



Municipal Software

Municipal Software and ImageSource announce Alliance

Victoria, British Columbia, May 18, 2005—Municipal Software (TSX-V:MSZ), a provider of business process automation solutions for government is pleased to announce the creation of a co-marketing alliance with ImageSource, Inc. of Olympia, WA, a leading provider of content management solutions and professional services.

Both companies bring a wealth of experience in meeting the needs of local government clients. Since its founding in 1995, ImageSource has grown to over 400 clients with particular emphasis in the Western United States. Municipal Software has over 23 years of experience and some 140 clients.

Iain McLean, Chief Executive Officer for Municipal Software commented, “We are delighted to partner with ImageSource. This alliance brings together two best of breed solutions and will allow us to offer added functionality and solutions to our clients. Increasingly we find that our clients need a high quality document management solution and ImageSource has a great reputation as a first class operation.”

ImageSource is the recipient of the North American Solutions Provider of the Year from Stellent Inc., its principal provider of content management software solutions. Terry Sutherland, Chief Executive of ImageSource noted that, “We were looking for additional innovative solutions and Municipal Software’s pre-built products will integrate well with our product offering. We expect several joint clients to emerge over the next several months.”

Both companies will provide their own sales efforts and have agreed to collaborate closely on a range of initiatives addressing joint opportunities.

About Municipal Software Corporation

Municipal Software Corporation (TSX-V:MSZ) 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 easily adapts 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 Information, 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 Software offers a complete range of services from training and customer support of its suite of products to custom development for unique applications.

About ImageSource

ImageSource Inc. is an industry leading provider of professional computer solutions and integration services, with a specific focus on front-end document capture and back-end information content management applications. Established in 1995, ImageSource, Inc. is a privately held company with corporate headquarters in Olympia, WA and offices in Seattle, WA, San Jose, CA, Escondido, CA and Phoenix, AZ.



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For further information about ImageSource please contact Susan Merchant, Corporate Communications Manager at (360) 239.0840 or visit www.imagesourceinc.com.

For further information about Municipal Software and CityView, please contact Iain McLean, CEO, at 1-800-665-5647 ext 243 or visit www.municipalsoftware.com.