, and service between Denver International Airport, metropolitan Denver, Colorado Springs as well as service to all of the resort towns along the central I-70 corridor as far west as Edwards.

Industry Information

The shuttle transportation market in Colorado is a closed, regulated market (i.e. there are limitations to entry). Denver Mountain Express currently owns, leases or is in the process of purchasing the state licenses to offer transportation services between DIA, downtown Denver, South Denver, Denver West, Colorado Springs and Summit and Eagle counties. In addition to state licensure, companies can also obtain a federal license to operate shuttle service if they operate on an interstate basis.

Denver Mountain Express competes in three distinct yet complementary markets: (1) shuttle transportation between Denver International Airport (DIA) and the ski resorts and mountain communities along the Interstate-70 corridor; (2) shuttle transportation between DIA and metro Denver including downtown hotels, the Denver Tech Center, and residences throughout central and south Denver including Highlands Ranch, Littleton and Ken Caryl Valley; and (3) shuttle transportation between DIA and the Colorado Springs metro area including the Colorado Springs airport, Castle Rock, Castle Pines and all points in between.

All three markets are subject to revenue seasonality. Mountain transportation generates the majority of its revenue between the months of December and March while metro Denver and Colorado Springs transportation has its strongest sales between the months of March and November. DME is the only company with licenses to serve all markets and therefore has the ability to fully utilize company assets and personnel on a year-round basis. There are also many marketing synergies between the three markets that will lead to increased sales for the combined operations.

Pricing

The Company offers scheduled, per passenger pricing for an individual passenger based on the passenger's pick-up location and ultimate destination. In addition, our customers can opt to charter one of our passenger vans for a flat, per vehicle fee. We also negotiate group rates and off-schedule pick-ups on a case by case basis.

In an industry in which the number of competitors is limited by government regulation, we believe that our pricing is highly competitive and offers our customers an excellent value.

Sales and Marketing Strategies

The Company currently advertises and promotes its services through Internet search engines, on DIA's and various travel industry related web sites, through travel agents and tour operators, through the concierge desks at hotels in downtown Denver, South Denver, Colorado Springs and the mountain resorts, and in a variety of mountain resort publications. In addition, we advertise in local magazines, through Chambers of Commerce and brochures/rack cards.

We currently maintain strategic alliances with various event marketing and promotional companies. These companies are in the business of staging resort-related events. We offer free transportation to the event promoters and participants in return for free advertising of our Company's name and services.

Customer Service

We offer our passengers a friendly, relaxed atmosphere. We employ professional, courteous drivers who provide safe and reliable service. In addition, our passenger vans are impeccably maintained. All of this allows our passengers to sit back, relax and enjoy the scenery.

One of our core objectives is to satisfy our customers and to meet or exceed their expectations. As a result, our customers become advocates and spokesmen for our business, by talking to their friends and others about us. We want to generate appreciation and loyalty from our customers by serving them competently, efficiently and knowledgeably.

We currently operate our reservations system manually. One of the main goals we hope to achieve over the next year is to establish an automated reservation system. This would enable us to process our customers' reservation needs more quickly and efficiently. By automating our reservations system, our Denver office, Denver International Airport ticket counter, Colorado Springs operations and Frisco office will be better able to coordinate the scheduling of customers. Once our system is automated, our next goal will be to merge our automated system with on-line reservation capacity. This would allow our customers to directly book their transportation service on the Internet at the same time they are booking their travel plans.

Facilities

Denver Mountain Express maintains two office locations, one in downtown Denver and one in Frisco. Both spaces are leased on a monthly basis. We also lease a ticket counter in the main terminal of Denver International Airport.

Litigation

Denver Mountain Express is currently involved in litigation with a former employee regarding workers' compensation benefits/claims as a result of two separate vehicle accidents such employee was involved in while acting on the job. At the time of such accidents, Denver Mountain Express did not have the required workers' compensation coverage in place. Denver Mountain Express has retained counsel and is attempting to settle this action. If not settled in a lump sum manner, the expected liability is $3,000 per month until the employee is determined to be fit to work.

Denver Mountain Express is not a party to any other litigation and is not aware of any threatened or pending legal proceeding that would have a material adverse effect on its business, operations or financial condition.

MANAGEMENT

Executive Officers and Directors

The following table details certain information regarding Denver Mountain Express' executive officers and directors:

Name	Age	Offices
Jason Greenstein	36	Founder, President, Secretary and Chairman of the Board
Noel Culberson	36	Chief Financial Officer, Chief Operating Officer and Director

Jason Greenstein, Founder, President, Secretary and Chairman of the Board. Mr. Greenstein graduated from the Occidental College in 1989 with a B.S. in Political Science, from the American Graduate School of International Management (Thunderbird) in 1995 with an MBA in International Business and has completed all required courses at the University of Denver College of Law for his law degree. Prior to founding Denver Mountain Express, Mr. Greenstein held sales positions with Voicestream Wireless and Forever Living Products. In addition he assisted in the opening of a sales office in Mexico City for L.A. Gear. For the past several years, Mr. Greenstein has focused his efforts on building Denver Mountain Express.

Noel Culberson, Chief Financial Officer, Chief Operating Officer and Director. Mr. Culberson graduated from the University of California, Berkley in 1989 with a BA in Economics and from the Amos Tuck School of Business Administration at Dartmouth College in 1995 with an MBA. He has received the Chartered Financial Analyst designation from the Association of Investment Management and Research. From 1990 through 1993, Mr. Culberson worked as an Investment Banking Analyst with Kelling, Northcross & Nobriga, Inc. From 1995 through 2000, he worked as a Senior Investment Analyst with Charles Schwab Investment Management where he was responsible for the credit research and securities trading for ten fixed income mutual funds with over $16 billion in assets. Mr. Culberson joined Denver Mountain Express in November 2001.

Board of Directors

Denver Mountain Express' Bylaws provide that Denver Mountain Express' Board of Directors be composed of not less than one or more than 9 directors. Denver Mountain Express currently has two directors, Jason Greenstein and Noel Culberson.

Director Compensation

Non-employee director compensation, if any, will be determined at a future date.

Indemnification and Limitation of Liability of Directors and Officers

The Company shall indemnify, to the fullest extent permitted by law, any person who is or was a director or officer of the Company, against any claim, liability or expense arising against or incurred by such person made party to a proceeding because he is or was a director or officer of the Company.

Executive Compensation

The table below details the compensation Denver Mountain Express paid to its executive officers during fiscal 2002.

Name	Year	Salary (1)
Jason Greenstein	2002	$58,500
Noel Culberson	2002	$58,500

Future compensation is subject to annual adjustments at the sole discretion of the Board of Directors.

(1) Mr. Greenstein and Mr. Culberson did not draw their full salary during 2002.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information regarding beneficial ownership of Denver Mountain Express's Common Stock as of June 30, 2003.

Name	Shares beneficially owned prior to offering	
	Number	Percent
Jason Greenstein	800,000	76%
Noel Culberson	200,000	19%
Fortunato Martinez	52,631	5%

There are currently no shares of Preferred Stock issued and outstanding.

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of Denver Mountain Express consists of 2,000,000 shares of Common Stock, no par value and 1,000,000 shares of Preferred Stock, no par value. There are currently 1,052,631 shares of Common Stock issued and outstanding and no shares of Preferred Stock issued and outstanding. Upon consummation of this placement, 40,000 shares of Series A Preferred Stock and 1,052,631 shares of Common Stock will be issued and outstanding assuming completion of the minimum placement. Assuming completion of the maximum placement, 200,000 shares of Series A Preferred Stock and 1,152,631 shares of Common Stock will be issued and outstanding.

The holders of Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Our Articles of Incorporation deny cumulative voting rights in the election of directors. Accordingly, holders of a majority of the shares of Common Stock entitled to vote in any election of directors may elect all of the directors standing for election. Holders of Common Stock are entitled to participate ratably in dividends if, as and when declared by the Board of Directors out of funds legally available and after the payment of Preferred Stock preferences. See "Dividend Policy." In the event of a liquidation, dissolution or winding up of Denver Mountain Express, holders of Common Stock are entitled to share ratably in the assets remaining after payment of liabilities and preferences of Preferred Stock holders. Holders of Common Stock have no preemptive, conversion or redemption rights. All of the outstanding shares of Common Stock are, and the Preferred Shares to be sold in this placement when issued and paid for will be, fully paid and non-assessable.

The holders of the Preferred Stock are not entitled to any voting rights. These holders are entitled to an annual cumulative dividend. See "Dividend Policy". In the event of liquidation, dissolution or winding up of Denver Mountain Express, holders of Preferred Stock shall be entitled to receive their unpaid cumulative dividends prior to any payments to the owners of the Common Stock. Once the holders of the Preferred Stock have received their unpaid cumulative dividends they shall be entitled to share ratably, with the Common Stock holders, in the assets remaining after payment of liabilities.

PLAN OF DISTRIBUTION

Denver Mountain Express will offer the Preferred Stock through its officers and directors and on a 40,000 Share minimum, 200,000 Share maximum "best efforts" basis. Denver Mountain Express will also offer the Common Stock through its officers and directors and on a 0 Share minimum, 100,000 Share maximum "best efforts" basis. After the minimum number of Preferred Shares are sold, but prior to August 31, 2003, an interim closing will be held and the offering will continue until the earlier of September 30, 2003, subject to an extension in the sole discretion of Denver Mountain Express without notice to investors who have already subscribed, or the sale of all the Preferred Shares offered hereby (the "Termination Date"). The final closing will be held within ten (10) days after the Termination Date.

All funds received with respect to subscriptions for the first 40,000 Preferred Shares will be promptly placed in a bank account. In the event 40,000 Preferred Shares are not subscribed for during the placement period, all funds will be promptly returned in full to subscribers without deduction or interest. In the event the minimum number of shares of Preferred Stock are subscribed for during the placement period, funds received therefrom, will be forwarded to Denver Mountain Express against delivery of certificates representing 40,000 Shares of Preferred Stock. Funds received upon the sale of Common Stock and Preferred Stock in excess of 40,000 Shares of Preferred Stock during the remainder of the placement period will not be subject to any escrow or refund provisions and will be forwarded to Denver Mountain Express, against delivery of certificates representing such additional Common Stock or Preferred Stock at a closing to be held within ten days of the expiration of the placement period or, if the maximum amount of Common Stock or Preferred Stock is sold, within ten days of completion of such sale.

Management of Denver Mountain Express may purchase Preferred Stock and or Common Stock in this placement. Although such purchases may be made for the express purpose of insuring that at least 40,000 Shares of Preferred Stock are sold in the placement, none of the proceeds of the placement will be used directly or indirectly for the purpose of reimbursing management the amount of the cost of their purchase. All such purchases will be made for investment purposes and will be upon the same terms as purchases by subscribers not affiliated with Denver Mountain Express.

There is no public market for the Preferred Stock or Common Stock of Denver Mountain Express. Consequently, the price of the Preferred Stock and Common Stock offered hereby has been determined by Denver Mountain Express based upon a number of factors, including the prospects of Denver Mountain Express and the industry in which it competes, assessments of Denver Mountain Express' management, and the prospects for future earnings of Denver Mountain Express. The price should not, however, be considered as an indication of the actual value of the Preferred Stock offered hereby. Because there is no market for the Preferred Stock, there can be no assurance the Preferred Stock may be sold or resold in the future at the placement price or at any other price.

TERMS OF OFFERING

Plan of Placement

The Shares are being offered through this Memorandum without registration under the Securities Act pursuant to the exemption from the registration requirements of such Securities Act provided by Section 4(2) thereof and Rule 505 of Regulation D promulgated thereunder. Denver Mountain Express will also rely upon exemptions from registration under applicable State securities laws. Denver Mountain Express plans to sell Shares to both “accredited” and “non-accredited” investors.

Qualified Purchasers

In order for Denver Mountain Express to qualify its offering as a Rule 505 offering, it may sell Shares to any number of “Accredited Investors,” as such term is defined in Rule 501 (a) of Regulation D and up to 35 “non-accredited” investors.

General Suitability Standards

Shares will be sold only to a person: (i) who makes a minimum purchase of 10,000 shares of Preferred Stock or Common Stock or an aggregate of $25,000 for Preferred Stock and $22,500 for Common Stock, unless Denver Mountain Express, in its sole discretion, permits the purchase of fewer Shares; (ii) who represents in writing that he qualifies as an Accredited Investor or has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment (investors will also be required to provide Denver Mountain Express with any additional information or documentation that may be required to verify such qualification); (iii) who represents that he has been furnished and has carefully read and relied solely on the information contained in this Memorandum, including all exhibits, amendments and supplements hereto; and (iv) who has no need for liquidity with respect to his investment in the Shares and is capable of suffering the loss of his entire investment in any Shares purchased.

Accredited Investors

Accredited Investors are those investors who meet at least one of the following standards or others set forth in Rule 501(a) of Regulation D, which are described in more detail in the Subscription Agreement that accompanies this Memorandum.

(a) **$1,000,000 Net Worth.** The investor is a natural person and his net worth (i.e., total assets minus total liabilities), either individually or jointly with his spouse, exceeds $1,000,000 at the time of his purchase, inclusive of home, home furnishings and automobiles.

(b) **$200,000 Income.** The investor is a natural person who has had individual income[1] from all sources (without including any income of his spouse unless such spouse is a co-purchaser) in excess of $200,000 in each of the two most recent years or joint income with that person’s spouse in excess of $300,000 in

1[1] “Individual income” means adjusted gross income, as reported for federal income tax purposes, less any income attributable to a spouse or to property owned by a spouse, increased by the following amounts (but not including any amounts attributable to a spouse or to property owned by a spouse unless such spouse is a co-purchaser): (i) the amount of any interest income received which is tax-exempt under Section 103 of the Internal Revenue Code (the “Code”), (ii) the amount of losses claimed as a limited partner in a limited partnership (as reported on Schedule E of Form 1040), (iii) any deduction claimed for depletion under Section 611 et seq. of the Code and (iv) any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income pursuant to the provisions of Section 1202 of the Code.

each of those years and has a reasonable expectation of reaching the same level of income in the current year.

(c) **Partnership, Corporate or Other Entity Investor.** In general, a partnership, corporation or unincorporated association is deemed to be an Accredited Investor if: (i) all of the equity owners of that entity are Accredited Investors under subparagraph (a) or (b) above, or (ii) the entity has assets in excess of $5,000,000 and it was not formed for the specific purpose of acquiring the Shares.

(d) **Employee Benefit Plan Investors.** In general, a qualified employee benefit plan or trust will qualify as an Accredited Investor if: (i) the entity is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, and the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act which is a registered investment advisor, bank or insurance company or (ii) the entity is a qualified employee benefit plan which provides for self-directed investments by the plan participants and the purchase of the Shares is made pursuant to an exercise by a plan participant, who is an Accredited Investor, with power to direct the investments of his interest in the plan.

(e) **Certain Trusts.** In general, a trust will qualify as an Accredited Investor if: (i) the trust is revocable and each person with the power to revoke the trust qualifies as an Accredited Investor under subparagraph (a) or (b) above; or (ii) the trust has total assets in excess of $5,000,000, was not formed for the specific purpose of acquiring the Shares offered and the purchase of the Shares by the trust is directed by a person who has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment.

(f) **Certain Institutional Investors.** The institutional investors enumerated in Rule 501 (a) of Regulation D are also Accredited Investors.

The foregoing standards may be subject to further conditions imposed under the securities laws of certain States. Investors may consult with Denver Mountain Express for further information regarding applicable standards.

THE CONFIDENTIAL INVESTOR QUESTIONNAIRES INCLUDE CERTAIN REPRESENTATIONS OF THE INVESTOR UPON WHICH DENVER MOUNTAIN EXPRESS WILL RELY. THE MATERIAL INACCURACY OF ANY SUCH REPRESENTATION, AS IT APPLIES TO ANY INVESTOR, COULD RESULT IN LEGAL LIABILITY OF THAT INVESTOR.

APPENDIX A: FINANCIAL STATEMENTS

Profit and Loss Statements for the years ended December 31, 2000, 2001 and 2002 and three months ended March 31, 2003

Balance Sheets for the years ended December 31, 2000, 2001 and 2002 and three months ended March 31, 2003