

In the opinion of DeCotiis, FitzPatrick, Cole & Wisler, LLP, and Gluck, Walrath & Lanciano, LLP, Co-Bond Counsel, under laws, regulations, rulings and judicial decisions existing on the date of original delivery of the Bonds, interest received by holders of the Bonds will be included in gross income for federal income tax purposes. Under the laws of the State of New Jersey, as enacted and construed on the date of original delivery of the Bonds, interest on the Bonds and any gain from the sale thereof is excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

THE CITY OF JERSEY CITY
(Hudson County, New Jersey)
\$17,465,000 PENSION OBLIGATION REFUNDING BONDS
SERIES 2003B (Federally Taxable)

Date: March 15, 2003

Due: February 1, as shown on inside cover

The Bonds will be issued as fully registered Bonds, and, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("DTC"). Purchases of the Bonds will be made in book-entry-only form (without certificates) in denominations of \$5,000 or whole multiples thereof. So long as DTC, or its nominee Cede & Co. is the registered owner of the Bonds, payments of the principal of, applicable premium, if any, and interest on the Bonds are to be made directly to Cede & Co., which is to remit such payments to DTC participants, which in turn is to remit such payments to the beneficial owners of the Bonds (see "THE BONDS — Book Entry Only System" herein). Interest on the Bonds is payable semi-annually on February 1 and August 1 in each year commencing on August 1, 2003. The Trust Company of New Jersey, in Jersey City, New Jersey, or its successor, is Registrar and Paying Agent.

The Bonds are not subject to optional redemption prior to their maturity.

The Bonds are subject to mandatory sinking fund redemption as set forth herein.

The scheduled payment of principal of and interest on the Bonds when due will be insured under an insurance policy to be issued concurrently with the delivery of the Bonds by MBIA Insurance Corporation.



The Bonds constitute general obligations of the City of Jersey City, and the full faith and credit and unlimited taxing power of the City are pledged to the payment of the principal of, applicable premium, if any, and interest on the Bonds. The Bonds are entitled to the benefits of the State of New Jersey Municipal Qualified Bond Act which provides that the Treasurer of the State of New Jersey is to withhold a portion of State aid payable to the City and forward such amount directly to the Paying Agent. The funds withheld pursuant to the State of New Jersey Qualified Bond Act are subject to appropriation by the State. See "SECURITY FOR THE BONDS" herein.

The Bonds are not a debt or obligation, legal, moral or otherwise, of the State of New Jersey, or any county, municipality or political subdivision thereof, other than the City of Jersey City.

The Bonds are offered when, as and if issued by the City and delivered to the Underwriters, subject to the approval of legality by DeCotiis, FitzPatrick, Cole & Wisler, LLP, Trenton, New Jersey, and Gluck, Walrath & Lanciano, LLP, Trenton, New Jersey, Co-Bond Counsel, and other conditions described herein. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about March 19, 2003.

M•R•BEAL & COMPANY

Dated: March 14, 2003