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**AMENDMENT NO. 6 TO  
LEASE AGREEMENT FOR THE INTERNATIONAL TERMINAL  
DUTY FREE AND LUXURY STORES LEASE  
AT SAN FRANCISCO INTERNATIONAL AIRPORT  
LEASE NO. 17-0303**

THIS LEASE AMENDMENT NO. 6 TO LEASE AGREEMENT FOR THE INTERNATIONAL TERMINAL DUTY FREE AND LUXURY STORES LEASE AT SAN FRANCISCO INTERNATIONAL AIRPORT LEASE NO. 17-0303 (this "**Amendment**"), dated as of the Effective Date (as defined below), is entered by and between CITY AND COUNTY OF SAN FRANCISCO, acting by and through its Airport Commission ("**Commission**"), as Landlord ("**City**"), and DFS Group, L.P., as Tenant ("**Tenant**").

**RECITALS:**

A. On December 5, 2017, by Resolution No. 17-0303, the Commission awarded to Tenant that certain Lease Agreement for the International Terminal Duty Free and Luxury Stores Lease at San Francisco International Airport Lease No. 17-0303 (**Original Lease**, and as amended, the **Lease**), for certain duty free and luxury stores at the Airport (as further described in the Lease, the **Premises**). On March 20, 2018, by Resolution No. 66-18, the San Francisco Board of Supervisors (**Board of Supervisors**) approved the Lease under Charter §9.118.

B. On March 17, 2020, by Resolution No. 20-0051, the Commission approved Amendment No. 1 to the Lease, lowering the Base Rent to 33% of Gross Revenues for Lease Year 1, which was the period from April 1, 2020 through December 31, 2020 (**Amendment No. 1**). On June 23, 2020, by Resolution No. 280-20, the Board of Supervisors approved Amendment No. 1.

C. On October 6, 2020, by Resolution No. 20-0180, the Commission authorized the COVID-19 Emergency Rent Relief Program which provided Minimum Annual Guarantee (**MAG**) rent relief to most Airport concession tenants for April and May 2020, which after approval by the Board of Supervisors on January 5, 2021 by Ordinance No. 5-21, was memorialized in Amendment No. 3 to the Lease.

D. On December 1, 2020, by Resolution No. 20-0222, the Commission approved Amendment No. 2 to the Lease which continued the lower Percentage Rent structure implemented in Amendment No. 1 due to prolonged recovery from the pandemic until the earlier to occur of (i) the reinstatement of the MAG under the Lease and (ii) December 31, 2023. On February 12, 2021, by Resolution No. 35-21, the Board of Supervisors approved Amendment No. 2 to the Lease.

E. On October 17, 2023, by Resolution No. 23-0256, the Commission approved Amendment No. 4 to the Lease which provided for a modified Base Rent for the period commencing with Lease Year 5 (January 1, 2024) and continuing through the end of Lease Year 7 (December 31, 2026) equal to the greater of (i) Percentage Rent in the amount of 36% of Gross Revenues and (ii) a MAG of \$30,000,000.00, as adjusted annually per the terms of the Lease (the **Base Rent Reduction**). The Base Rent Reduction was contingent upon Tenant's completion of its two facilities in Harvey Milk Terminal One no later than December 31, 2024, which requirement was satisfied. On April 16, 2024, by Resolution No. 180-24, the Board of Supervisors approved Amendment No. 4.

F. On May 21, 2024, by Resolution No. 24-0110, the Commission approved Amendment No. 5 to the Lease, which reduced the 2023 Base Rent for Lease Year 4 (January 1 – December 31, 2023) to equal thirty-three percent (33%) of Gross Revenues, regardless of any reinstatements of MAG. Amendment No. 5 also made the rent relief contingent upon Tenant's completion of Initial Improvement for its facility in Harvey Milk Terminal 1 no later than December 31, 2024, and its facility in Terminal 2, no later than March 31, 2025, both of which requirements were satisfied. On August 1, 2024, by Resolution No. 418-24, the Board of Supervisors approved Amendment No. 5.

G. All capitalized terms used in this Amendment and not otherwise defined have the meaning provided in the Lease.

NOW, THEREFORE, in consideration of the foregoing and for valuable consideration the sufficiency of which is hereby acknowledged, by Resolution No. 25-0138, adopted by the Commission on August 19, 2025, and by Resolution 542-25, approved by the Board of Supervisors on November 7, 2025, City and Tenant hereby agree to enter into this Amendment, the following:

### **AGREEMENT**

**1. Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth in this Amendment.

**2. Effective Date.** The "**Effective Date**" shall be the date upon which this Amendment shall be fully approved pursuant to §9.118 of the Charter of the City:

Effective Date (to be inserted by City): November 17, 2025

**3. Base Rent Modification.**

(a) Notwithstanding anything to the contrary contained in the Lease (i) the Percentage Rent component of Base Rent due under the Lease for calendar years 2026 through 2029 (which is also Lease years 7 through 10) shall be equal to the sum of (a) Twenty-Eight Percent (28%) of Gross Revenues up to and including \$100,000,000.00 plus (b) Thirty-Two Percent (32%) of Gross Revenues above \$100,000,000.00, and (ii) the MAG component of Base Rent due under the Lease for calendar year 2026 (Lease Year 7) shall equal \$25,000,000.00, with annual adjustments thereafter during the remainder of the Term as specified in the Lease.

(b) Upon the commencement of Lease Year 11 (calendar year 2030), the Percentage Rent component of Base Rent shall revert to the amounts set forth in the Original Lease, which for the avoidance of doubt shall be equal to the sum of (i) 45.8% of Gross Revenues achieved up to and including \$100,000,000.00, plus (ii) 41.8% of Gross Revenues achieved from \$100,000,000.01 up to and including \$160,000,000.00, plus (iii) 30% of Gross Revenues achieved over \$161,000,000.00.

**4. Entire Agreement.** This Amendment contains all of the representations and the entire agreement between the parties with respect to the subject matter of this Amendment. Any prior correspondence, memoranda (including, without limitation, any memoranda to the Commission), agreements, warranties, or written or oral representations relating to the subject matter of this Amendment are superseded in their entirety by this Amendment. No prior drafts of

this Amendment or changes between those drafts and the executed version of this Amendment shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or other person, and no court or other body should consider such drafts in interpreting this Amendment.

**5. Miscellaneous.** This Amendment shall bind, and shall inure to the benefit of, the successors and assigns of the parties hereto. This Amendment is made for the purpose of setting forth certain rights and obligations of Tenant and City, and no other person shall have any rights hereunder or by reason hereof as a third-party beneficiary of otherwise. Each party hereto shall execute, acknowledge and deliver to each other party all documents, and shall take all actions, reasonably requested by such other party from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Amendment. This Amendment may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof. No provision of this Amendment that is held to be inoperative, unenforceable or invalid shall affect the remaining provisions, and to this end all provisions hereof are hereby declared to be severable.

**6. Full Force and Effect.** Except as specifically amended herein, the terms and conditions of the Lease shall remain unmodified and in full force and effect.

**[Remainder of Page Intentionally Left Blank]**

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date.

**TENANT:** DFS GROUP, L.P.  
a Delaware limited partnership

DocuSigned by:  
By: LAI PING CHOI  
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Name: LAI PING CHOI  
Title: Finance Director

**CITY:** CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation,  
acting by and through its Airport Commission

DocuSigned by:  
Mike Nakornkhet  
Mike Nakornkhet  
Airport Director

APPROVED AS TO FORM:  
DAVID CHIU,  
City Attorney

DocuSigned by:  
By: Chris Stuart  
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Deputy City Attorney

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**From:** [Cheryl Chan \(AIR\)](#)  
**To:** [Board of Supervisors \(BOS\)](#)  
**Cc:** [Dyanna Volek \(AIR\)](#); [Daniel Tsang \(AIR\)](#); [Evelyn Reyes-Dizadji \(AIR\)](#)  
**Subject:** Fully executed - File 250976 (DFS L17-0303 Amend. No. 6)  
**Date:** Wednesday, November 19, 2025 1:29:34 PM  
**Attachments:** [DFS L17-0303 Amendment 6 - Rent Relief \(fully executed\).pdf](#)  
[image001.png](#)

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To Clerk of the Board,

Attached are the fully executed the Amendment No. 6 to the International Terminal Duty Free and Luxury Store Lease No. 17-0303 with DFS Group, L.P. for file #250976.

Please let me know if you have any question.

Thank you.



**Cheryl Chan**

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