Developers and Operators of Fine Hotels

Letter of Intent

Acquisition of Service Properties Trust's Hotel Portfolio

October 7, 2026

Board of Trustees
Service Properties Trust
Two Newton Place
255 Washington Street, Suite 300
Newton, Massachusetts 02458

Dear Chairman Portnoy & Mr. Bilotto,

TKO LLC, a privately held real estate investment firm, or its designated acquisition affiliate ("Purchaser"), proposes to acquire the hotel assets described below from Service Properties Trust ("SVC") and the applicable property-owning subsidiaries (collectively, "Seller").

Introduction

A cash sale would provide immediate liquidity, support debt reduction, and enable SVC to concentrate on its core net lease business. We recognize that management has articulated a strategy of selective portfolio streamlining rather than a complete exit from lodging, and we do not submit this proposal in disregard of that position. Rather, we submit it because the magnitude and certainty of the consideration offered here materially exceed the risk adjusted present value of executing that strategy over a multi-year horizon. The cash proceeds would retire over forty percent (40%) of the Company's outstanding indebtedness while preserving the retained NNN lease platform, positioning the equity for potential market re-rating and enhanced shareholder returns. Given the current and projected interest rate environment, SVC's existing weighted cost of debt is unlikely to be replicated in future refinancings. Additional zero-coupon notes will likely be required for the Company to continue rolling over its debt, and each incremental capital expenditure on the hotel assets does not improve the Company's refinancing trajectory – at best, it maintains the status quo. In essence, the choice is between (i) cash certainty today and (ii) reliance on management materially outperforming its historical track record hoping that interest rates decline substantially.

1 Assets and transaction structure

The acquisition would consist of SVC's owned hotels (the "Hotels"), with related real property interests, improvements, furniture, fixtures, equipment, inventories and transferable operating assets (the "Assets"). The definitive asset purchase agreement ("APA") would identify each Hotel, owner, interest conveyed and purchase price allocation and is expected to be signed within thirty (30) days of receiving a signature to this LOI.

SVC's net lease assets and its corporate equity interest in Sonesta would be excluded. Contracts, licenses and permits would transfer only as expressly agreed and legally transferable.

2 Purchase price

The aggregate purchase price would be $2,000,000,000, payable entirely in cash at closing, subject to agreed prorations and closing adjustments, and no financing contingency. No Seller financing or assumption of Seller's indebtedness is proposed.

3 Earnest money deposit

Upon execution of the APA, Purchaser would deposit $15,000,000 with a mutually acceptable escrow agent, to be credited toward the purchase price at closing. The deposit would remain refundable through the diligence deadline established in the APA and would thereafter become nonrefundable, except for Seller default, failure of agreed closing conditions or another express refund right in the APA.

4 Assumed and excluded liabilities

Purchaser would assume only ordinary-course, property-level obligations first arising from and after the closing date under contracts, permits and licenses it affirmatively elects to assume in the APA.

Seller would retain all other liabilities, including secured and unsecured indebtedness, related hedging obligations, liabilities arising from SVC's REIT or other tax status, preclosing taxes and operating liabilities, preclosing employment and employee benefit obligations, and costs arising from termination of management, franchise and other agreements that Purchaser does not assume.

5 Management and franchise arrangements

Purchaser intends to operate the Hotels through its own operating affiliates and to pursue new brand and franchise relationships at the property level following closing. As a material condition to closing, Seller shall deliver the Assets free and clear of all existing hotel management and franchise obligations, except for any such arrangements that Purchaser expressly elects in writing to assume. Without limiting the foregoing, all management agreements and franchise agreements affecting the Hotels with Sonesta International Hotels Corporation or any of its affiliates shall be terminated effective no later than the closing date.

Seller shall be solely responsible for, and shall pay or otherwise satisfy, all termination fees, liquidated damages, notice-period obligations, debranding charges, key money repayments, and any other costs or expenses arising from or related to the termination of management, franchise, or other agreements that Purchaser does not assume. At or prior to closing, Seller shall deliver to Purchaser fully executed termination agreements, consents, releases, and such other documentation as Purchaser may reasonably require to evidence the effective termination of such agreements and the release of Purchaser and the Assets from any continuing obligations thereunder.

6 Due diligence and Closing

We will submit a comprehensive due diligence list for the company to assemble a data room. Seller would provide a substantially complete data room and reasonable access to the Hotels, records and appropriate personnel, subject to agreed access procedures.

Purchaser targets completion of diligence within sixty calendar days after receipt of that access and information.

Closing would occur within ninety calendar days after expiration of the due diligence period described herein and satisfaction or waiver of the applicable closing conditions.

7 Closing conditions and approvals

Closing shall be subject to the satisfaction or waiver of the following conditions precedent: (i) completion or waiver of Purchaser's due diligence; (ii) delivery of title to each Hotel in a condition acceptable to Purchaser, free and clear of all monetary liens and encumbrances other than agreed permitted exceptions; (iii) termination of all management and franchise agreements as required under Section 5 hereof; (iv) receipt of all required third-party consents and estoppels; (v) transfer, reissuance, or procurement of all necessary operating permits, liquor licenses, and other governmental authorizations; (vi) receipt of all required regulatory approvals and clearances; and (vii) Seller's compliance in all material respects with its obligations, representations, warranties, and covenants under the APA. Additional closing conditions may be set forth in the APA as mutually agreed by the parties.

8 Exclusivity

During the period commencing on the date this letter is countersigned by Seller and ending on the earlier of (i) execution of the APA, or (ii) termination of discussions by either party upon written notice (the "Exclusivity Period"), neither party shall, directly or indirectly, (A) solicit, initiate, encourage or facilitate any inquiry,

proposal or offer from any third party relating to the acquisition, disposition or joint venture involving the Assets or any material portion thereof (a "Competing Transaction"), (B) participate in any discussions or negotiations with any third party regarding a Competing Transaction, (C) provide any confidential information to any third party in connection with a Competing Transaction, or (D) enter into any letter of intent, agreement in principle or definitive agreement with any third party with respect to a Competing Transaction. Each party shall promptly notify the other party upon receipt of any unsolicited inquiry or proposal relating to a Competing Transaction and shall provide reasonable details regarding the same. During the Exclusivity Period, the parties shall negotiate in good faith to finalize and execute the APA on terms consistent with this letter.

9 Effect of this letter

Only Sections 8 and 9 of this letter are binding upon countersignature by Seller. All other terms are nonbinding expressions of intent. No obligation to purchase or sell the Assets, fund a deposit, reimburse expenses, or pay a termination fee shall arise absent execution of a definitive agreement expressly imposing such obligation.

The binding provisions of this letter shall be governed by and construed in accordance with the laws of the State of Florida, without regard to conflicts of law principles. Sections 8 and 9 shall survive expiration or withdrawal of this proposal, subject to any superseding confidentiality agreement between the parties. This letter may be executed in counterparts, each of which shall be deemed an original, and may be signed by electronic signature.

This proposal shall remain open for acceptance until 5:00 p.m. Eastern Time on October 16, 2026, unless earlier withdrawn or extended in writing by Purchaser.

Signatures below bind the parties only to Sections 8 and 9.

TKO LLC

By: Jim Koehler

Name: Jim Koehler

Title: CEO

Date: October 7, 2026

SERVICE PROPERTIES TRUST

By: _____

Name: _____

Title: _____

Date: _____