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Meridian Retail Holdings, Inc.
Attn: Ms. Elena Cho, Chief Operating Officer
900 Harbor View Drive, Suite 500
Seattle, WA 98101

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July 24, 2026

Your ref.:	Our ref.:
MER-RFP-2026-118	VX/JR-2026-0417

Subject: **Renewal and Expansion of Strategic Advisory Engagement — Project Northbridge**

Dear Ms. Cho,

On behalf of everyone at Vertex Advisory Group, thank you for a productive first phase of Project Northbridge. Over the nine months since our engagement letter of October 2025, our joint team has completed the network footprint diagnostic, closed 340,000 square feet of underperforming floor space across the Pacific Northwest region, and renegotiated logistics contracts that reduced regional distribution costs by 14.2 percent against the fiscal year 2025 baseline. Your operations team, and in particular Mr. Owen Vasquez, was an exceptional partner throughout.

This letter confirms our proposal to renew the engagement and expand its scope for the twelve months beginning September 1, 2026, and sets out the commercial terms governing that work.

Recap of Phase I

Phase I concentrated on three deliverables agreed in the original statement of work: a store-level contribution analysis across all 612 Meridian locations, a distribution-network redesign for the western region, and an initial vendor-spend audit. All three were delivered on schedule. The store-level analysis identified 47 locations operating below contribution threshold, of which 21 have since been closed or converted to fulfillment-only format. The distribution redesign consolidated four regional warehouses into two, and the vendor audit surfaced $2.1 million in near-term renegotiation opportunity, a portion of which is already reflected in the cost reduction noted above.

Engagement Snapshot

Client	Meridian Retail Holdings, Inc.
Engagement Lead	Jonathan Reyes, Senior Partner
Proposed Term	September 1, 2026 – August 31, 2027
Estimated Fees	$1,840,000 fixed fee across three phases
Reporting Cadence	Biweekly steering committee; monthly executive summary

Proposed Scope for Phase II

Building on these results, we propose three concurrent workstreams for Phase II, summarized below and described in full in the enclosed Statement of Work.

Workstream	Lead	Duration	Key Deliverable
Network Footprint II	Priya Natarajan	10 weeks	Updated store-tier model covering 340 additional locations across the Mountain and Central regions
Vendor Consolidation	Marcus Webb	8 weeks	Renegotiated terms across the top 25 suppliers by spend, with target savings of 6–9 percent
Digital Fulfillment	Sara Lindqvist	14 weeks	Regional micro-fulfillment pilot design for three metropolitan markets

Each workstream will report into the existing steering committee, chaired jointly by you and Mr. Reyes, with working sessions held on alternating Tuesdays beginning September 8, 2026.

Commercial Terms

The table below sets out the fixed fee associated with each phase of the proposed engagement. Fees are quoted in United States dollars and exclude reasonable travel expenses, which are billed at cost with prior approval.

Phase	Fee (USD)	Billing
Phase II.a — Network Footprint II	640,000	Fixed, invoiced monthly
Phase II.b — Vendor Consolidation	560,000	Fixed, invoiced monthly
Phase II.c — Digital Fulfillment Pilot	640,000	Fixed, invoiced monthly
Total	**1,840,000**	

The following terms apply to the renewed engagement and supersede the corresponding sections of the October 2025 engagement letter:

- **Confidentiality.** Both parties will continue to treat all data, models, and work product exchanged under this engagement as confidential for a period of five years following termination.
- **Termination.** Either party may terminate any individual workstream on 30 days' written notice; fees for work performed through the termination date remain payable.
- **Expenses.** Travel and third-party data costs are billed at cost, itemized monthly, and capped at 8 percent of the relevant workstream fee absent prior written approval.
- **Invoicing.** Invoices are issued on the first business day of each month and are payable within 30 days of receipt to the account specified on the invoice.
- **Governing Law.** This engagement is governed by the laws of the State of Illinois, consistent with the original engagement letter.

Next Steps

We ask that you countersign both copies of the enclosed engagement letter and return one copy to my attention by **August 15, 2026**, so that our team can complete staffing and begin the kickoff workshop as scheduled. Ms. Natarajan will circulate a detailed workshop agenda during the week of August 24.

Please do not hesitate to call or write with any questions in the meantime. We are genuinely grateful for Meridian's continued confidence in Vertex, and we look forward to a second phase that builds meaningfully on what the two teams accomplished together this year.

Yours sincerely,

Jonathan Reyes
Senior Partner

cc: Priya Natarajan, Head of Client Engagements, Vertex Advisory Group
Owen Vasquez, VP Operations, Meridian Retail Holdings, Inc.

encl: Engagement Letter (two copies)
Phase II Statement of Work
Updated Fee Schedule

P.S. The Phase II kickoff workshop is provisionally scheduled for September 9–10, 2026, at Meridian's Seattle headquarters; we will confirm the agenda alongside the countersigned engagement letter.