

**MOISTURE
CONTENT
&
INSPECTION
PROVISIONS**

4.0 MOISTURE CONTENT

4.1 DRY

Lumber is 19% or less. When grade stamped, the item will be marked "S-Dry" or it may be marked KD (Kiln Dry). Air dried lumber may not be stamped KD.

2

4.2 MC-15 OR WHEN KILN DRIED TO KD 15

Lumber is 15% or less. When grade stamped, the item will be marked MC-15 or KD-15.

4.3 UNSEASONED

Lumber having a moisture content in excess of 19%. When grade stamped, the item will be marked S-GRN. If unseasoned lumber is produced to a size smaller than the standard size, the grade stamp will show the actual size and the notation S-GRN.

4.4 DRY SHOP STOCK 4/4 TO 8/4 THICK

At least 85 percent of items must not exceed 12% in moisture content and no portion may exceed 15% moisture content. If gradestamped, these items shall be stamped either, MC 15 or KD 15.

4.5 HEAT TREATED LUMBER

Heat treated lumber may be marked as KD HT or HT. If marked KD HT, the lumber is 19% or less moisture content and has been heat treated to at least 56 degrees C for at least 30 minutes at the lumber core. A mark of HT signifies that the lumber has been heat treated to at least 56 degrees C for at least 30 minutes at the lumber core, without moisture content designation.

5.0 INSPECTION PROVISIONS

5.1 GENERAL

2 Subject to freedom of agreement between buyer and seller as to the settlement of complaints, the purchase, sale, or shipment of standard Northeastern grades of lumber is construed as involving agreement to submit to reinspection by the Northeastern Lumber Manufacturers Association, Inc., any complaint involving grades, sizes, moisture content or tally. NELMA will provide reinspection in case of complaint to anyone at a reasonable cost.

5.2 PAYMENT — CERTIFICATION COST

When NELMA issues a certificate on a shipment, the party requesting the certificate shall pay all costs involved.

5.3 SERVICE

Inspection service for non-standard grades, sizes or workings, or when particular provisions of a standard grade have been waived or changed, will be made only when written, detailed specifications accompany the request. Inspection shall be made accordingly, but all other provisions of the standard grading rules shall apply unless otherwise prescribed in the contract of purchase and sale.

5.4 COMPLAINTS

Grade complaints may be recognized on lumber only when it is in the form in which it was shipped. Any subsequent change in manufacture or working or through kiln-drying will relieve the seller of responsibility of any grade complaints.

5.4.1 Tally, Grade, and Size

In case of complaint involving tally, the entire item shall be held intact for retally. In case of complaint

regarding grade or size, but not involving tally, the buyer is required to hold intact that portion that is of the grade or size which is in dispute for inspection and file complaint with the seller within 10 days of receipt of shipment.

5.4.2 Moisture Content

2

In case of complaint involving moisture content, the customer must inform the shipper of the complaint within 72 hours after the lumber is unloaded. In such cases, the shipper shall answer such complaint within 72 hours from receipt of complaint. A reinspection involving a complaint on moisture content shall be made in accordance with the provisions of the applicable NELMA grading rule. Each piece shall be tested for moisture content, and separation shall be made of all pieces conforming to the maximum allowable from any portion exceeding such maximum.

5.5 PROCEDURES

5.5.1 Buyer's Responsibilities

In case of complaint, the buyer is required to accept the portion of the shipment that is of the grade, size, or moisture content specified and hold intact that portion which is disputed for inspection or reinspection. Any action on the part of the buyer in accepting and using such portion of the shipment that is of the grade, size, or moisture content specified shall not be construed as the acceptance of the entire shipment. The buyer shall hold the disputed material intact, properly protected, for not exceeding 30 days after date of the request for inspection or reinspection. The buyer shall file complaint with the seller within the time specified in the preceding provisions. The buyer shall pay in accordance with the terms of the sale for that portion which he accepts, but acceptance by the buyer of a part of a shipment does not prejudice his just claims on account of any unused lumber that is alleged by him not to be of the grade, size or moisture content specified.

The above provision shall not apply to wrapped or strapped units. In such cases, reinspection for grade will be permitted if request is filed within 90 days after receipt of shipment. The reinspection shall be made only on grade characteristics which are not altered by time. Such characteristics may be knots, knot size and placement, skips, manufacture, pitch and like characteristics. No recognition will be given to warp, splits, stain, fungus and other characteristics which might develop subsequent to arrival at the destination.

5.5.2 Seller’s Responsibilities

Upon receipt of complaint from the purchaser, the seller shall immediately request NELMA to provide inspection or reinspection or retally, as the case may be, according to its grading rules in effect at the time of the execution of the contract.

5.5.3 Cost and Assistance

The expense of such inspection, reinspection, or retally may be divided between buyer and seller, or borne by either according to mutual agreement, but the person calling for the reinspection shall be responsible to NELMA for the costs thereof. The purchaser shall lend all reasonable assistance to facilitate the inspection or reinspection or retally. Seller shall not be responsible for storage costs.

5.6 RESULTS

Each item of a shipment shall be considered as of the grade invoiced if, upon Association reinspection, under the grading rules under which the lumber has been graded and sold, 95 percent or more thereof is found to be of said grade or better. When the degrades in grade or moisture content or both are in excess of 5 percent of the board footage of each item or when they are more than one grade lower than the grade involved, such degrades shall be kept separate and shall be the property of the seller, unless otherwise agreed. These provisions shall not apply in the case of specially worked lumber.

2

2-1