



Municipal Software

MUNICIPAL SOLUTIONS ANNOUNCES SHAREHOLDER APPROVAL OF SECOND TRANCHE OF \$1,000,000 FINANCING, SHARE CONSOLIDATION, OPTION RE-PRICING AND STOCK OPTION PLAN

Victoria, British Columbia, April 1st, 2005. Municipal Solutions Group, Inc. (“**Municipal**” or the “**Company**”) (TSX-V: MSM), a provider of business process automation solutions for government, announced today that at an Extraordinary General Meeting (“**EGM**”) held at the Company’s offices in Victoria, shareholders voted to accept the terms of the \$900,000 second tranche (the “**Second Tranche**”) of a two stage \$1,000,000 financing originally announced on December 22, 2004. The Second Tranche is also part of an overall revised financing package (the “**Financing**”) previously announced on February 28th which includes a bridge financing totaling \$250,000 and a \$256,000 equity private placement. The investors participating in these transactions are Pender Growth Fund (VCC) Inc., Iain McLean, who is the Chief Executive Officer of Municipal, and Pender Financial Group Corp. (TSX-V: PDF).

In addition to the Second Tranche, shareholders also approved an 8:1 share consolidation, the re-pricing of options previously granted to directors and officers of the Company and a stock option plan. The approval of these matters by the Company’s shareholders at the EGM clears the way for the Company to fulfill the remainder of the conditions of the Financing and work towards completion as soon as is reasonably possible.

“The acceptance of the terms of this financing is a very important vote of confidence from our shareholders,” said Mel Couvelier, Chairman of the Board of Municipal. “Our new CEO, Iain McLean has begun a major repositioning of the company and is addressing the issues that have caused us some challenges over the past year and a half”.

“The financing gives us the opportunity to move forward with our plans and will help us bring our products to market,” added McLean. “This is a team effort with investors, employees, suppliers and our clients being supportive and committed to the solutions we offer. Municipal has over 140 clients and 23 years of experience in local government business process automation”.

About Municipal Software Corporation

Municipal Software Corporation provides easily installed, packaged software solutions that manage the everyday business processes of local governments. The solutions are based on 23 years of experience with a product platform that is easy to adapt to the changing practices of clients. Branded under the CityView name the company provides a number of out of the box solutions automating practices in Property Management, Permits and Inspections, Planning, Code Enforcement, Business Licensing and Cashiering. CityView Application Builder is a set of application development tools that allows the client to develop unique applications to match specific needs. Municipal offers a complete range of services from training and customer support of its suite of products to custom development for unique applications.

About Municipal Solutions Group, Inc

Municipal Solutions Group Inc was formed in January 2002 as the public financing arm for Municipal Software Corporation.

About Pender Growth Fund (VCC) Inc.

Pender Growth Fund (VCC) Inc. is an established, diversified venture capital fund that invests in technology companies within the province of British Columbia with the objective of long-term capital appreciation. Pender Growth Fund is now the first fund of its kind in British Columbia to focus specifically on expansion and restructuring opportunities within the technology sector that offer investors the potential for liquidity through either existing public listings or near term liquidity events. Pender Growth Fund is an investment vehicle with significant tax incentives for retail investors to participate in the recovery and growth of the British Columbia technology sector. The Fund has approximately \$16 million of assets under management.

About Pender Financial Group Corporation

Pender Financial Group Corporation (TSX-V: PDF) is a publicly traded merchant bank that owns or manages approximately \$30 million of assets focused on technology, life sciences and healthcare companies based in British Columbia. Pender's strategy is to build long-term value by investing its capital into a relatively few undervalued companies and to actively participate in their development so as to enhance their value and the liquidity of Pender's investments. Through its subsidiary PenderFund Capital Management, Pender is the manager of Pender Growth Fund and Pender NDI Life Sciences Fund.

Contacts

For further information regarding Pender Growth Fund or PDF please contact David Roberts at (604) 688-1511 or droberts@penderfund.com.

If you would like to be included on our regular distribution please email us at press@municipalsoftware.com or fax to (250) 475-6080.

For further information please visit www.municipalsoftware.com or contact Iain McLean at 1-800 665 5647 or imclean@municipalsoftware.com

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. These statements are subject to important risks, uncertainties and assumptions concerning future conditions that may ultimately prove to be inaccurate and may differ materially from actual events or results.