

(13) setting forth in reasonable detail the gross operating expenses incident to the operation of such property acquired or to be simultaneously acquired, subject to the lien of any underlying mortgage, during the period covered by the aforesaid statement in respect of gross earnings of such property, including proper administrative and overhead expense, all taxes (other than income taxes levied under any present or future state or federal law), insurance, rentals, actual expenditures and charges made for the maintenance and repair of such property and reasonable and proper depreciation charges;

(14) setting forth the net amount remaining after deducting from the gross earnings set forth under division (12) above, the gross operating expenses set forth in division (13) above, such net amount being sometimes herein referred to as the 'net underlying earnings';

(15) setting forth the annual aggregate interest charge on all underlying bonds secured by any underlying mortgage on the property from which the net underlying earnings set forth in division (14) above were derived, such amount being sometimes herein referred to as the 'annual underlying bond interest charge';

(16) stating that no default exists in respect of any of the covenants, agreements or provisions of this indenture or any underlying mortgage;

(f) If in the pertinent certificate responsive to subparagraph (e) of this section there be set forth the acquisition of any property as an entirety or substantially as an entirety, a certificate of an engineer setting forth the fair value of such property in the opinion of such engineer after deduction of proper depreciation and elimination of any portion of such property not at the time useful in the business of providing telephone service, and stating that in the opinion of such engineer the acquisition of such property is desirable from the standpoint of the Company and of the holders of the bonds issued hereunder;

(g) An opinion of counsel to the effect that good and valid title to the physical property additions mentioned in the pertinent certificate responsive to subparagraph (e) of this section has been vested in the Company, and that this indenture has been constituted a first and valid lien thereon subject only to the liens and charges set forth in such certificate, and to any other lien or charge in such opinion described in reasonable detail and that in the opinion of such counsel such liens (excepting, however, underlying mortgages) do not, within the purview of the provisions of this indenture, materially impair the lien hereof on such property for the security of the bonds issued hereunder, including those authentication whereof is then applied for;

(h) A receipt or other evidence responsive to subparagraph (g) of section 4.01 hereof, or in the alternative an opinion of counsel responsive to the said subparagraph;

(i) An indenture supplemental hereto specifically subjecting the physical property additions mentioned in the pertinent certificate responsive to subparagraph (e) of this section to the lien hereof, or in the alternative an opinion of counsel to the effect that such properties are subject to the lien hereof without any such indenture; authenticate and deliver the same to or upon the order of the president of the Company, if,

(A) It shall appear by the pertinent certificate responsive to subparagraph (e) of this section that the net earnings of the Company for the period covered by such certificate were not less than one and three-fourths ($1\frac{3}{4}$) times the annual bond interest charge;

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(B) The aggregate principal amount of bonds authentication whereof is applied for is