

estate (including gas and/or oil leases, mineral rights and interests and royalties in such leases or rights) acquired by the Company for sub-station, measuring station, regulating station, gathering line, gas transportation line, telephone or telegraph line, or right of way purposes or for gas or oil drilling or production purposes;

(5) Rights granted or created by the Company under the provisions of Paragraph E of Section 40.

G. "*Gross Bondable Additions*" shall mean the amount of certified Property Additions which have not previously become Bonded Property and which are not subject to any lien, charge or encumbrance prior to the lien of this Indenture, except Prepaid Liens and Permitted Encumbrances, and except easements and similar encumbrances which do not materially impair the use of such property in the operation of the business of the Company.

H. "*Retirements*" shall mean (a) all Bonded Property, other than Production Property, which, since October 31, 1938, (or prior thereto, as regards any of the Trust Estate owned by the Company on October 31, 1938) shall have been worn out, abandoned or destroyed, or released from the lien of this Indenture or taken by eminent domain, or purchased by any public authority pursuant to the right reserved to or vested in it by any license or franchise, or otherwise disposed of by the Company, or permanently retired from service for any reason, whether or not renewed or replaced, and (b) all Bonded Property, except Production Property and land owned in fee simple, which at the time has permanently ceased to be used or useful in the business of the Company, and whether or not the cost of any such property shall have been written off or eliminated from the books of the Company, *except* that, when a minor item of property has been replaced by other property of equal value and efficiency and the cost of such replacement has been charged to maintenance, repairs or other similar account, the property replaced shall not be considered as a Retirement. The "*amount*" of all Retirements shall be computed as follows: