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NEWS RELEASE

FOR IMMEDIATE RELEASE

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Pender Growth Fund Invests Additional \$200,000 in Municipal Solutions Group

VANCOUVER, BC September 26, 2005 – PenderFund Capital Management Ltd. (“PenderFund Capital”), the manager of Pender Growth Fund (VCC) Inc. (the “Fund”), announces that the Fund has acquired ownership and control of \$200,000 principal amount of 12% convertible secured debentures (the “**Series D Debentures**”) of Municipal Solutions Group, Inc. (“**Municipal**”) (TSX Venture: MSZ) and 357,142 common share purchase warrants (the “**Warrants**”) of Municipal in a private placement. The Series D Debentures are convertible over their six month term into an equivalent principal amount of 6% convertible secured debentures (the “**Series E Debentures**”) of Municipal. The principal amount owed under the Series E Debentures is convertible over their 12 month term into common shares of the Issuer (the “**Conversion Shares**”) at \$0.56 per common share.

“We are very pleased to support the ongoing restructuring and growth of Municipal Solutions,” said David Roberts, President of PenderFund Capital. “We have been involved with the Company since earlier this year and we believe that there is significant opportunity to grow Municipal.”

“This additional financing shows a continuation of support of the Company, underlining the progress that Municipal Solutions is making, and a backing of the underlying approach being used by the Company,” added Iain McLean, Chief Executive Officer of Municipal.

Municipal currently has 4,367,603 common shares outstanding and the 774,284 common shares of Municipal which could be issued to the Fund in respect of the Series D Debentures, Warrants and Series E Debentures, would, upon issue, represent approximately 15% of the outstanding shares of Municipal.

For the purposes of this news release, the Fund beneficially owns or is deemed to beneficially own the following common shares of Municipal:

Municipal Security Held Today	Security Issuable on Conversion of Security Held Today	Municipal Shares Issuable	Aggregate Municipal Shareholding	Aggregate Percentage of Municipal Shares
Held Prior to Acquisition of Series D Debentures and Warrants				
Common Shares	-	-	125,000	2.9%
Share Purchase Warrants	Common Shares	125,000	250,000	5.6%
Series B Warrants	Common Shares	281,250	531,250	11.1%
Series C Warrants	Common Shares	281,250	812,500	
Series B Debentures	Series C Debentures	-	812,500	16.1%
Series C Debentures	Common Shares	401,786	1,214,286	22.3%

Series A Warrants	Common Shares	1,125,000	2,339,286	35.5%
Series A Debentures	Common Shares	1,607,143	3,946,429	48.2%
	Common Shares issued as payment of interest on Series A, B and C Debentures	270,000	4,216,429	49.8%
<u>Acquired in Transaction Being Reported</u>				
Series D Debentures	Series E Debentures	-	4,216,429	49.8%
Warrants	Common Shares	357,142	4,573,571	51.9%
Series E Debentures	Common Shares	357,142	4,930,713	53.8%
	Common Shares issued as payment of interest on Series D and E Debentures	60,000	4,990,713	54.1%

The conversion price of the A, B, and C Debentures in the above table is \$0.56 per share, the minimum conversion price under the Debentures. The calculations of the interest payable in the above table was prepared assuming the issue price is \$0.40 per share and the Debentures will be outstanding for their full term. (The issue price for shares issued to pay interest will be calculated using an average share price at the time of payment.)

For further details on the Series A, B and C Debentures and Warrants, please see the Fund's previous early warning report, which may be viewed under Municipal's documents at www.sedar.com and was filed on March 9, 2005.

It is the Fund's intention to evaluate its investment in the Issuer and to increase its shareholdings as it may determine for investment purposes, including by way of the conversion of the outstanding Series D Debentures into Series E Debentures.

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 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 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 has approximately \$16 million of assets under management.

PenderFund Capital Management Ltd. is the manager of Pender NDI Life Sciences Fund (VCC) Inc. and Pender Growth Fund (VCC) Inc. PenderFund Capital and its parent company, Pender Financial Group Corp. (TSX-V: PDF), together have approximately \$30 million of assets under management.

Contact

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On behalf of the Board of Directors of
PenderFund Capital Management Ltd.

“David J. Roberts”
David J. Roberts, President & CEO

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.