



Municipal Software

FOR IMMEDIATE RELEASE

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MUNICIPAL SOLUTIONS COMPLETES ADDITIONAL \$400,000 FINANCING

Victoria, British Columbia, February 23, 2006—Municipal Solutions Group Inc. (“Municipal” or the “Company”) (TSX-V: MSZ), a provider of business process automation solutions for government, announced today the completion of an additional financing totaling \$400,000 (the “Financing”) by Pender Growth Fund (VCC) Inc. (“Pender Growth Fund”).

“We are very pleased to have the opportunity to support the expansion of Municipal Solutions,” said David Roberts, President of PenderFund Capital Management, the manager of Pender Growth Fund. “We have been involved with the Company for a year and believe that the company has developed an exciting plan for growth that we feel will open up new opportunities for Municipal Solutions.”

“This additional financing will allow us to broaden the reach of the company into providing innovative solutions for e-Government,” added Iain McLean, Chief Executive Officer of Municipal.

Terms of the Financing

Under the Financing, the Company issued \$400,000 principal amount of 12% convertible secured debentures (the “Series F Debentures”) and 1,212,121 common share purchase warrants (the “Series F Warrants”). The Series F Debentures are convertible, at the option of the holder, into common shares at a deemed price of \$0.33 per share. The Series F Debentures become due and payable 90 days after issuance.

All interest on the Series F Debentures is payable in common shares of the Company on the earlier of the maturity of the debentures or upon conversion of the Series F Debentures. The number of such shares to be issued will be calculated using the weighted average closing price of the Company’s common shares for the 21 days prior to issuance.

Each Series F Warrant entitles the holder to purchase one common share at the price of \$0.33 for a period of two years after issuance.



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The securities issued to Pender in connection with the Financing are subject to a hold period which will expire on June 23, 2006 and accordingly such securities will become free-trading on June 24, 2006.

The Company intends to use the proceeds from the Financing for general working capital and execution of the 2006 business plan of the Company.

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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 24 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.

For further information about Municipal Software and CityView, please contact Iain McLean, CEO, at 1-800-665-5647 ext 243 or IMclean@MunicipalSoftware.com. To learn more, visit www.MunicipalSoftware.com.

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.