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PLEASE VERIFY BEFORE SENDING

Unverified AI draft. Every fact must be checked against the records before use. It is not legal advice. Fill in every [ADD: …] placeholder, set the demand amount, confirm anything marked [VERIFY], and delete this box before sending.

- The payment history's running "Balance" column does not reconcile (December shows $3,118.75, then January through March each show $5,118.75). I left it out of the table. The totals ($17,500.00 rent, $1,218.75 late charges, $18,718.75 combined) are copied as read and must be checked against the line items, ideally with a corrected ledger from the client.
- I assumed the $2,000.00 check paid December 22, 2025 was applied to December rent and that no late charge has been paid. Confirm how the client applied it.
- All figures are as of March 9, 2026, the print date. Update them to the letter date, including whether April 1, 2026 rent has come due. The remaining-rent figure ($121,875.00, 25 payments) is as read and its total must be checked.
- The draft reserves acceleration under Section 15(i) but does not declare it. The firm notes ask only for arrears, late charges and insurance, or return of the equipment. Confirm that approach.
- Unit 1's location in Nebraska rests on the lessee's yard foreman's statement in the February 12, 2026 site report. The inspector did not see the unit there, though the February 16 email says he "found" it in Nebraska. The draft attributes the statement to the foreman. The firm notes give no specific demand on the Unit 1 relocation.
- Insurance: the cancellation notice shows cancellation effective January 15, 2026. The draft says no certificate has been received as of March 9, 2026. Confirm the client has received nothing since then. The only certificate request in the file is the January 20, 2026 email.
- Only a one-page lease excerpt was provided. Check the full lease for cure periods, notice terms, repossession provisions, fee terms and any true-lease or security-interest language.
- Missing details: the Ellsworth yard street address (the lease gives only the lessor's address, 1640 Grainline Road, Ellsworth Mills), ZIP codes, Mr. Ruland's notice address, the delivery method (Section 18 allows certified mail or courier), the demand amount and the response deadline.
- Iowa items are marked [VERIFY], including the UCC lessor remedies, true lease versus security interest, acceleration and present value, late charges, attorney fees and guarantor enforcement. No statute numbers are cited.

Thorsen Kincaid LLP
[ADD: firm street address]
[ADD: city, state ZIP]
[ADD: phone] · [ADD: email]

[ADD: date]

VIA [ADD: certified mail or courier, per Lease Section 18]

Cedar Bend Excavating Inc.
Attn: [ADD: officer or registered agent name]
92 Quarry Hill Lane
Cedar Bend, Iowa [ADD: ZIP]

Mitchell Ruland, Guarantor
[ADD: street address]
[ADD: city, state ZIP]

Re: Notice of Default and Demand. Master Equipment Lease Agreement No. PH-2291, Schedule No. 1. Lessor: Prairie Hawk Equipment Leasing LLC. Lessee: Cedar Bend Excavating Inc. Guarantor: Mitchell Ruland

Dear Cedar Bend Excavating Inc. and Mitchell Ruland:

Introduction

We represent Prairie Hawk Equipment Leasing LLC ("Prairie Hawk") [firm notes]. Prairie Hawk is the lessor under Master Equipment Lease Agreement No. PH-2291 dated April 1, 2024 (the "Lease") and Schedule No. 1 dated April 1, 2024 (the "Schedule"). The lessee is Cedar Bend Excavating Inc. ("Cedar Bend") [master_lease_and_schedule.pdf p.1]. Mitchell Ruland signed a guaranty of Cedar Bend's obligations on April 1, 2024 [master_lease_and_schedule.pdf p.1].

This letter is a notice of default under the Lease and a demand directed to Cedar Bend and to Mr. Ruland as guarantor.

The lease

The Lease and Schedule provide, in relevant part:

- **Equipment.** The Schedule covers three units: Unit 1, a hydraulic excavator, model HX-220, serial no. HX220-55817. Unit 2, a hydraulic excavator, model HX-180, serial no. HX180-40236. Unit 3, a compact skid steer loader, model SL-75, serial no. SL75-91104 [master_lease_and_schedule.pdf p.1].
- **Term and rent.** The term runs May 1, 2024 through April 30, 2028, with monthly rent of $4,875.00 [master_lease_and_schedule.pdf p.1]. Under Section 3, rent is payable on the first of each month [master_lease_and_schedule.pdf p.1].
- **Late charge.** Under Section 4, any payment not received by its due date bears a late charge of 5% of the late amount [master_lease_and_schedule.pdf p.1].

- **Location.** Under Section 7, Cedar Bend must keep the equipment at the location stated in the Schedule, Cedar Bend's yard at 92 Quarry Hill Lane, Cedar Bend, Iowa. It may not move the equipment outside Iowa without Prairie Hawk's prior written consent [master_lease_and_schedule.pdf p.1].
- **Insurance.** Under Section 9, Cedar Bend must keep physical damage insurance on the equipment for its full replacement value, naming Prairie Hawk as loss payee, and must deliver certificates on request [master_lease_and_schedule.pdf p.1].
- **Events of default.** Section 14 lists (a) failure to pay any rent when due, (b) failure to keep required insurance, and (c) moving the equipment in breach of Section 7 [master_lease_and_schedule.pdf p.1].
- **Remedies.** Under Section 15, on an event of default Prairie Hawk may (i) declare all unpaid rent for the full term due at once, (ii) require Cedar Bend to return the equipment to Prairie Hawk's yard at Cedar Bend's cost, and (iii) recover reasonable attorney fees and costs. Acceptance of a partial payment is not a waiver of any default [master_lease_and_schedule.pdf p.1].
- **Notices and governing law.** Section 18 provides for notice to the addresses stated in the Lease by certified mail or courier. Section 20 provides that Iowa law governs [master_lease_and_schedule.pdf p.1].
- **Guaranty.** Mr. Ruland "unconditionally guarantees payment and performance of all of Lessee's obligations under the Master Lease and every Schedule" [master_lease_and_schedule.pdf p.1].

The default

Missed and late payments. Prairie Hawk's payment history for the Lease shows the following [payment_history.pdf p.1]:

Due date	Rent due	Paid	Late charge	Source
November 1, 2025	$4,875.00	$4,875.00 on November 18, 2025	$243.75	[payment_history.pdf p.1]
December 1, 2025	$4,875.00	$2,000.00 on December 22, 2025	$243.75	[payment_history.pdf p.1]
January 1, 2026	$4,875.00	$0.00	$243.75	[payment_history.pdf p.1]
February 1, 2026	$4,875.00	$0.00	$243.75	[payment_history.pdf p.1]
March 1, 2026	$4,875.00	$0.00	$243.75	[payment_history.pdf p.1]

- Total past-due rent (as read from the payment history): $17,500.00 [payment_history.pdf p.1]
- Total late charges (as read from the payment history): $1,218.75 [payment_history.pdf p.1]
- **Total past due (as read from the payment history): $18,718.75** [payment_history.pdf p.1]

These figures are as of March 9, 2026. Additional rent and late charges continue to accrue under the Lease. Cedar Bend's last payment was $2,000.00 on December 22, 2025 (check no. 7745) [payment_history.pdf p.1]. Prairie Hawk mailed late notices on November 6, 2025, December 8, 2025, January 7, 2026, February 6, 2026 and March 5, 2026 [payment_history.pdf p.1]. No charge has been disputed, and Prairie Hawk has not agreed to any deferral or payment plan [payment_history.pdf p.1].

In an email dated January 23, 2026, Mr. Ruland wrote that Cedar Bend was "waiting on a large payment from a general contractor" and would "catch up in February" [insurance_and_location_notices.pdf p.1]. Prairie Hawk has received no payment since the December 22, 2025 payment [payment_history.pdf p.1] [insurance_and_location_notices.pdf p.1].

Lapse of insurance. Heartland Mutual Contractors Insurance issued a notice of cancellation dated January 2, 2026. It states that Cedar Bend's inland marine (contractors equipment) policy, on which Prairie Hawk is the loss payee, was cancelled for non-payment of premium effective January 15, 2026 [insurance_and_location_notices.pdf p.1]. On January 20, 2026, Prairie Hawk asked Mr. Ruland in writing to send a new insurance certificate [insurance_and_location_notices.pdf p.1]. On January 23, 2026, he replied that he would "have the insurance back on next week" [insurance_and_location_notices.pdf p.1]. Prairie Hawk has received no insurance certificate as of March 9, 2026 [insurance_and_location_notices.pdf p.1]. Failure to keep required insurance is an event of default under Section 14(b).

Unit 1 outside Iowa. On February 12, 2026, Prairie Hawk's inspector, Wade Brandt, saw Units 2 and 3 at Cedar Bend's yard but did not find Unit 1 (HX-220, serial HX220-55817) there. Cedar Bend's yard foreman told him that Unit 1 had been working on a pipeline job near Platte Fork, Nebraska since early January [insurance_and_location_notices.pdf p.1]. Prairie Hawk's file contains no written consent to move Unit 1 [insurance_and_location_notices.pdf p.1]. On February 16, 2026, Prairie Hawk wrote to Mr. Ruland that no consent had been requested [insurance_and_location_notices.pdf p.1]. Moving the equipment in breach of Section 7 is an event of default under Section 14(c).

Acceleration and remedies

Cedar Bend is in default under Section 14(a), (b) and (c) of the Lease. Under Section 15, Prairie Hawk may declare all unpaid rent for the full term due at once, require return of the equipment to its yard at Cedar Bend's cost, and recover its reasonable attorney fees and costs [master_lease_and_schedule.pdf p.1]. Prairie Hawk's payment history shows remaining rent for the full term, April 1, 2026 through April 30, 2028, of $121,875.00 (25 payments at $4,875.00) [payment_history.pdf p.1]. This letter does not declare that amount due at this time. Prairie Hawk expressly reserves the right to do so, and to pursue every other remedy available under the Lease and applicable law, if the default is not cured.

Prairie Hawk's remedies are governed by the Lease and Iowa law, as Section 20 provides. [VERIFY: Iowa version of the Uniform Commercial Code on lessor remedies and repossession]

[VERIFY: whether the lease is a true lease or a security interest] [VERIFY: Iowa rule on acceleration of future rent and any credit for present value or re-lease proceeds] [VERIFY: Iowa rule on notice and opportunity to cure before enforcement] [VERIFY: Iowa rule on enforceability of late charges and attorney-fee provisions]. Mr. Ruland's guaranty extends to Cedar Bend's payment and performance obligations under the Lease and the Schedule, so Mr. Ruland is responsible for these obligations along with Cedar Bend [master_lease_and_schedule.pdf p.1]. [VERIFY: Iowa rule on enforcement of a guaranty against a guarantor]

Demand

Prairie Hawk demands that, by [ADD: response deadline], Cedar Bend and Mr. Ruland do one of the following.

- Pay [ADD: demand amount], covering the past-due rent and late charges together with any further amounts that have come due under the Lease. Also deliver to this office a certificate showing that physical damage insurance on the equipment for its full replacement value has been restored, naming Prairie Hawk as loss payee, as Section 9 requires.
- Alternatively, return all three units (Units 1, 2 and 3, as listed above) to [ADD: return location; firm notes identify Prairie Hawk's Ellsworth yard] at Cedar Bend's cost, as Section 15(ii) provides [firm notes] [master_lease_and_schedule.pdf p.1].

Prairie Hawk reserves all of its rights and remedies under the Lease, the guaranty and applicable law. That includes its right to recover reasonable attorney fees and costs under Section 15(iii) and its rights arising from the default under Section 14(c). Under Section 15, Prairie Hawk's acceptance of a partial payment is not a waiver of any default [master_lease_and_schedule.pdf p.1]. Nothing in this letter waives any default or any right or remedy, and any payment or communication following this letter is subject to that reservation.

Please direct all communications about this matter to the undersigned.

Sincerely,

Erik J. Thorsen
Thorsen Kincaid LLP