

COMMERCIAL AND SMALL BUSINESS BANKING



**THRIVE  
WITH US.**

*Welcome to*



**Highland Bank**

*We take great pride in our  
commitment to serving the local  
community, and in our deep  
understanding of the challenges  
and opportunities faced  
by businesses like yours.*

We are delighted to share exciting news that will greatly benefit your business. As of August 18, 2023, Highland Bank and Boundary Waters Bank will merge, uniting our strengths, expertise, and forward-thinking commitment to provide an even more robust and comprehensive suite of financial services.

You have placed your trust in Boundary Waters Bank as your financial partner, and we want to assure you that this merger is designed to elevate your banking experience. By combining the resources, wisdom, and customer-centric approaches of both institutions, Highland Bank will be better-equipped to work with you toward your goals.

We are looking forward to getting to know you, and we are committed to making your transition into our new banking relationship seamless. With Highland Bank, you will benefit from an expanded range of products and services tailored to your unique needs. Our wider network of branches and ATMs will provide convenient access to banking facilities, so you can focus on running and growing your business.

With over 80 years of experience, we take great pride in our commitment to serving the local community, and in our deep understanding of the challenges and opportunities faced by businesses like yours.

Within this packet and in the coming weeks, we will provide more detailed information about the merger and any necessary steps you may need to take. We understand that you might have questions or concerns, and we encourage you to reach out to us at 1-877-457-1305 or visit our website at [highland.bank/welcome-boundarywaters](https://highland.bank/welcome-boundarywaters). Our dedicated business banking team will be available to address any queries you have throughout this transition process.

On behalf of the entire Highland Bank team, I would like to express our appreciation for your continued trust and partnership. We are committed to delivering exceptional service and building a mutually rewarding banking relationship. Together, we will embark on a journey of growth, innovation, and shared success.

Sincerely,



A handwritten signature in black ink, appearing to read "Troy Rosenbrook".

**Troy Rosenbrook**  
President  
Highland Bank



A handwritten signature in black ink, appearing to read "Sarah Kolek".

**Sarah Kolek**  
CEO/President  
Boundary Waters Bank

For your convenience, we have tried to consolidate our communications to one welcome packet per mailing address. However, if you have multiple business relationships or different primary names or mailing addresses on your accounts, you may receive separate mailings.





# LET'S START AT THE BEGINNING:

On December 14, 2022, Highland Bancshares, the parent holding company of Highland Bank announced that it had acquired Boundary Waters Bank with plans to merge in late 2023. Fast forward, and we are now preparing for the conversion of accounts, which will complete the merger of the organizations under the Highland Bank name. The conversion will take place after the close of business on August 18 through the weekend, and you will be a Highland Bank customer when we open on August 21.

## MORE ABOUT HIGHLAND BANK

Founded in 1943, Highland Bank is a privately held, community bank, bringing value to both business and personal banking customers as trusted advisors. Our expertise is business lending, with an emphasis in real estate lending, commercial/industrial loans, and government-backed loan solutions. Highland Bank has been a fixture in the Twin Cities for over 80 years. With this merger, we proudly expand to operate eight branch locations, enhanced by technology and a robust online presence.

## WHAT TO EXPECT DURING CONVERSION?

We are committed to making this transition as seamless as possible, but there may be unexpected things that require your attention. We ask that you carefully review the information we are providing here and encourage you to reach out if you have questions when your accounts change on August 21. We have extra staff on deck to help our new customers during this conversion, but know that you may encounter some longer wait times during this peak period.

## WHERE CAN I GET HELP?

If you have questions after you review the information in this welcome packet, please reach out to us for assistance. Our business bankers are happy to help, or you can contact Customer Service Monday through Friday from 8:00 am to 5:00 pm at 1-877-457-1305. You can also find information at [highland.bank/welcome-boundarywaters](https://highland.bank/welcome-boundarywaters).

## INSIDE YOUR WELCOME PACKET

### Eight Highland Bank Locations To Serve You

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#### Managing Your Account

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Business Online and Mobile Banking

eStatements

Bill Pay

Cash Management Services

#### Business ATM & Debit Cards

#### Account Details

Commercial and SBA Loans

Certificates of Deposit (CD)

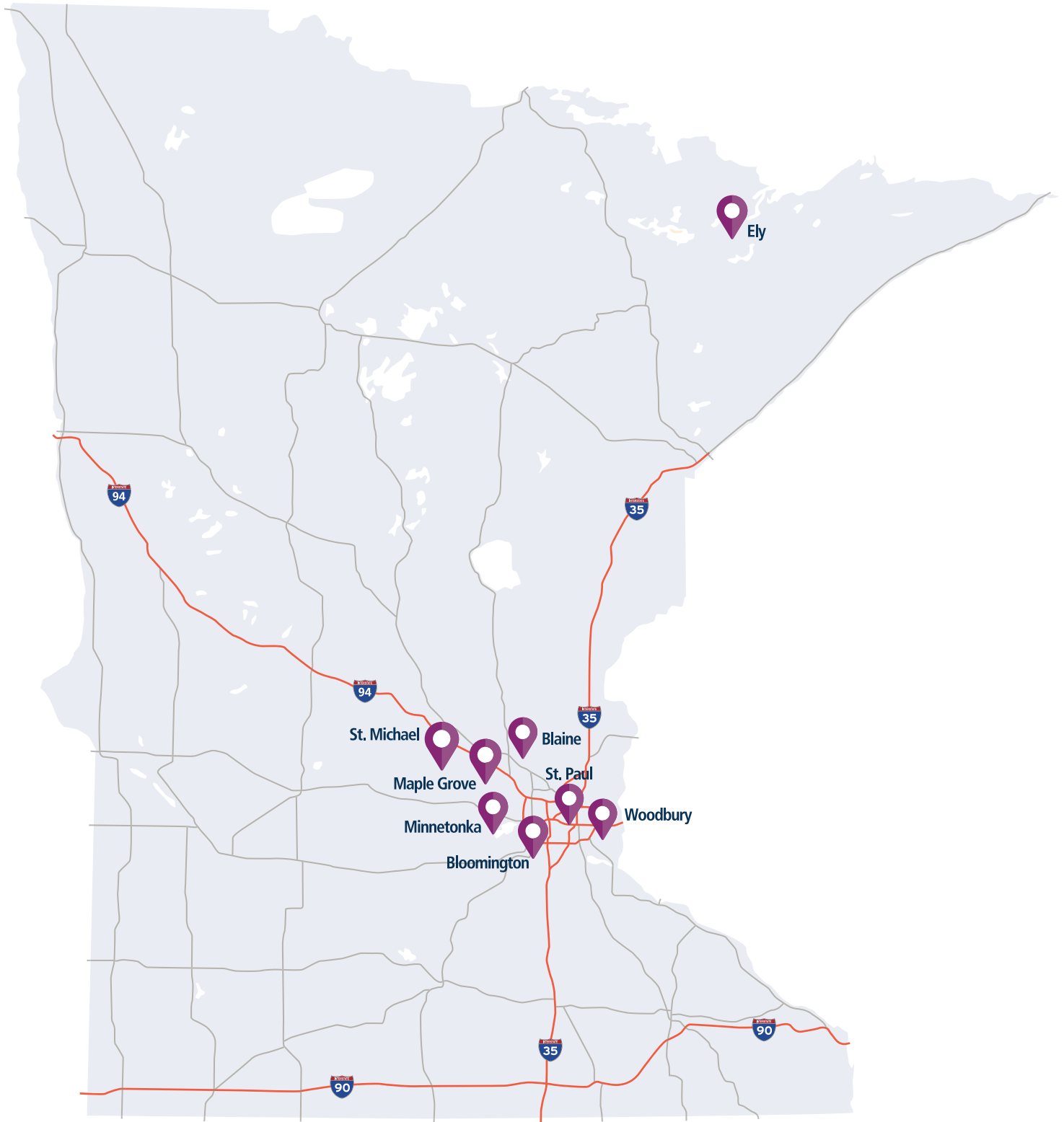
Safe Deposit Boxes

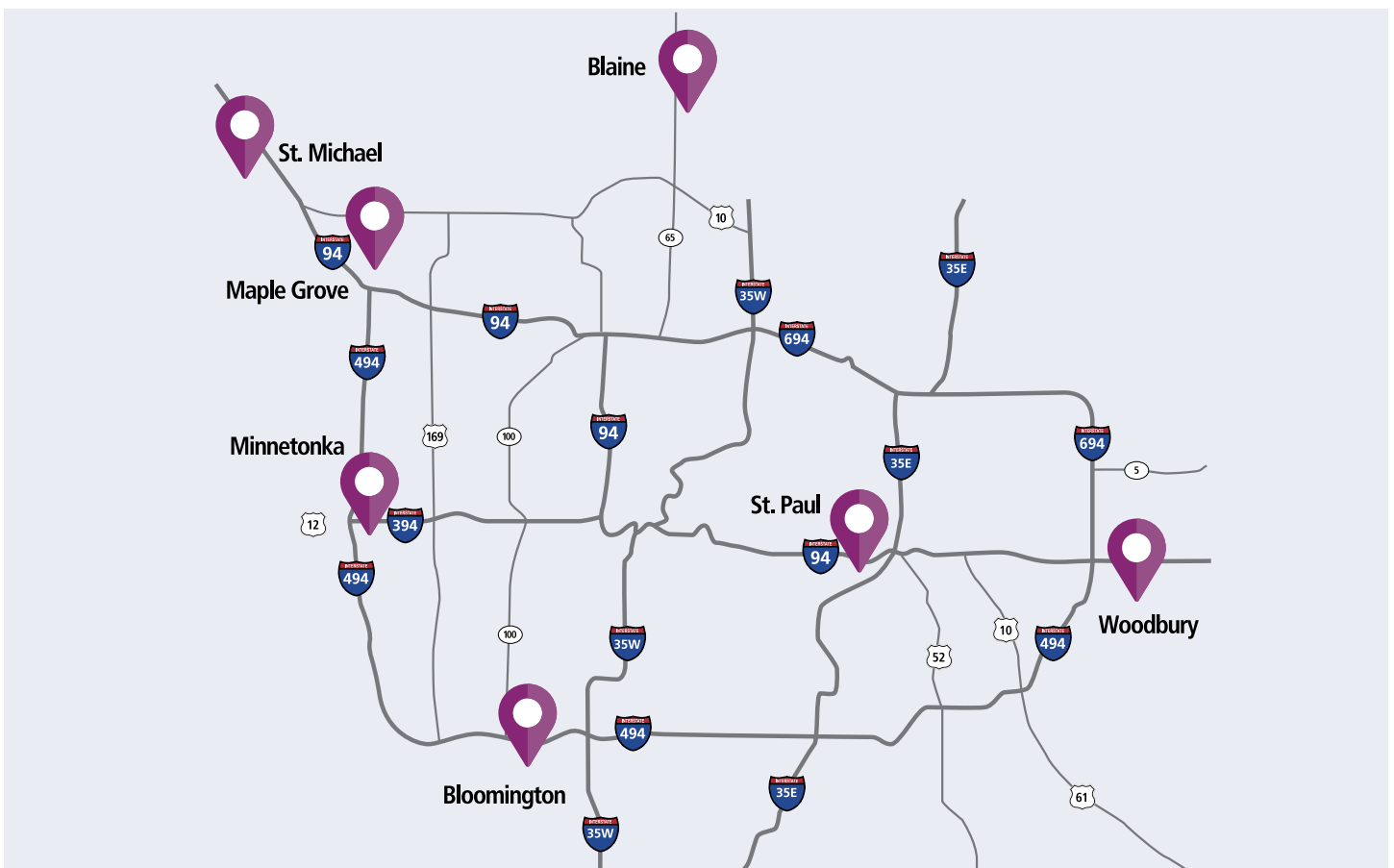
#### Business Checking

#### Business Savings

# EIGHT HIGHLAND BANK LOCATIONS TO SERVE YOU

We are more than bankers. We are your neighbors and work hard to be your trusted advisors. We help our customers develop an understanding of their resources and select those that get them where they are going. Visit us at one of our eight locations, and we will show you why our commitment to building long-term relationships and providing excellent service has helped us stand out since 1943.





## BLAINE

11800 Aberdeen Street NE,  
Suite 120  
Blaine, MN 55449

**Ph:** (763) 862-9962

### Lobby

M-F 9:00 am to 4:00 pm  
Saturday Closed

## ELY

601 East Sheridan Street  
Ely, MN 55731

**Ph:** (218) 365-6181

### Lobby

M-F 9:00 am to 5:00 pm  
Saturday Closed

### Drive Up

M-F 8:30 am to 5:00 pm  
Saturday Closed

## MINNETONKA

1700 Plymouth Road, Suite A  
Minnetonka, MN 55305

**Ph:** (952) 544-2444

### Lobby

M-F 9:00 am to 5:00 pm  
Saturday Closed

### Drive Up

M-F 8:30 am to 5:30 pm  
Saturday 9:00 am to noon

## ST PAUL

2100 Ford Parkway  
St Paul, MN 55116

**Ph:** (651) 698-2471

### Lobby

M-F 9:00 am to 5:00 pm  
Saturday Closed

### Drive Up

M-F 8:30 am to 5:30 pm  
Saturday 9:00 am to noon

## BLOOMINGTON

5270 West 84th Street,  
Suite 100  
Bloomington, MN 55437

**Ph:** (952) 921-2275

### Lobby

M-F 9:00 am to 5:00 pm  
Saturday Closed

### Drive Up

M-F 8:30 am to 5:30 pm  
Saturday 9:00 am to noon

## MAPLE GROVE

13250 Grove Drive, Suite 1  
Maple Grove, MN 55369

**Ph:** (763) 420-3039

### Lobby

M-F 9:00 am to 5:00 pm  
Saturday Closed

### Drive Up

M-F 8:30 am to 5:30 pm  
Saturday 9:00 am to noon

## ST MICHAEL

113 Central Avenue East  
St Michael, MN 55376

**Ph:** (763) 497-2131

### Lobby

M-F 9:00 am to 5:00 pm  
Saturday Closed

### Drive Up

M-F 8:30 am to 5:30 pm  
Saturday 9:00 am to noon

## WOODBURY

2230 Eagle Creek Lane, Suite A  
Woodbury, MN 55129

**Ph:** (651) 436-3220

### Lobby

M-F 9:00 am to 5:00 pm  
Saturday Closed

### Drive Up

M-F 8:30 am to 5:00 pm  
Saturday Closed



# TIMELINE

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## What to expect before August 18

### Early August

#### Business Debit/ATM Cards

- Expect to receive your new Visa Debit or ATM card(s). You can continue to use your current card(s) through August 20. You can activate your new card on August 21.
- Recurring payments/credits will need to be reestablished with your new card number.

### Week of August 14

#### Bill Pay

- On Monday, August 14, the Boundary Waters' Bill Pay site will be down beginning at 7:00 am through the remainder of the conversion. No new Bill Pay accounts can be established in the Boundary Waters system.
- Single, one-time payments
  - Must be scheduled prior to August 14 and have a due date of August 18 or earlier.
- **Payees from Boundary Waters' Bill Pay service will NOT be converted.** Please contact Customer Service to assist you with obtaining access to Highland Bank's Bill Pay service.
  - **We recommend that you print a list of your current payees and their payment setup details as you will need to reestablish them in the new system.**

## What to expect conversion weekend, August 18-20

### Friday, August 18

- The Blaine Boundary Waters branch will close at 4:00 pm. Ely and Woodbury branches will close at 5:00 pm.
- Boundary Waters Online Banking access will be disabled beginning at 5:00 pm.
- Statements: All deposit accounts will receive a final paper statement from Boundary Waters Bank. Online access will be disabled beginning Friday, August 18 at 5:00 pm. To ensure you have a record of your Boundary Waters statements, download or print any statements you need prior to this time.
- Mobile access will be disabled beginning Friday, August 18 at 3:00 pm.
- Remove the Boundary Waters app from your mobile device.

### Saturday and Sunday, August 19 – 20

- All Boundary Waters branches will be closed.
- Continue using your Boundary Waters ATM and debit cards for purchases, and at ATMs.
- Boundary Waters card(s) will be inactive beginning midnight August 20.



## After conversion, beginning August 21

### Banking Service Locations

- Boundary Waters locations will open as Highland Bank with regular business hours.
- All Boundary Waters ATMs will open as Highland Bank ATMs.

### Business ATM and Debit Cards

- Activate and begin using your new Highland Bank card(s).
- Cut up or shred your Boundary Waters Bank card(s) once you have completed your first successful transaction using your new Highland Bank card(s).
- Update any automatic or recurring charges you were paying with your Boundary Waters debit card to your new Highland Bank card number.
- Highland Bank ATM and debit cards will be accepted at all Highland Bank ATMs free of charge beginning August 21.
- Download the Highland Bank app to access card controls for your new card(s).

### Online and Mobile Banking (Business Accounts)

- On Monday, August 21, business account holders using Online Banking will be able to log into the Online Banking platform using their current user ID. Passwords will default to the last 4 digits of the user's SSN (Social Security Number) and you will be prompted to change at first log in.
- If you are currently enrolled in eStatements at Boundary Waters Bank, you will continue to be enrolled once you log into Highland Bank Online Banking.
- Download the Highland Bank Mobile app on your mobile device.
- Business mobile depositors should contact Customer Service to assist with downloading and accessing our separate Business Deposit app.

### Checks

- As long as you have not been notified that your account number has changed,
- You may continue using your current checks.

### Account Statements

- Your business account statement cycle will remain on the last business day of each month. Your August 31 statement will include transaction activities for August 21-August 31. No minimum balance fees will be assessed for August.
- Going forward, fees will be assessed on or after the 15th of each month for the prior month. A monthly Enhanced Account Analysis statement will be generated which provides a breakdown of fees, based on the prior month activities and transactions. The September 15 analysis statement will be generated for August 21- August 31 activities. Please refer to the enclosed Fee Schedule within the General Disclosures booklet for details.
  - This Enhanced Account Analysis statement will be delivered electronically if you have eStatements. Otherwise, a paper version will be mailed.

# MANAGING YOUR ACCOUNT

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## ACCOUNT NUMBERS

Most business customers will be able to keep their same account numbers. If your account number changes, we will have notified you by mail. And, if you do receive a new account number, we will contact any sources of direct deposit and recipients of automatic payments to notify them of the change. Please confirm that your information has been updated with them after the August 18 conversion date.

## ROUTING NUMBER

The bank routing number for your account(s) will change to the Highland Bank routing number, **091916378**, on Monday, August 21. Please do not use this number before that date.

## CHECKS AND CHECKING ACCOUNTS

If you have a business checking account, you are welcome to continue to use your Boundary Waters checks until you run out, as long as you have not been notified that your account number has changed. The routing number will be redirected to Highland Bank automatically. You may continue to use your current Deposit Stamp as well.

For more information about your new checking account, refer to pages 13-15 as well as the General Disclosures booklet where you will find the details related to your specific account type(s).

## ACH TRANSACTIONS

If you have existing ACH credits and/or debits to your Boundary Waters Bank account, they will transfer to your new Highland Bank account. Beginning Monday, August 21, we will monitor ACH transactions and notify senders that your routing number has changed to 091916378. Some companies may require that the change notification comes from you. In these cases, please confirm that your information has been updated with your ACH originators.

If a company does not respond to our Notification of Change request, you may also hear from us to request that you contact them directly to make the change.

## AUTOMATIC/RECURRING PAYMENTS AND TRANSFERS

**Your Bill Payee information, as well as any future-dated and recurring payments set up in your Boundary Waters accounts WILL NOT transfer to your Highland Bank account.** To make your transition as smooth as possible, print a list of your current payees and payment setup details prior to August 14. These payees will need to be reestablished in Highland Bank Bill Pay after conversion on August 21.

On or after August 21, confirm with your ACH sources as well as any recipients of automatic payments (including subscriptions and utilities) that they have updated their records with your Highland Bank routing number 091916378.

Already established internal account to account transfers will automatically transfer to your Highland Bank accounts.

## INTERNATIONAL CHECK PROCESSING

Canadian items will continue to be accepted. Funds availability may be subject to delay consistent with Highland Bank's funds availability policy. Acceptance will NOT be available through Remote Deposit, ATM, or Mobile Deposit.

For information regarding fees, please refer to the General Disclosures booklet.

## TELEPHONE BANKING

Call our automated Telephone Banking system to check your account balance, transfer funds, make loan payments and more – 24 hours a day, 7 days a week. You can establish access to Telephone Banking on or after August 21 by calling 952-854-4884 and following the prompts. Please note that you will need your account number to set up Telephone Banking.

# DIGITAL BANKING

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## BUSINESS ONLINE & MOBILE BANKING

### Accessing your New Highland Bank Online Account

If you currently use Boundary Waters Bank Online Banking, you will be able to access Online Banking at Highland Bank at 8:00 am on Monday, August 21.

Online Banking customers will be able to continue to use their current User ID, but the passwords will default to the last 4 digits of the user's SSN (Social Security Number). You will be required to select a new password during your sign on process to safeguard your information. After your initial login to the Highland Bank Online Banking account, please verify that all of your account information has transferred over successfully. Please contact Customer Service if you have concerns.

Don't currently have Online Banking? Contact a banker or Customer Service for assistance.

### Accessing your Boundary Waters Online Account

Beginning 5:00 pm on August 18, Boundary Waters Bank Online will be disabled. Mobile Banking will be disabled on August 18 at 3:00 pm.

Please plan ahead and print or save any account history that you need prior to August 18.

All deposit accounts will receive a final paper statement, which will be mailed and will reflect any transactions from your last statement through August 18. No final eStatement will be produced.

## ESTATEMENTS

eStatements are electronic copies of your account statements that you can quickly view online, search, save and print. We recommend that you download or print any of your Boundary Waters Bank statements prior to Friday, August 18.

If you are currently enrolled in eStatements at Boundary Waters Bank, you will continue to have access to eStatements for your new accounts through Highland Bank Online Banking. Eighteen months of eStatement history will transfer to your account, provided the account number did not change.

Final Boundary Waters Bank paper statements will be mailed and will reflect any transactions from your last statement through August 18.

## BILL PAY

**Payees from Boundary Waters' Bill Pay service WILL NOT be converted.** Please contact Customer Service to assist you with obtaining access to Highland Bank's Bill Pay service.

**We recommend that you print a list of your current payees and their payment setup details as you will need to reestablish them in the new system.**

Scheduled payments you have established by 7:00 am August 14 that are scheduled for payment on or before Friday, August 18 will be processed by Boundary Waters Bill Pay. Items scheduled for payment after Friday, August 18 will not be processed, and will need to be reestablished in the Highland Bank Bill Pay service.

Please note: You will not be able to make any changes or cancel payments between 7:00 am August 14 and 8:00 am August 21. Any updates and new payments will need to be completed through Highland Bank Bill Pay starting August 21.

# DIGITAL BANKING *Continued*

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## CASH MANAGEMENT SERVICES

To ensure your business is enrolled in appropriate services, help you navigate the merger process seamlessly, and address any concerns or questions you may have, we scheduled exclusive appointments with our Cash Management specialists **in late June and early July.**

If you were unable to complete an appointment and have cash management needs, please contact our team as soon as possible at **CashManagement@highland.bank**. These specialists are highly experienced professionals who can guide you through the transition, explain the impact on your cash management services, and provide tailored solutions to meet your specific business needs.

During your appointment, our Cash Management specialists will:

- Assess your current cash management setup and review any potential impacts resulting from the merger
- Cash Management setups include:
- Remote Deposit
  - ACH
  - Online Wires
- Provide recommendations and assist you in updating your cash management processes, if necessary.
  - Answer any questions you may have regarding the merger and its implications for your business.
  - Prepare customized enrollment documents to ensure the setup is complete.

## BUSINESS ATM & DEBIT CARDS

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If you have a Boundary Waters Bank ATM or debit card, a Highland Bank ATM or Visa debit card will be mailed in early August. For mailing safety, cards are delivered in plain white envelopes with no identifying information. Watch for this mailing and take care not to accidentally discard it. Instructions for activating the card and selecting a PIN are included with the card mailer.

Continue to use your Boundary Waters Bank ATM or debit card through August 20. On August 21 you can activate and begin to use the Highland Bank replacement card. Once you have completed your first successful transaction with your new card, we recommend you shred your Boundary Waters card. Recurring payments/credits will need to be reestablished with your new card number.

Highland Bank daily withdrawal limits are set at \$500 for ATM transactions, and \$2,500 for debit card purchases. Cards may be used anywhere you see the VISA or PLUS symbols.

**ATM Access:** For your convenience, Highland Bank has partnered with MoneyPass® and NYCE Network to expand our ATM surcharge-free network. In addition to the surcharge-free ATMs at all of our Highland Bank locations, cardholders have access to thousands of ATMs nationwide. Just look for the MoneyPass® logo on the ATM, visit the MoneyPass ATM Locator website, or the NYCE ATM Locator website to find an ATM nearest you.

Beginning Monday, August 21 Boundary Waters Bank ATMs will be converted to Highland Bank ATMs. As ATMs convert there may be a brief period of service interruption.

**Mobile Wallet:** Your Highland Bank Debit Card can be added to your Apple Pay®, Google Pay™ or Samsung Pay™ digital wallet for single-touch payment.



# ACCOUNT DETAILS

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## COMMERCIAL AND SBA LOANS

Your rates, terms, and payment due date will remain the same. If your payment date is August 30 or later, your billing notice/statement will be sent by Highland Bank. You can make your loan payment by mail, in person at any of our locations, within Online or Mobile Banking from an existing Boundary Waters Bank checking or savings account, or by setting up an automatic payment from any bank account. If you currently have an automatic payment set up, it will automatically transfer to Highland Bank.

## Overdraft Protection – Highland Reserve

If you currently have a Ready Reserve line of credit tied to your checking account, it will convert to a Commercial Highland Reserve line of credit. Changes to your Ready Reserve Credit Agreement will be mailed to accountholders who are using this service.

Insufficient Funds Transfer: Connect your business savings account or additional checking account to transfer funds automatically, for a nominal fee, to cover overdrafts. Refer to the enclosed Fee Schedule for details. After August 21, visit a Highland Bank location near you or contact Customer Service to sign up.

## CERTIFICATES OF DEPOSIT (CD)

Your existing rates and terms will remain the same until the CD matures. Upon maturity, your CD will renew at a Highland Bank standard term. A notice of the new term will be mailed 10 days prior to maturity. The rate for each renewal term will be determined by Highland Bank on or just before the renewal date. You may contact Customer Service shortly before the maturity date to inquire on the interest rate and/or the renewal term. At the time of maturity, you have 10 calendar days to change the renewal term or cash in the CD. Interest Checks are not offered by Highland Bank.

## SAFE DEPOSIT BOXES

Your Safe Deposit Box terms and annual rental amount will remain the same. Beginning August 21, rent notices will be sent by Highland Bank.



## BUSINESS CHECKING

**BOUNDARY WATERS CHECKING**

*will become*

**HIGHLAND BANK CHECKING**

No Boundaries Commercial Checking

Commercial Checking

Public Funds Checking

Business Checking

No Boundaries Elite Checking

Small Business Checking

No Boundaries Basic Checking

Small Business Checking

No Boundaries Plus

Business Checking

No Boundaries Premier

Business Checking

NOW Business Checking

Business Checking\*

NOW Public Funds Checking

Non-Profit Checking

*To find your current account type, please refer to your most recent bank statement.*

## Business Checking Accounts

	SMALL BUSINESS CHECKING	BUSINESS CHECKING	COMMERCIAL CHECKING
Minimum to Open	\$50	\$100	\$100
Minimum Balance	\$500	\$5,000	None
Monthly Service Charge	\$5/month (if minimum balance is not maintained)	\$20/month (if minimum balance is not maintained)	\$20/month
Transactions	150 free transaction items per month; 50¢ per item over 150	500 free transaction items per month; 50¢ per item over 500	<ul style="list-style-type: none"> <li>• 20¢ per check written</li> <li>• 15¢ per electronic credit/debit</li> <li>• 65¢ per deposit</li> <li>• 15¢ per deposited item</li> </ul>
Imaged Statements	Free	Free	Free
Cash Deposit Fee	Free monthly cash deposits up to \$5,000. 20¢ per \$100 over \$5,000	Free monthly cash deposits up to \$10,000. 20¢ per \$100 over \$10,000	Free monthly cash deposits up to \$10,000. 20¢ per \$100 over \$10,000
Earnings Credit	N/A	N/A	Earnings credit applied
Uncollected Funds	N/A	N/A	Prime + 6% for uncollected funds
Highland Reserve	\$10 monthly fee	\$10 monthly fee	\$10 monthly fee



### Small Business Checking

All the essentials for growing businesses with lower balances and fewer transactions.



### Business Checking

Added features and services to fit the needs of mid-sized businesses with moderate transactions.



### Commercial Checking

Added features and services to fit the needs of larger businesses with higher transaction volume.



## BUSINESS CHECKING *Continued*

Non-Profit Checking Accounts	
	NON-PROFIT CHECKING
Minimum to Open	\$100
Minimum Balance	\$5,000
Monthly Service Charge	\$20/month (if minimum balance is not maintained).
Transactions	500 free transaction items per month; 50¢ per item over 500
Imaged Statements	Free
Minimum Average Daily Balance to Earn Interest	Interest paid monthly on average daily available balance: \$0-49,999.99 \$50,000-99,999.99 \$100,000-249,999.99 \$250,000+
Earnings Credit	N/A
Uncollected Funds	N/A
Highland Reserve	\$10 monthly fee



### Non-Profit Checking

Designed to meet the unique needs of mid-sized organizations with moderate transaction volume.





## BUSINESS SAVINGS

### BOUNDARY WATERS SAVINGS

*will become*

### HIGHLAND BANK SAVINGS

Business Outfitter Money Market

Commercial Premier Money Market Savings

Business Savings

Commercial Money Market Savings

Public Funds Savings

Commercial Premier Money Market Savings

Business Outfitter Savings

Commercial Money Market Savings

*To find your current account type, please refer to your most recent bank statement.*

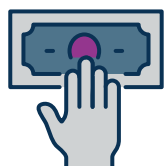
## BUSINESS SAVINGS *Continued*

Business Savings Accounts			
	COMMERCIAL STATEMENT SAVINGS	COMMERCIAL MONEY MARKET SAVINGS	COMMERCIAL PREMIER MONEY MARKET SAVINGS
Minimum to Open	\$200	\$1,000	\$10,000
Minimum Average Daily Balance to Earn Interest	None	Interest rate tiered, based on balance: \$0-24,999.99 \$25,000-49,999.99 \$50,000-99,999.99 \$100,000-249,999.99 \$250,000+	Interest rate tiered, based on balance: \$0-49,999.99 \$50,000-99,999.99 \$100,000-249,999.99 \$250,000-999,999.99 \$1,000,000-2,499,999.99 \$2,500,000-4,999,999.99 \$5,000,000+
Compounding and Crediting of Interest	Quarterly	Monthly	Monthly
Minimum Daily Balance to Avoid Monthly Service Charge	\$200	\$1,000	\$10,000
Monthly Service Charge	\$3	\$10	\$15



### Commercial Statement Savings

A smart, simple savings account for growing businesses offering steady returns with the freedom of total liquidity.



### Commercial Money Market Savings

Step up to monthly compounding interest at competitive, tiered rates.



### Commercial Premier Money Market Savings

Maximize returns on higher balances while retaining total liquidity.





highland.bank | 1-877-457-1305

