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Municipal Software Corporation Welcomes Five New Clients in December

VICTORIA—Municipal Software Corporation, a leading developer of local government business process automation software and a wholly owned subsidiary of Municipal Solutions Group, Inc. (TSX: MSM), announced today that it gained five new clients in the last month of 2002 and added almost 10% to the existing number of CityView licenses in use. The total number of licenses in use grew by 35% for the year.

In the Northeast, Municipal Software Corporation added two new clients in December - the Borough of Dormont, PA and the Township of Brick, NJ. The Borough of Dormont will use CityView for building and planning and the Township of Brick will use CityView for licensing.

Two new clients were also added in the Southeast - the City of Marathon, FL and the County of Albemarle, VA. The City of Marathon will use CityView for permitting, code enforcement and planning and zoning while the County of Albemarle will use CityView in their community development department.

One new client was added in California where CityView won out as the product of choice in the City of Encinitas over a number of locally based vendors. The City of Encinitas will use CityView for building, permitting, engineering, planning and zoning, code enforcement, cashing and cash receipting and utility billing. They will integrate with GIS and plan to deploy selected business processes to the Web. The City of Encinitas joins San Juan Capistrano, Huntington Beach and the City of Ontario as clients in California.

In addition, two existing clients initiated the expansion of their CityView systems to new areas of their organizations in December. The City of Troy, NY was awarded a second SARA (State Archives and Records Administration) grant to expand their use of CityView for their fire, community policing, sign management and vacant building enforcement processes. The granting agency was so impressed with the initial CityView implementation that the City of Troy had little difficulty receiving this second grant. The Township of Upper St. Clair, PA plans to extend the use of CityView into their policing department.

"2002 has been a spectacular year for us! We welcomed 28 new clients, released the latest version of our CityView enterprise software and won numerous awards including the Microsoft Certified Partner Packaged Application worldwide gold medal," said President and CEO Robert Bennett. "None of this would have been possible without the dedication of our clients and their ongoing support. We truly appreciate the opportunities that we have to work together to build systems that work and that we can all be proud of!"

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About Municipal Software Corporation

Municipal Software Corporation (www.MunicipalSoftware.com) was recently named the worldwide gold medal winner in the Packaged Application Category of the Microsoft Certified Partner Awards. The announcement was made at Microsoft's Fusion Conference in Los Angeles on July 12, 2002.

Municipal Software Corporation provides CityView®, a fully integrated suite of software products that assist municipal administrators and managers with scalable technology solutions for increasing municipal government productivity in order to service citizens and communities more efficiently and effectively. CityView 8.NET™ Enterprise is powerful automation software that is designed specifically for local

government and easily converts paper systems and business processes into a computerized system without costly and time-consuming programming. CityView Enterprise 8.NET enables E-government. It allows government to automate any business process internally and offer it over an Intranet or the Web with the click of a button.

CityView 8.NET Enterprise incorporates Microsoft's .net technology. The incorporation of Microsoft's .net technology allows CityView to take any form and report and save it as an .ASPX page that maintains the full functionality of the desktop form and allows it to be accessed through the Web. The .net technology allows Municipal Software Corporation to provide their users with a fully functional browser interface. CityView 8.NET Enterprise also incorporates ESRI's MapObjects to allow direct links to mapping data so users can deploy maps with their Web forms and reports by using ESRI's ArcIMS. CityView 8.NET Enterprise automatically completes the entire configuration necessary to make this work.

About Municipal Solutions Group Inc.

Municipal Solutions Group Inc. (www.MunicipalSolutionsInc.com) was formed in January 2002 as the public financing arm for Municipal Software Corporation, to provide the overall strategic leadership and guidance for Municipal Software and to build comprehensive solutions for local government on a global basis.

Forward-Looking Statements

Certain statements in this news release are not historical and may constitute forward-looking statements reflecting Municipal Solutions Group Inc.'s current expectation in the local government sector. Investors are cautioned that all forward-looking statements involve certain risks and uncertainties, including, without limitation, changes in market and competition, technological and competitive developments, cooperation and performance of strategic partners, and potential downturns in economic conditions generally. Forward-looking statements are based upon management's estimates, beliefs, and opinions on the date the statements are made. Municipal Solutions Group Inc. assumes no obligation to update forward-looking statements if circumstances of management's estimates, beliefs, or opinions should change. Additional information on these and other potential factors that could affect the Company's financial results are detailed in documents filed from time to time with the British Columbia Securities Commission. The TSX Venture Exchange (formerly CDNX) has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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