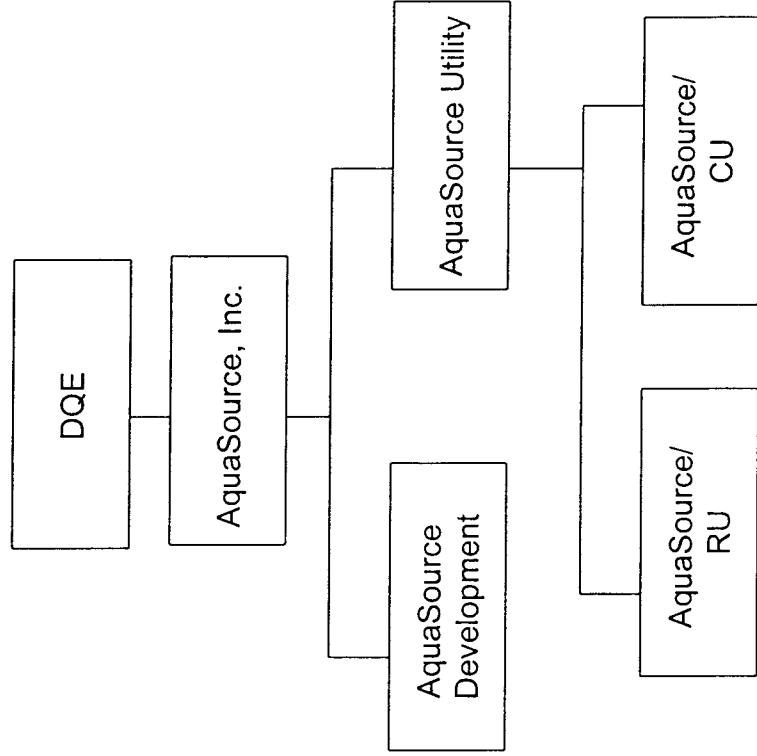
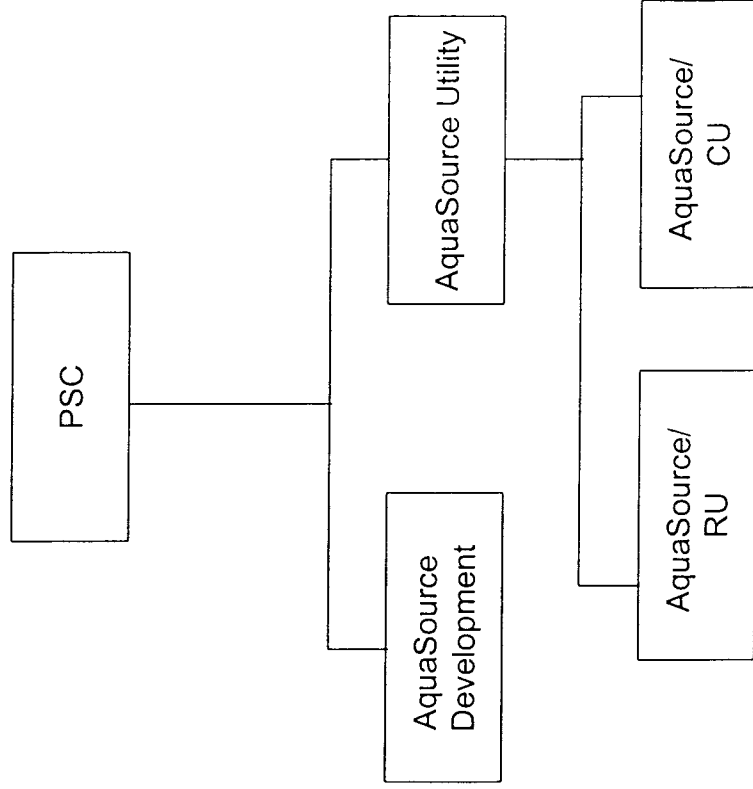


PRE-ACQUISITION



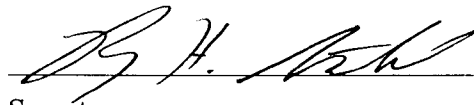
POST-ACQUISITION



**PHILADELPHIA SUBURBAN CORPORATION
SECRETARY'S CERTIFICATE**

The undersigned, the duly elected, qualified and acting Secretary of Philadelphia Suburban Corporation a Pennsylvania Corporation (the "Company"), does hereby certify that the resolution of the Executive Committee of the Board of Directors, in connection with the acquisition of the AquaSource, Inc., a Delaware corporation, attached hereto as Exhibit A is a true and correct copy of the resolution duly adopted by the Executive Committee of the Board of Directors of the Company on July 23, 2002, and that such resolution remains in full force and effect.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the seal of the Company this 25th day of September of 2002.



Secretary

(Corporate Seal)

**RESOLUTIONS OF THE EXECUTIVE COMMITTEE
OF THE BOARD OF DIRECTORS**

OF

PHILADELPHIA SUBURBAN CORPORATION

July 23, 2002

WHEREAS, on June 19, 2002, Philadelphia Suburban Corporation ("PSC") submitted a non-binding proposal to acquire a portion of the subsidiaries and assets (the "Acquisition") of AquaSource, Inc., a Delaware corporation ("AquaSource") and a wholly-owned subsidiary of DQE, Inc. ("DQE");

WHEREAS, on July 22, 2002, after several weeks of negotiations, PSC submitted to AquaSource a revised Purchase Agreement (the "Purchase Agreement") by and among PSC, AS Acquisition Corporation, a Pennsylvania corporation and a wholly-owned subsidiary of PSC ("Acquisition Subsidiary"), DQE, and AquaSource pursuant to which: (1) PSC would acquire the stock of the following three AquaSource subsidiaries: (i) AquaSource Utility, Inc., a Texas corporation, (ii) AquaSource Development Company, a Texas corporation, and (iii) The Reynolds Group, Inc., an Indiana corporation; and (2) Acquisition Subsidiary would acquire certain contracts of AquaSource or its subsidiaries;

WHEREAS, on July 25, 2002, the DQE Board of Directors will meet to determine the successful bidder for AquaSource; and

WHEREAS, if PSC is selected as the successful bidder for the Acquisition with AquaSource, the Executive Committee will deem it advisable and in the best interests of PSC, its shareholders, and other constituencies, that PSC form Acquisition Subsidiary and consummate the Acquisition in accordance with the terms and subject to the conditions as set forth in these resolutions and in the Purchase Agreement;

NOW, THEREFORE, be it and it hereby is resolved as follows:

1. **Authorization and Approval of the Purchase Agreement.**

RESOLVED, that, subject to the following condition, the Executive Committee does hereby authorize and approve any and all actions necessary or useful for PSC to enter into that certain Purchase Agreement, and to consummate the Acquisition, and such actions hereby are, in all respects, ratified, authorized and approved:

- (i) AquaSource has accepted substantially all of PSC's proposed revisions to the Purchase Agreement in the form as was submitted to AquaSource on July 22, 2002 with such further changes as shall be agreed to by the Chairman and Chief Executive Officer of PSC with the advise of counsel.

2. **Formation of Acquisition Subsidiary**

RESOLVED, that the Executive Committee does hereby authorize and approve any and all actions necessary or useful to cause Acquisition Subsidiary to be formed for the purposes of acquiring certain contracts of AquaSource, and all such actions that have been, or will be taken by the Executive Committee in order to form Acquisition Subsidiary and to enter into the Purchase Agreement and to consummate the Acquisition be, and such actions hereby are, in all respects, ratified, authorized and approved;

FURTHER RESOLVED, that the Executive Committee does hereby authorize and approve any and all actions necessary or useful to cause PSC, as the sole shareholder of Acquisition Subsidiary, to cause Acquisition Subsidiary to enter into the Purchase Agreement and to consummate the Acquisition, and such actions hereby are, in all respects, ratified, authorized and approved;

3. **Recommendation and Approval of the Acquisition**

RESOLVED, that the Executive Committee does hereby recommend, authorize and approve, subject to the above-referenced conditions, any and all actions necessary or useful to cause PSC, as the sole shareholder of Acquisition Subsidiary, to cause PSC and Acquisition Subsidiary to acquire AquaSource, and such actions hereby are, in all respects, ratified, authorized and approved subject to the above-referenced conditions;

4. **General Authorization and Approval**

RESOLVED, that all of the officers of PSC be, and each of them hereby is, authorized, empowered and directed, on behalf of PSC to make, execute, perform, acknowledge, verify, issue and deliver all such applications, agreements, documents, instruments and certificates, and to do or cause to be done all such acts and things, and take all such steps and other action or actions, and to make all such payments and remittances, as may in each case be approved by such officer or officers taking such action or actions as necessary, appropriate or advisable in order to effectuate the full intent and purposes of any or all of the preceding resolutions (such approval to be conclusively evidenced by the taking of such action or actions by any officer or officers of PSC);

FURTHER RESOLVED, that any and all actions heretofore taken by any officer of PSC or any person or persons in connection with any transaction or objectives approved in any or all of the foregoing resolutions, and all transactions related thereto, are hereby authorized, adopted, approved, ratified and confirmed in all respects; and any and all actions to be taken by such officer or person or persons in furtherance of the objectives of the preceding resolutions are hereby authorized, adopted, approved, ratified and confirmed in all respects; and

FURTHER RESOLVED, that each of the officers of PSC be, and each of them hereby is, authorized to certify and deliver to any person to whom such certification and delivery may be deemed necessary and desirable in the opinion of such officer, a true and correct copy of the foregoing resolutions.

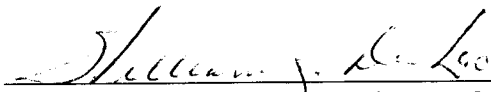
DQE, INC.

Certificate of the Secretary

The undersigned, William J. DeLeo, does hereby certify that he is the Vice President - Corporate Compliance and Corporate Secretary of DQE, Inc., a Pennsylvania corporation ("Company"), and does hereby further certify that attached hereto is:

1) a true and correct copy of an excerpt from the Minutes of a meeting of the Board of Directors of DQE duly called and held on July 25, 2002, at which meeting a quorum was present and acting throughout, and none of the corporate action reported in said excerpt has been modified or rescinded.

WITNESS the due execution hereof this 19 day of September 2002.



William J. DeLeo, Vice President - Corporate
Compliance and Corporate Secretary

**Excerpt from the Minutes
of a Meeting of the Board of Directors
of DQE, Inc.
held on July 25, 2002**

5. AquaSource Divestiture Update

Mr. Hoffmann reviewed the AquaSource divestiture, including key water industry benchmark ratios; the status of the divestiture process; a valuation analysis comparing the "anchor tenant" scenario to the "whole company" scenario; a profile of Philadelphia Suburban Corporation; a summary of Philadelphia Suburban Corporation's bid; a purchase price ratio analysis; and the recommended next steps. The Board engaged in full discussion and Mr. Hoffmann answered questions throughout. Thereafter, on motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the proposed transaction with Philadelphia Suburban Corporation and one of its affiliates to purchase from AquaSource, Inc. its first tier subsidiaries AquaSource Utility, Inc., AquaSource Development Company and The Reynolds Group, as well as certain additional assets and liabilities integrated with the business and/or operations of such first tier subsidiaries, but excluding certain other assets and liabilities, all as described in a Purchase Agreement by and among AquaSource, Inc. and DQE, Inc., on the one hand, and Philadelphia Suburban Corporation and AS Acquisition Corporation, on the other hand, in the form presented or described to the Board of Directors (the "Purchase Agreement"), be and is hereby approved.

FURTHER RESOLVED, that one or more appropriate officers of DQE, Inc. (each, an "Authorized Officer"), or any of them, be and is hereby authorized and directed to execute and deliver, in the name and on behalf of DQE, Inc., the Purchase Agreement with such modifications thereto as such Authorized Officer deems necessary or proper; to execute, deliver and file, in the name and on behalf of DQE, Inc., any and all other agreements, instruments and documents contemplated by the Purchase Agreement or that such Authorized Officer deems necessary or proper in connection with the execution of said Purchase Agreement or the consummation of the transactions contemplated thereby; and to take any and all other actions that such Authorized Officer deems necessary or proper in order to carry out the intent of the foregoing resolutions.

FURTHER RESOLVED, that all actions heretofore taken by any Authorized Officer with respect to the foregoing are hereby confirmed, ratified and approved in all respects.

FURTHER RESOLVED, that the Board of Directors hereby delegates to the Finance Committee all authority of the Board of Directors with respect to the oversight, review and final approval of the disposition of the balance of those assets of AquaSource, Inc. and its subsidiaries which are not contemplated to be sold to Philadelphia Suburban Corporation or one of its affiliates pursuant to the Purchase Agreement in one or more additional transactions with one or more additional purchasers in such transactions and pursuant to such definitive agreements as the Finance Committee deems necessary or proper.

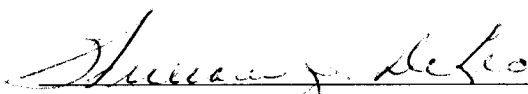
AquaSource, Inc.

Certificate of the Secretary

The undersigned, William J. DeLeo, does hereby certify that he is the Corporate Secretary of AquaSource, Inc., a Delaware corporation, and does hereby further certify that attached hereto is:

1) a true and correct copy of the Unanimous Consent of Class A Common Stockholders of AquaSource, Inc. duly executed on July 27, 2002, and none of the corporate action reported in said consent has been modified or rescinded.

WITNESS the due execution hereof this 23 day of September 2002.



William J. DeLeo, Corporate Secretary

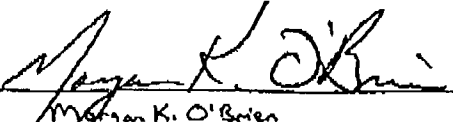
**UNANIMOUS WRITTEN CONSENT
OF CLASS A COMMON STOCKHOLDERS
OF AQUASOURCE, INC.**

The undersigned, being the holders of all of the outstanding shares of Class A Common Stock of AquaSource, Inc. (the "Company"), a Delaware corporation, adopt the following resolution by unanimous consent in writing, as permitted by Section 228 of the Delaware General Corporation Law, with the same force and effect as though such resolution had been adopted at a duly convened meeting of the Company's stockholders as of the date hereof:

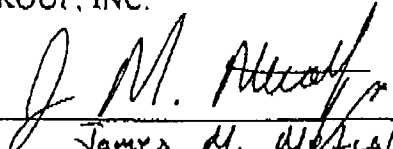
RESOLVED, That the proposed transaction with Philadelphia Suburban Corporation and one of its affiliates to purchase from the Company its first tier subsidiaries AquaSource Utility, Inc., AquaSource Development Company and The Reynolds Group, as well as certain additional assets and liabilities integrated with the business and/or operations of such first tier subsidiaries, but excluding certain other assets and liabilities, all as described in a Purchase Agreement by and among the Company and DQE, Inc., on the one hand, and Philadelphia Suburban Corporation and AS Acquisition Corporation, on the other hand, in the form presented or described to the undersigned shareholders of the Company (the "Purchase Agreement"), be and is hereby approved, consented to and adopted.

WITNESS the due execution hereof as of the 27 day of July 2002.

DQE, INC.

By: 
Name: Morgan K. O'Brien
Title: President and Chief Executive Officer

LBI GROUP, INC.

By: 
Name: James M. DeMatteis
Title: Managing Director


AquaSource, Inc.

Certificate of the Secretary

The undersigned, William J. DeLeo, does hereby certify that he is the Corporate Secretary of AquaSource, Inc., a Delaware corporation, and does hereby further certify that attached hereto is:

1) a true and correct copy of the Minutes of a special meeting of the Board of Directors of AquaSource, Inc. duly called and held on July 26, 2002, at which meeting a quorum was present and acting throughout, and none of the corporate action reported in said minutes has been modified or rescinded.

WITNESS the due execution hereof this 19 day of September 2002.



William J. DeLeo, Corporate Secretary

AQUASOURCE, INC.

Minutes of a Special Meeting of the Board of Directors Held on July 26, 2002

A special meeting of the Board of Directors of AquaSource, Inc. (the "Company") was held at 411 Seventh Avenue, Pittsburgh, PA 15219 on Friday, July 26, 2002, at 2:30 p.m.

Present: Morgan K. O'Brien, Frank A. Hoffmann, and Alexis Tsaggaris. Mr. Tsaggaris participated by conference telephone, through which he could hear and be heard by all other participants. Absent: Victor A. Roque.

Also present were David R. High, Vice President and General Counsel of DQE, Inc., and Douglas L. Rabuzzi, Assistant General Counsel—Corporate and Securities of Duquesne Light Company.

The meeting was called to order by Mr. O'Brien.

Mr. Rabuzzi acted as Secretary of the meeting.

Approval of the Sale of AquaSource

The board reviewed the terms of the proposed sale of certain assets of the Company. After full discussion, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the proposed transaction with Philadelphia Suburban Corporation and one of its affiliates to purchase from the Company its first tier subsidiaries AquaSource Utility, Inc., AquaSource Development Company and The Reynolds Group, as well as certain additional assets and liabilities integrated with the business and/or operations of such first tier subsidiaries, but excluding certain other assets and liabilities, all as described in a Purchase Agreement by and among the Company and DQE, Inc., on the one hand, and Philadelphia Suburban Corporation and AS Acquisition Corporation, on the other hand, in the form presented or described to the Board of Directors (the "Purchase Agreement"), be and is hereby approved.

FURTHER RESOLVED, that one or more appropriate officers of the Company (each, an "Authorized Officer"), or any of them, be and is hereby authorized and directed to execute and deliver, in the name and on behalf of the Company, the Purchase Agreement with such modifications thereto as such Authorized Officer deems necessary or proper, and to execute, deliver and file, in the name and on behalf of the Company, any and all other agreements, instruments and documents contemplated by the Purchase Agreement or that such Authorized

Officer deems necessary or proper in connection with the execution of said Purchase Agreement or the consummation of the transactions contemplated thereby.

FURTHER RESOLVED, that each Authorized Officer, or any of them, be and is hereby authorized and directed to dispose of the balance of those assets of the Company which are not contemplated to be sold to Philadelphia Suburban Corporation or one of its affiliates pursuant to the Purchase Agreement in one or more additional transactions with one or more additional purchasers in such transactions and pursuant to such definitive agreements as such Authorized Officer deems necessary or proper, after consultation with and subject to oversight and final approval of the Finance Committee of the Board of Directors of DQE, Inc.

FURTHER RESOLVED, that each Authorized Officer, or any of them, be and hereby is authorized and directed to consummate, in the name and on behalf of the Company, all of the transactions contemplated by the Purchase Agreement, including, without limitation, (i) executing, delivering and filing, in the name and on behalf of the Company, any and all other agreements, instruments and documents contemplated by, or necessary to consummate the transactions contemplated by, the Purchase Agreement, as such Authorized Officer deems necessary or proper, with such changes to any such agreements, instruments and documents as such Authorized Officer deems necessary or proper, and the execution thereof shall be conclusive evidence of approval thereof by such Authorized Officer and the Board of Directors, (ii) performing, in the name and on behalf of the Company, such other acts as such Authorized Officer may deem to be necessary or proper in order to carry out the intent of the foregoing resolutions, and (iii) paying all such costs and expenses as such Authorized Officer may deem to be necessary or proper in order to carry out the intent of the foregoing resolutions.

FURTHER RESOLVED, that all actions heretofore taken by any Authorized Officer with respect to the foregoing are hereby confirmed, ratified and approved in all respects.

There being no further business, the meeting concluded at 2:40 p.m.


Acting Secretary