UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 28, 2015

STRATUS®

Stratus Properties Inc.

(Exact name of registrant as specified in its charter)

Delaware	**000-19989**	**72-1211572**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

212 Lavaca St., Suite 300 **Austin, Texas**	**78701**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (512) 478-5788

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On September 28, 2015, Stratus Properties Inc. ("Stratus") entered into an Agreement Regarding Sale and Purchase (the "Sale and Purchase Agreement") with Canyon-Johnson Urban Fund II, L.P. ("Canyon-Johnson"), CJUF II Block 21 Member, LLC ("CJUF Member"), Stratus Block 21 Investments, L.P. ("Stratus Investments"), Stratus Block 21 Holdings, Inc. ("Stratus Holdings") and CJUF II Stratus Block 21 LLC ("Block 21"). Stratus Investments and Stratus Holdings are wholly-owned subsidiaries of Stratus and CJUF Member is a wholly-owned subsidiary of Canyon-Johnson. Pursuant to the Sale and Purchase Agreement, Stratus purchased the approximate 58 percent interest of its joint venture partner, Canyon-Johnson, in Block 21, which owns a 36-story mixed-use development in downtown Austin, Texas, anchored by a W Austin Hotel & Residences, for approximately $62 million. Canyon-Johnson triggered the process on May 12, 2015, requiring Stratus to elect to either sell its interest in Block 21 to Canyon-Johnson for $44.5 million or purchase Canyon-Johnson's interest in Block 21. On July 6, 2015, Stratus notified Canyon-Johnson of its election to purchase Canyon-Johnson's interest in Block 21. Block 21 is now a wholly-owned subsidiary of Stratus.

The Sale and Purchase Agreement contains customary representations and warranties, and the parties have agreed to indemnify each other in connection with the breach of such representations and warranties.

In connection with its acquisition of Canyon-Johnson's interest in Block 21, on September 28, 2015, Stratus, as guarantor, Block 21, as borrower, and Bank of America, N.A. ("Bank of America"), as administrative agent on behalf of the lenders from time to time party thereto, entered into a First Amendment to Loan Documents (the "BoA Loan Amendment") and an Amended and Restated Promissory Note (together with the BoA Loan Amendment, the "BoA Loan Amendment Documents"). Pursuant to the BoA Loan Amendment Documents, (1) the $100.0 million non-recourse term loan previously made available to Block 21 was increased to $130.0 million, (2) the interest rate was reduced to the LIBOR daily floating rate plus 2.35 percent, (3) the maturity date was extended from September 29, 2016 to September 28, 2020, (4) the debt service coverage ratio to be maintained by Block 21 was decreased from 1.35 to 1.00 to 1.20 to 1.00 and (5) Block 21 was permitted to obtain additional third-party financing, subject to certain conditions. In addition, Canyon-Johnson was released as a guarantor. Accordingly, certain obligations of Block 21, including environmental indemnification and other customary carve-out obligations, are guaranteed by Stratus. All other terms and conditions remain unchanged.

Stratus funded its acquisition of Canyon-Johnson's interest in Block 21 with (1) approximately $32.3 million of proceeds from its non-recourse term loan with Bank of America, (2) a $20.0 million term loan under Stratus' credit facility with Comerica Bank and (3) approximately $9.7 million in cash.

The foregoing summary of the Sale and Purchase Agreement and the BoA Loan Amendment Documents does not purport to be complete and is subject to, and qualified in its entirety by, reference to the full text of the Sale and Purchase Agreement and the BoA Loan Amendment Documents, which are filed as exhibits hereto and incorporated by reference into this Item 1.01.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The disclosures set forth in Item 1.01 above are incorporated by reference into this Item 2.01.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosures set forth in Item 1.01 above are incorporated by reference into this Item 2.03.

Item 8.01 Other Events.

Stratus issued a press release dated September 30, 2015, announcing completion of its purchase of Canyon-Johnson's interest in Block 21 and completion of the refinance of the BoA loan. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated by reference into this Item 8.01.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information.

The following unaudited pro forma condensed financial statements (the Pro Forma Financial Statements) have been prepared to reflect the purchase of Canyon-Johnson's approximate 58 percent ownership interest in the Block 21 joint venture, which was completed on September 28, 2015. For additional information, see Item 1.01 in this current report on Form 8-K.

The unaudited pro forma condensed balance sheet is presented as if the purchase transaction had occurred on June 30, 2015. The unaudited pro forma condensed statements of income for the year ended December 31, 2014, and the six months ended June 30, 2015, are presented as if the purchase transaction had occurred on January 1, 2014. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the purchase transaction and, with respect to the statements of income only, expected to have a continuing impact on the combined results.

The Pro Forma Financial Statements have been prepared under accounting principles generally accepted in the United States (U.S.). The purchase transaction is subject to closing adjustments that have not yet been finalized. Accordingly, the pro forma adjustments are preliminary, and have been made solely for the purpose of providing Pro Forma Financial Statements as required by the U.S. Securities and Exchange Commission (SEC) rules. Differences between these preliminary estimates and the final accounting may be material.

The Pro Forma Financial Statements are provided for informational purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of Stratus would have been had the purchase transaction occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position. The Pro Forma Financial Statements should be read in conjunction with (i) the accompanying notes to the Pro Forma Financial Statements; (ii) the audited consolidated financial statements and accompanying notes of Stratus contained in its annual report on Form 10-K for the year ended December 31, 2014; and (iii) the unaudited condensed consolidated financial statements and accompanying notes of Stratus contained its quarterly report on Form 10-Q for the quarterly period ended June 30, 2015.

STRATUS PROPERTIES INC.
UNAUDITED PRO FORMA CONDENSED BALANCE SHEET
AT JUNE 30, 2015
(In Thousands)

	Historical	Pro Forma Adjustments: Debt Transactions[1]	Pro Forma Adjustments: Purchase[2]	Pro Forma
ASSETS				
Cash and cash equivalents	$ 25,474	$ 51,936	$ (61,989)	$ 15,421
Restricted cash	6,485			6,485
Land and real estate	355,985			355,985
Deferred tax assets	9,934		7,582	17,516
Other assets	18,826	572		19,398
Total assets	$ 416,704	$ 52,508	$ (54,407)	$ 414,805
LIABILITIES AND EQUITY				
Liabilities:				
Accounts payable and accrued liabilities	$ 19,484			$ 19,484
Debt	210,758	$ 52,508		263,266
Other liabilities and deferred gain	8,729			8,729
Total liabilities	238,971	52,508		291,479
Commitments and contingencies				
Total stockholders' equity	138,204	—	$ (14,080)	124,124
Noncontrolling interests in subsidiaries	39,529		(40,327)	(798)
Total equity	177,733	—	(54,407)	123,326
Total liabilities and equity	$ 416,704	$ 52,508	$ (54,407)	$ 414,805

NOTES TO THE UNAUDITED PRO FORMA CONDENSED BALANCE SHEET

(1) **Debt Transactions Adjustments**
Debt transactions adjustments reflect a $32.5 million increase in the BoA Loan (discussed in Item 1.01 of this current report on Form 8-K) and a $20.0 million term loan from Comerica Bank. Also reflects an adjustment to other assets for deferred financing costs of $0.6 million.

(2) **Purchase Adjustments**
Purchase adjustments reflect the cash purchase price of $62.0 million, the reduction in Canyon-Johnson's noncontrolling interest in Block 21 of $40.3 million and the resulting adjustments to deferred tax assets of $7.6 million and stockholders' equity of $14.1 million.

STRATUS PROPERTIES INC.
UNAUDITED PRO FORMA CONDENSED STATEMENTS OF INCOME (Unaudited)
(In Thousands, Except Per Share Amounts)

	Six Months Ended June 30, 2015			
	Historical	Pro Forma Adjustments[1]		Pro Forma
Revenues	$ 40,211			$ 40,211
Total costs and expenses	38,060			38,060
Operating income	2,151			2,151
Interest expense, net	(1,881)	$ (478)	A	(2,359)
Loss on interest rate cap agreement	(68)			(68)
Other income, net	289			289
Income before income taxes and equity in unconsolidated affiliates' income	491	(478)		13
Equity in unconsolidated affiliates' loss	(118)			(118)
Provision for income taxes	(47)	(504)	B	(551)
Income (loss) from continuing operations	326	(982)		(656)
Income from discontinued operations, net of taxes	3,218			3,218
Net income	3,544	(982)		2,562
Net income attributable to noncontrolling interests in subsidiaries	(1,921)	1,919	C	(2)
Net income attributable to common stock	$ 1,623	$ 937		$ 2,560
Basic and diluted net (loss) income per share attributable to common stockholders:				
Continuing operations	$ (0.20)			$ (0.08)
Discontinued operations	0.40			0.40
Basic and diluted net income per share attributable to common stockholders	$ 0.20			$ 0.32
Weighted-average shares of common stock outstanding:				
Basic	8,051			8,051
Diluted	8,081			8,081

	Year Ended December 31, 2014			
	Historical	Pro Forma Adjustments[1]		Pro Forma
Revenues	$ 94,111			$ 94,111
Total costs and expenses	83,747			83,747
Operating income	10,364			10,364
Interest expense, net	(3,751)	$ (1,076)	A	(4,827)
Loss on interest rate cap agreement	(272)			(272)
Other income, net	10			10
Income before income taxes and equity in unconsolidated affiliates' income	6,351	(1,076)		5,275
Equity in unconsolidated affiliates' income	1,112			1,112
Benefit from (provision for) income taxes	10,694	(1,247)	B	9,447
Net income	18,157	(2,323)		15,834
Net income attributable to noncontrolling interests in subsidiaries	(4,754)	4,638	C	(116)
Net income attributable to common stock	$ 13,403	$ 2,315		$ 15,718
Net income per share attributable to common stockholders:				
Basic	$ 1.67			$ 1.96
Diluted	$ 1.66			$ 1.95
Weighted-average shares of common stock outstanding:				
Basic	8,037			8,037
Diluted	8,078			8,078

NOTE TO THE UNAUDITED PRO FORMA CONDENSED STATEMENTS OF INCOME

(1) **Pro Forma Adjustments**

A. Pro forma adjustment for the additional interest expense associated with the $32.5 million increase in the BoA Loan (discussed in Item 1.01 of this current report on Form 8-K) and a $20.0 million term loan from Comerica Bank, net of capitalized interest.

B. Pro forma adjustment for the incremental federal income tax expense associated with the pro forma adjustments to interest expense and net income attributable to noncontrolling interests in subsidiaries.

C. Pro forma adjustment for the net income from Block 21 attributable to Canyon-Johnson.

(d) Exhibits.

The Exhibits included as part of this Current Report on Form 8-K are listed in the attached Exhibit Index.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Stratus Properties Inc.

By: /s/ Erin D. Pickens

Erin D. Pickens
Senior Vice President and
Chief Financial Officer
(authorized signatory and
Principal Financial Officer)

Date: October 1, 2015

Stratus Properties Inc.
Exhibit Index

Exhibit Number	
10.1	Agreement Regarding Sale and Purchase by and between CJUF II Block 21 Member, LLC, Canyon-Johnson Urban Fund II, L.P., Stratus Block 21 Investments, L.P., Stratus Block 21 Holdings, Inc., and Stratus Properties Inc., effective as of September 28, 2015.
10.2	First Amendment to Loan Documents by and among CJUF II Stratus Block 21 LLC, as borrower, Stratus Properties Inc., as guarantor, and Bank of America, N.A., as administrative agent on behalf of the lenders from time to time party thereto, effective as of September 28, 2015.
10.3	Amended and Restated Promissory Note by and among CJUF II Stratus Block 21 LLC, Stratus Properties Inc., and Bank of America, N.A., dated September 28, 2015.
99.1	Press Release dated September 30, 2015, titled “Stratus Properties Inc. Completes Purchase of Canyon-Johnson Urban Fund II, L.P.'s Interest in Block 21 Joint Venture and Refinance of Bank of America Term Loan.”

CJUF II STRATUS BLOCK 21 LLC

AGREEMENT REGARDING SALE AND PURCHASE

This Agreement Regarding Sale and Purchase (this "Agreement") is made and entered into effective as of September 28, 2015 (the "Effective Date") by and among **CJUF II BLOCK 21 MEMBER, LLC**, a Delaware limited liability company ("Seller"), **CANYON-JOHNSON URBAN FUND II, L.P.**, a Delaware limited partnership ("Canyon-Johnson"), **STRATUS BLOCK 21 INVESTMENTS, L.P.**, a Texas limited partnership ("Purchaser"), **STRATUS BLOCK 21 HOLDINGS, INC.**, a Texas corporation ("Stratus Block 21 Holdings"), **STRATUS PROPERTIES INC.**, a Delaware corporation ("Stratus"), and **CJUF II STRATUS BLOCK 21 LLC**, a Delaware limited liability company (the "Company"). Seller, Canyon-Johnson, Purchaser, Stratus Block 21 Holdings, Stratus, and the Company are referred to individually as a "Party" and collectively as the "Parties." Seller and Canyon-Johnson are referred to collectively as the "Seller Parties." Purchaser, Stratus Block 21 Holdings, Stratus, and the Company are referred to collectively as the "Purchaser Parties."

R E C I T A L S:

A. Seller, Purchaser, and Stratus Block 21 Holdings are the only members of the Company.

B. The Company is governed by, and Seller and Purchaser are parties to, that certain Amended and Restated Operating Agreement of the Company, dated as of May 1, 2008, as amended by that certain Amendment No. 1 to the Amended and Restated Operating Agreement of the Company dated as of June 11, 2008, as amended by that certain Amendment No. 2 to the Amended and Restated Operating Agreement of the Company dated as of August 20, 2009, as amended by that certain Amendment No. 3 to the Amended and Restated Operating Agreement of the Company dated as of October 15, 2009, as amended by that certain Amendment No. 4 to the Amended and Restated Operating Agreement of the Company dated as of December 16, 2009, as amended by that certain Amendment No. 5 to the Amended and Restated Operating Agreement of the Company dated as of March 31, 2010, as amended by that certain Amendment No. 6 to the Amended and Restated Operating Agreement of the Company dated as of June 24, 2010, as amended by that certain Amendment No. 7 to the Amended and Restated Operating Agreement of the Company dated as of March 14, 2011, as amended by that certain Amendment No. 8 to the Amended and Restated Operating Agreement of the Company dated as of May 6, 2011, as amended by that certain Amendment No. 9 to the Amended and Restated Operating Agreement of the Company dated as of June 13, 2011, as amended by that certain Amendment No. 10 to the Amended and Restated Operating Agreement of the Company dated as of July 7, 2011, as amended by that certain Amendment No. 11 to the Amended and Restated Operating Agreement of the Company dated as of July 19, 2011, as amended by that certain Amendment No. 12 to the Amended and Restated Operating Agreement of the Company dated as of August 9, 2011, as amended by that certain Amendment No. 13 to the Amended and Restated Operating Agreement of the Company dated as of September 9, 2011, as amended by that certain Amendment No. 14 to the Amended and Restated Operating Agreement of the Company dated as of October 18, 2011, as amended by that certain Amendment No. 15 to the Amended and Restated Operating Agreement of the Company dated as of November 10, 2011, as amended by that certain Amendment No. 16 to the Amended and Restated Operating Agreement of the

Company dated as of November 16, 2011, as amended by that certain Amendment No. 17 to the Amended and Restated Operating Agreement of the Company dated as of December 20, 2011, as amended by that certain Amendment No. 18 to the Amended and Restated Operating Agreement of the Company dated as of February 6, 2012, and as amended by that certain Amendment No. 19 to the Amended and Restated Operating Agreement of the Company dated as of September 30, 2013 (collectively, the "Company Agreement").

C. Seller owns and holds an Equity Ownership Percentage (as defined in the Company Agreement) in the Company ("Seller's Equity Ownership Percentage"). For reference, the Company's calendar year 2014 Form 1065 filed with the Internal Revenue Service reflects a calendar year 2014 ending share of profit of 57.763728% and ending share of capital of 57.769999% for Seller's Equity Ownership Percentage. Seller is selling all of Seller's Equity Ownership Percentage (the "Assigned Equity Ownership Percentage") to Purchaser pursuant to the terms of this Agreement.

D. Capitalized terms not defined in this Agreement will have the meanings ascribed to such terms in the Company Agreement.

NOW, THEREFORE, for and in consideration of the foregoing and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article 1
SALE AND TRANSFER OF EQUITY OWNERSHIP PERCENTAGE

1.1 Agreement to Sell and Transfer. Purchaser agrees to purchase the Assigned Equity Ownership Percentage from Seller, and Seller agrees to sell, assign, transfer, and deliver the Assigned Equity Ownership Percentage to Purchaser upon the terms and conditions set forth in this Agreement.

1.2 Purchase Price. In exchange for the Assigned Equity Ownership Percentage, Purchaser will deliver to Seller a total of Sixty-One Million Nine Hundred Eighty-Nine Thousand Four Hundred Fifty-Five and 87/100 Dollars ($61,989,455.87) (the "Purchase Price") by wire transfer of immediately available funds.

1.3 Closing. The closing of the transaction contemplated by this Agreement (the "Closing") will occur simultaneously with the execution of this Agreement by Seller and Purchaser effective as of the Effective Date (the "Closing Date"). The Closing will take place at the offices of Heritage Title Company of Austin, Inc. (the "Title Company"), 401 Congress Avenue, Suite 1500, Austin, Texas 78701, Attn: Amy Fisher, Closing Officer.

1.4 Seller's Closing Obligations. At Closing, Seller and Canyon-Johnson, as applicable, will:

(a) execute and deliver to Purchaser an Assignment and Transfer in the same form as Exhibit "A", attached hereto and incorporated herein (the "Assignment"); and

(b) execute and deliver to Purchaser and the Title Company such other certificates, closing statements, affidavits, and evidences of authority as reasonably requested by the Title Company.

1.5 Purchaser's Closing Obligations. At Closing, Purchaser, Stratus Block 21 Holdings, Stratus, and the Company, as applicable, will:

(a) deliver the Purchase Price to Seller;

(b) cause Bank of America, N.A. to deliver to Seller an executed release of Canyon from that certain Guaranty Agreement dated as of September 30, 2013 and that certain Environmental Indemnification and Release Agreement dated as of September 30, 2013 in the same form as Exhibit "B", attached hereto and incorporated herein (the "Release of Guarantor");

(c) cause Stratus and the Company to execute and deliver the Release of Guarantor; and

(d) execute and deliver to Seller and the Title Company such other certificates, closing statements, affidavits, and evidences of authority as reasonably requested by the Title Company.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Seller. As a material inducement to Purchaser to execute and perform its obligations under this Agreement, Seller makes the representations and warranties set forth in the Assignment to Purchaser.

2.2 Representations and Warranties of Purchaser. As a material inducement to Seller to execute and perform its obligations under this Agreement, Purchaser represents and warrants to Seller that (a) Purchaser has the full right, power and authority to execute and deliver this Agreement and perform its obligations under this Agreement; (b) Purchaser has duly executed and delivered this Agreement, and all action on the part of or on behalf of Purchaser necessary for the authorization, execution, delivery and performance of this Agreement has been taken; (c) upon execution by Seller, this Agreement shall constitute a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms except as such enforceability may be subject to the effects of any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting creditors' rights generally or subject to the effects of general equitable principles; or (d) the execution of this Agreement will not conflict with nor result in the breach or violation of or default under any term, condition, or provisions of any note, bond, indenture, license, lease, agreement, judgment, order, decree, law, rule, regulation, instrument, or obligation that Purchaser is a party to or bound to. Purchaser will defend, hold harmless, and indemnify Seller and Canyon-Johnson from and after the date of this Agreement against any and all loss, damage, liability, claim, or deficiency (including, without limitation, reasonable attorney's fees and costs of courts) incurred by them resulting from or incidental to any misrepresentation or breach of warranty by Purchaser under this Agreement.

2.3 Survival of Representations and Warranties. The representations, warranties, and covenants contained in this Agreement and any instrument delivered in connection with this Agreement will survive the execution of this Agreement.

ARTICLE 3
MISCELLANEOUS

3.1 Consents to Transfers. Effective as of the day before the Effective Date, (i) Purchaser assigned and transferred to Stratus Block 21 Holdings a 0.1% Equity Ownership Percentage out of the Equity Ownership Percentage owned and held by Purchaser and (ii) Stratus Block 21 Holdings was admitted as a member of the Company. Seller consents to such assignment and transfer by Purchaser to Stratus Block 21 Holdings and consents to the admission of Stratus Block 21 Holdings as a member of the Company. Stratus Block 21 Holdings consents to the assignment and transfer of Seller's Equity Ownership Percentage to Purchaser as provided in this Agreement.

3.2 Guarantees. Canyon-Johnson hereby unconditionally and irrevocably guarantees to Purchaser any and all obligations, representations, warranties, covenants, and agreements of Seller under this Agreement. Stratus hereby unconditionally and irrevocably guarantees to Seller any and all obligations, representations, warranties, covenants, and agreements of Purchaser under this Agreement.

3.3 Tax Matters. The Parties agree that for U.S. Federal income tax purposes, the purchase and sale of the Assigned Equity Ownership Percentage by the Seller to Purchaser pursuant to this Agreement (a) shall result in a technical termination of the Company for purposes of Section 708(b)(1)(B) of the Internal Revenue Code of 1986, as amended, and (b) shall cause the short taxable year of the Company from January 1, 2015 through the end of the Effective Date (the "2015 Short Period") to close as of the end of the day on the Effective Date. For U.S. Federal income tax purposes, the Company will continue to be taxed as a partnership for U.S. Federal income tax purposes and will continue with the same Federal employer identification number unless otherwise determined by Purchaser. As set forth in Section 5.6 of the Company Agreement, Purchaser shall cause to be prepared the Company returns of income for those tax authorities requiring filing. Unless otherwise agreed by the Members, the Company will engage Price Waterhouse Coopers ("PWC") to prepare the applicable 2015 Short Period Federal and state tax returns of the Company and determine the applicable allocations of income, gains, losses, credits and deductions and other tax and accounting items as of the Effective Date in accordance with the closing-of-the-books method of accounting and consistent in all material respects with prior tax and accounting practices and the Company Agreement and subject to the reasonable and good faith approval of Purchaser and Seller. If PWC is not able or willing to prepare the applicable returns and make the determinations as set forth above, then Purchaser and Seller will in agree in good faith on a substitute accountant. Tax returns, tax elections, and other tax-related choices will continue to be subject to Section 5.6 and the Company Agreement. Any disagreement among Purchaser and Seller with respect to tax returns, tax elections, and other tax-related choices will be resolved in accordance with Section 8.19 of the Company Agreement. Seller will continue to be the tax matters partner for the 2015 Short Period returns. Purchaser will be the tax matters partner for all subsequent periods, including, without limitation the short-period return for the period from the day after the Effective Date through December 31, 2015.

3.4 Bank Accounts. Seller and Purchaser will immediately take all action and execute such documents as reasonably requested by the other party to close the Company bank account at City National Bank and to remove Seller and any and all representatives, agents, and affiliates of Seller as a signatory or authorized person on any and all Company bank, deposit, investment, and other accounts.

3.5 Texas Franchise Taxes.

(a) Returns. The Company filed its Texas state franchise tax returns for the calendar years 2011, 2012, 2013, and 2014, and will be filing its Texas state franchise tax return for the 2015 Short Period (collectively, the "2011-2015 Returns"), on a combined basis with affiliates of Canyon-Johnson using two separate unitary groups – one unitary group for "development" entities of which the Company was a part and one unitary group for "non-development" entities. The Parties believe that such position is reasonable and defensible. If the Texas State Comptroller were to challenge the Company's and Canyon Johnson's position taken with regard to two separate unitary groups and ultimately prevailed on a determination to disallow such position, then the Company may owe to the Texas State Comptroller additional Texas state franchise taxes for the periods covered by the 2011-2015 Returns.

(b) Notices. Each Party agrees to promptly notify the other Parties in writing upon receiving any notice, claim, or information from the Texas State Comptroller or any other representative of the State of Texas of any pending claim, audit, or assessment of taxes relating to or arising from the Texas state franchise tax returns or Texas state franchise taxes of the Company or that could reasonably be expected to affect the Company for any period on or prior to the Effective Date.

(c) Cooperation and Records. Each Party agrees to promptly consult and cooperate in good faith with each of the other Parties prior to and in connection with furnishing factual evidence and statements and responding to and/or defending any claim, audit, or assessment of taxes, interest, or penalties relating to or arising from the Texas state franchise tax returns or Texas state franchise taxes of the Company or that could reasonably be expected to affect the Company for any period on or prior to the Effective Date. Such cooperation shall include, without limitation, the retention and (upon the other Party's request) the provision of documents, records, and information that are reasonably relevant to any such tax return filing, audit, litigation, or other proceeding and making employees available on a reasonably convenient basis to provide additional information and explanation of any materials provided hereunder. Each Party and their respective representatives and counsel, at the applicable Party's own expense, shall be entitled to reasonably participate in all conferences, meetings, or proceedings with the Texas State Comptroller or other applicable taxing authority with respect to any of the Texas state franchise tax returns or Texas state franchise taxes of the Company or that could reasonably be expected to affect the Company for any period on or prior to the Effective Date. The Parties agree to promptly consult and cooperate in good faith with each other in the negotiation, settlement, dispute resolution, or litigation with respect to any of the Texas state franchise tax returns or Texas state franchise taxes of the Company or that could reasonably be expected to affect the Company for any period on or prior to the Effective Date. All decisions with respect to such negotiation and settlement or

litigation shall be made by the Parties after full and good faith consultation with the other Parties. Each Party agrees (i) to retain all books and records with respect to tax matters pertinent to the Company relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by the other Parties, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any governmental authority, and (ii) to give the other Parties reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other Party so requests, allow the requesting Party to take possession of such books and records.

(d) Amendments to Returns. No Party will amend or modify any of the 2011-2015 Returns without the prior written consent of the other Parties, which consent will not be unreasonably withheld if such amendment or modification is required by applicable law.

(e) Company Liability. If a court or governmental taxing authority of competent jurisdiction makes a final non-appealable determination that the Company is obligated to pay additional Texas state franchise taxes, and/or interest and penalties on such taxes for the 2011-2015 Returns because the Company should have filed a combined Texas State franchise return with one unitary group, instead of two unitary groups, then the Company agrees to pay and will pay to the Texas State Comptroller the amount of taxes, interest, and penalties, if any, determined by the Texas State Comptroller to be owed by the Company solely with respect to the operations and results of the Company (the "Tax Adjustment"), but not with respect to any operations or results of any affiliate of Canyon-Johnson. If the Texas State Comptroller does not specifically determine the amount of such Tax Adjustment solely with respect to the operations and results of the Company, then the determination of the amounts of the Tax Adjustment will be made by PWC consistent in all material respects with prior tax and accounting practices, the Company Agreement, and the allocation and calculation methods used to compute the estimates agreed to by the Parties of even date herewith, and subject to the reasonable and good faith approval of the Parties. If PWC is not able or willing to make the determinations as set forth above, then the Parties will agree in good faith on a substitute accountant. Any disagreement among the Parties with respect to the determinations in this Section 3.5 will be resolved in accordance with Section 8.19 of the Company Agreement. The Company will not be obligated or liable to pay any taxes, interest, or penalties for any affiliate of Canyon-Johnson. If the Company does not pay all of the amount of the Tax Adjustment to the Texas State Comptroller when due after a final determination as set forth in this Section 3.5 and the Seller Parties are required to pay all or part of the Tax Adjustment directly to the Texas State Comptroller, then the Purchaser Parties will promptly reimburse and indemnify the Seller Parties for the amount of the Tax Adjustment paid by the Seller Parties.

(f) Seller Parties Liability. Except for the Tax Adjustment (which, for avoidance of doubt, is solely with respect to the operations and results of the Company, and which will be the responsibility of the Company as set forth in Section 3.5(e) above), the Seller Parties will be responsible and liable for and will pay to the Texas State Comptroller all Texas state franchise taxes, interest, and penalties, if any, due and payable with respect to Seller Parties and any entity (other than the Company and any

subsidiary of the Company) that could be combined or consolidated with Seller or Canyon-Johnson for purposes of Texas state franchise tax reporting during any periods ending on or prior to the Effective Date (the "Non-Block 21 Taxes"). If the Purchaser Parties are required to pay all or part of the Non-Block 21 Taxes directly to the Texas State Comptroller, then the Seller Parties will promptly reimburse and indemnify the Purchaser Parties for the amount of the Non-Block 21 Taxes paid by the Purchaser Parties.

(g) Representations and Warranties. The Seller Parties represent and warrant to the Purchaser Parties that, to the best of the Seller Parties' knowledge after reasonable due inquiry, (i) the information and calculations in the tax schedules provided by the Seller Parties to the Purchaser Parties on September 25, 2015 (the "Schedules") are true, complete, and correct in all material respects; (ii) the Schedules include all entities owned, in whole or in part, directly or beneficially by Canyon-Johnson that could be combined or consolidated with Canyon-Johnson for purposes of Texas state franchise tax reporting during any periods ending on or prior to the Effective Date; and (iii) none of the Company, Seller, or Canyon-Johnson could be combined or consolidated with any affiliate of Canyon-Johnson (other than the entities included on the Schedules) or any owner of Canyon-Johnson for purposes of Texas state franchise tax reporting during any periods ending on or prior to the Effective Date.

(h) Confidentiality. The Purchaser Parties will keep the Schedules and the information provided in the Schedules (the "Confidential Information") confidential and will not disclose (directly or indirectly), and will take all reasonable steps to prevent disclosure of, any of the Confidential Information to any third party. The Purchaser Parties may disclose the Confidential Information only to the Purchaser Parties' officers, employees, agents, and advisors who need to know such information (the "Representatives"). The Purchaser Parties will be responsible for any breach of this Agreement by the Representatives. Notwithstanding the foregoing, if the Purchaser Parties are required to disclose certain Confidential Information in order to comply with applicable law or regulation or with any requirement imposed by judicial or administrative process or any governmental or court order, the Purchaser Parties will promptly notify the Seller Parties within a reasonable time prior to such disclosure to allow the Seller Parties to seek a protective order or other remedy to protect the confidentiality of the Confidential Information. If such protective order or other remedy is not sought or obtained, the Purchaser Parties may disclose only that portion of the Confidential Information that Purchaser Parties' legal counsel advises the Purchaser Parties that they are legally required to disclose.

3.6 Mutual Releases.

(a) Definitions. For purposes of this Section 3.6:

(i) "Seller" refers to Seller, individually, as well as its attorneys, accountants, legal representatives, servants, agents, successors and assigns, heirs, administrators and personal representatives, and all other persons or entities acting on its behalf whether authorized or not.

(ii) "Canyon-Johnson" refers to Canyon-Johnson, individually, as well as its attorneys, accountants, legal representatives, servants, agents, successors and assigns, heirs, administrators and personal representatives, and all other persons or entities acting on its behalf whether authorized or not.

(iii) "Seller Parties" refers to Seller and Canyon-Johnson, collectively.

(iv) "Purchaser" refers to Purchaser, individually, as well as its attorneys, accountants, legal representatives, servants, agents, successors and assigns, heirs, administrators and personal representatives, and all other persons or entities acting on its behalf whether authorized or not.

(v) "Stratus Block 21 Holdings" refers to Stratus Block 21 Holdings, individually, as well as its attorneys, accountants, legal representatives, servants, agents, successors and assigns, heirs, administrators and personal representatives, and all other persons or entities acting on its behalf whether authorized or not.

(vi) "Stratus" refers to Stratus, individually, as well as its attorneys, accountants, legal representatives, servants, agents, successors and assigns, heirs, administrators and personal representatives, and all other persons or entities acting on its behalf whether authorized or not.

(vii) "Company" refers to the Company, individually, as well as its attorneys, accountants, legal representatives, servants, agents, successors and assigns, heirs, administrators and personal representatives, and all other persons or entities acting on its behalf whether authorized or not.

(viii) "Purchaser Parties" refers to Purchaser, Stratus Block 21 Holdings, Stratus and the Company, collectively.

(ix) "Closing Documents" refers to this Agreement, the Assignment, the Release of Guarantor, and all other documents or instruments executed in connection with the conveyance to Purchaser of Seller's Equity Ownership Percentage.

(x) "All Claims" means all claims and causes of action of any nature, whether now known or unknown, asserted or unasserted, accrued or unaccrued, whether in contract or in tort, or arising in or by virtue of any statute or regulation, for all losses and damages of any kind, including but not limited to pre- and post-judgment interest, monetary damages, attorney's fees, and exemplary and punitive damages.

(b) Release in Favor of the Seller Parties. The Purchaser Parties hereby fully and finally RELEASE, ACQUIT and FOREVER DISCHARGE the Seller Parties from All Claims.

(c) Release in Favor of the Purchaser Parties. The Seller Parties hereby fully and finally RELEASES, ACQUITS and FOREVER DISCHARGES the Purchaser Parties from All Claims.

(d) Scope and Intent of Releases. Each of the Parties specifically intends its respective release to be a general release and to, as broadly as possible, include all conceivable claims and causes of action arising since the Seller Parties and the Purchaser Parties began their business relationship in or about 2007. In this regard, by executing this Agreement, the Parties warrant and represent that they are knowingly and for adequate consideration releasing all known and unknown claims and causes of action against one another. Each of the Parties' respective releases does not release any claims or causes of action pertaining to the obligations created by this Agreement or the Closing Documents.

(e) Specific Disclaimer of Reliance by the Seller Parties. Each of the Seller Parties warrants and represents that, in releasing these claims, it has not consulted with or relied on any of the Purchaser Parties' attorneys, or anyone else acting by or on behalf of the Purchaser Parties. Each of the Seller Parties expressly disclaims any reliance on any counselor, advisor or attorney in making the decision to release the Purchaser Parties, other than the Seller Parties' own attorneys.

(f) Specific Disclaimer of Reliance by the Purchaser Parties. Each of the Purchaser Parties warrant and represent that, in releasing these claims, they have not consulted with or relied on the Seller Parties, the Seller Parties' attorneys, or anyone else acting by or on behalf of the Seller Parties. Each of the Purchaser Parties expressly disclaim any reliance on any counselor, advisor or attorney in making the decision to release the Seller Parties, other than the Purchaser Parties' own attorneys.

3.7 Additional Assurances. Without further consideration, at any time and from time to time, each party agrees to execute and deliver such further instruments of conveyance, transfer, assignment, and ratification and take such other action as any other party may reasonably request to facilitate the transactions described in this Agreement.

3.8 Notices. All notices, demands, and requests under this Agreement must be in writing and will be deemed to have been properly delivered and received (a) as of the date of delivery to the addresses set forth below if personally delivered; (b) two (2) business days after deposit in a regularly maintained receptacle for the United States mail, certified mail, return receipt requested and postage prepaid; (c) one (1) business day after deposit with Federal Express or comparable overnight delivery system for overnight delivery with all costs prepaid; or (d) one (1) business day after being sent by email with an electronic automated delivery receipt. All notices, demands, and requests under this Agreement must be addressed as follows:

If to Purchaser, Stratus Block 21 Holdings, Stratus, or the Company:
Stratus Block 21 Investments, L.P.
Attn: William H. Armstrong, III
212 Lavaca Street, Suite 300
Austin, Texas 78701
Email: barmstrong@stratusproperties.com

With required copy to: Armbrust & Brown, PLLC
Attn: Kenneth N. Jones
100 Congress Avenue, Suite 1300
Austin, Texas 78701
Email: kjones@abaustin.com

If to Seller or
Canyon-Johnson: CJUF II Block 21 Member, LLC
2000 Avenue of the Stars, 11th Floor
Los Angeles, California 90067
Attn: Robin Potts
Email: rpotts@canyonpartners.com

CJUF II Block 21 Member, LLC
2000 Avenue of the Stars, 11th Floor
Los Angeles, California 90067
Attn: Maria Stamolis
Email: mstamolis@canyonpartners.com

CJUF II Block 21 Member, LLC
2000 Avenue of the Stars, 11th Floor
Los Angeles, California 90067
Attn: Marcus Neupert
Email: mneupert@canyonpartners.com

With required copy to: Loeb & Loeb LLP
Attn: Andrew S. Clare
10100 Santa Monica Blvd., Suite 2200
Los Angeles, California 90067
Email: aclare@loeb.com

Either party may change the party's address for the purpose of this section by giving the other party written notice of the new address in the manner set forth above.

3.9 Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the State of Delaware.

3.10 Entirety and Amendments. This Agreement, together with the Assignment, constitutes the entire agreement between the Parties with regard to the subject matter hereof, and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof, and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

3.11 Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provisions shall be fully severable and the Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable

provision or its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a

provision that is as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

3.12 Counterparts. This Agreement may be signed in any number of multiple counterparts which, when taken together, constitute one agreement enforceable against all Parties. Additionally, for purposes of facilitating the execution of this Agreement: (i) the signature pages taken from separate individually executed counterparts of this Assignment may be combined to form multiple fully-executed counterparts and (ii) a facsimile signature or a signature sent by electronic mail will be deemed to be an original signature for all purposes.

3.13 Time is of the Essence. Time is of the essence in all things pertaining to this Agreement.

3.14 Binding Effect. This Agreement shall be binding upon and inure to the benefit of each party and their respective successors and assigns.

[Remainder of page intentionally left blank.]

[Signature pages follows.]

The parties hereto have caused this Agreement to be duly executed effective as of the Effective Date.

SELLER:

CJUF II BLOCK 21 MEMBER, LLC, a Delaware limited liability company

By: Canyon-Johnson Urban Fund II, L.P., a Delaware limited partnership, its member

By: Canyon-Johnson Realty Advisors II, LLC,
a Delaware limited liability company, General Partner

By: /s/ Jonathan M. Kaplan
Name: Jonathan M. Kaplan
Title: Authorized Signatory

CANYON-JOHNSON:

CANYON-JOHNSON URBAN FUND II, L.P.,
a Delaware limited partnership

By: Canyon-Johnson Realty Advisors II, LLC,
a Delaware limited liability company, General Partner

By: /s/ Jonathan M. Kaplan
Name: Jonathan M. Kaplan
Title: Authorized Signatory

PURCHASER:

STRATUS BLOCK 21 INVESTMENTS, L.P., a Texas limited partnership

By: Stratus Block 21 Investments GP, L.L.C., a Texas limited liability company, General Partner

By: /s/ Erin D. Pickens
Name: Erin D. Pickens
Title: Senior Vice-President

STRATUS BLOCK 21 HOLDINGS:

STRATUS BLOCK 21 HOLDINGS, INC., a Texas corporation

By: /s/ Erin D. Pickens
Name: Erin D. Pickens
Title: Senior Vice-President

STRATUS:

STRATUS PROPERTIES INC., a Delaware corporation

By: /s/ Erin D. Pickens
Name: Erin D. Pickens
Title: Senior Vice-President

COMPANY:

CJUF II STRATUS BLOCK 21 LLC, a Delaware limited liability company

By: Stratus Block 21 Investments, L.P., a Texas limited partnership, Manager

By: Stratus Block 21 Investments GP, L.L.C., a Texas limited liability company, General Partner

By: /s/ Erin D. Pickens
Name: Erin D. Pickens
Title: Senior Vice-President

EXHIBIT "A"

ASSIGNMENT AND TRANSFER

[Attached to this cover page is a copy of the Assignment and Transfer.]

CJUF II STRATUS BLOCK 21 LLC

ASSIGNMENT AND TRANSFER

This Assignment and Transfer (this "Assignment") is made by and between **CJUF II BLOCK 21 MEMBER, LLC**, a Delaware limited liability company ("Assignor"), and **STRATUS BLOCK 21 INVESTMENTS, L.P.**, a Texas limited partnership ("Assignee").

R E C I T A L S:

A. Assignor, Assignee and Stratus Block 21 Holdings Inc., a Texas corporation, are the only members of CJUF II Stratus Block 21 LLC, a Delaware limited liability company (the "Company").

B. The Company is governed by, and Assignor and Assignee are parties to, that certain Amended and Restated Operating Agreement of the Company, dated as of May 1, 2008, as amended by that certain Amendment No. 1 to the Amended and Restated Operating Agreement of the Company dated as of June 11, 2008, as amended by that certain Amendment No. 2 to the Amended and Restated Operating Agreement of the Company dated as of August 20, 2009, as amended by that certain Amendment No. 3 to the Amended and Restated Operating Agreement of the Company dated as of October 15, 2009, as amended by that certain Amendment No. 4 to the Amended and Restated Operating Agreement of the Company dated as of December 16, 2009, as amended by that certain Amendment No. 5 to the Amended and Restated Operating Agreement of the Company dated as of March 31, 2010, as amended by that certain Amendment No. 6 to the Amended and Restated Operating Agreement of the Company dated as of June 24, 2010, as amended by that certain Amendment No. 7 to the Amended and Restated Operating Agreement of the Company dated as of March 14, 2011, as amended by that certain Amendment No. 8 to the Amended and Restated Operating Agreement of the Company dated as of May 6, 2011, as amended by that certain Amendment No. 9 to the Amended and Restated Operating Agreement of the Company dated as of June 13, 2011, as amended by that certain Amendment No. 10 to the Amended and Restated Operating Agreement of the Company dated as of July 7, 2011, as amended by that certain Amendment No. 11 to the Amended and Restated Operating Agreement of the Company dated as of July 19, 2011, as amended by that certain Amendment No. 12 to the Amended and Restated Operating Agreement of the Company dated as of August 9, 2011, as amended by that certain Amendment No. 13 to the Amended and Restated Operating Agreement of the Company dated as of September 9, 2011, as amended by that certain Amendment No. 14 to the Amended and Restated Operating Agreement of the Company dated as of October 18, 2011, as amended by that certain Amendment No. 15 to the Amended and Restated Operating Agreement of the Company dated as of November 10, 2011, as amended by that certain Amendment No. 16 to the Amended and Restated Operating Agreement of the Company dated as of November 16, 2011, as amended by that certain Amendment No. 17 to the Amended and Restated Operating Agreement of the Company dated as of December 20, 2011, as amended by that certain Amendment No. 18 to the Amended and Restated Operating Agreement of the Company dated as of February 6, 2012, and as amended by that certain Amendment No. 19 to the Amended and Restated Operating Agreement of the Company dated as of September 30, 2013 (collectively, the "Company Agreement").

C. Assignor owns and holds an Equity Ownership Percentage (as defined in the Company Agreement) in the Company ("Assignor's Equity Ownership Percentage"). For reference, the Company's calendar year 2014 Form 1065 filed with the Internal Revenue Service reflects a calendar year 2014 ending share of profit of 57.763728% and ending share of capital of 57.769999% for Assignor's Equity Ownership Percentage. Pursuant to this Assignment, Assignor is transferring all of Assignor's Equity Ownership Percentage (the "Assigned Equity Ownership Percentage") to Assignee.

D. Capitalized terms not defined in this Assignment will have the meanings ascribed to such terms in the Company Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor has SOLD, ASSIGNED, TRANSFERRED, CONVEYED, and DELIVERED, and by these presents hereby SELLS, ASSIGNS, TRANSFERS, CONVEYS, and DELIVERS unto Assignee, and Assignee hereby accepts, all the following-described property (the "Property"):

(a)The Assigned Equity Ownership Percentage;

(b)All right, title, and interest arising from the Assigned Equity Ownership Percentage;

(c)All of the share of the profits and losses arising from the Assigned Equity Ownership Percentage as set forth in the Company Agreement;

(d)All rights to the return of any contributions (whether cash or other property) to the Company arising from the Assigned Equity Ownership Percentage;

(e)All rights to distributions from the Company arising from the Assigned Equity Ownership Percentage;

(f)All cash and non-cash proceeds arising from the Assigned Equity Ownership Percentage;

(g)The Capital Account arising from the Assigned Equity Ownership Percentage; and

(h)All voting rights, management rights, tax matters partner rights (except with respect to the 2015 short-period Federal and state tax returns of the Company, for which Assignor shall continue to serve as tax matters partner), ownership rights, and all other rights and claims of any kind arising from the Assigned Equity Ownership Percentage.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in any wise belonging unto Assignee and Assignee's heirs and assigns forever, and Assignor does hereby bind itself, its heirs and assigns to warrant and forever defend all and singular the rights, titles, and interests assigned hereby unto Assignee, Assignee's heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part

thereof. Unless otherwise agreed in writing by Assignor and Assignee, this Assignment is final, binding, irrevocable, and not subject to recession.

Assignor hereby represents and warrants to Assignee that: (i) Assignor is the sole legal and equitable owner and holder of all of the Property; (ii) Assignor has, and the authorized signatory below has, the full right, power, and authority to execute this Assignment and to sell and transfer the Property to Assignee; (iii) Assignor has duly executed and delivered this Assignment, and all action on the part of or on behalf of Assignor necessary for the authorization, execution, delivery and performance of this Assignment has been taken; (iv) the Property is transferred to Assignee free and clear of any and all claims, liens, security interests, pledges, and encumbrances; (v) the execution of this Assignment will not conflict with nor result in the breach or violation of or default under any term, condition, or provisions of any note, bond, indenture, license, lease, agreement, judgment, order, decree, law, rule, regulation, instrument, or obligation that Assignor is a party to or bound to; (vi) except for Assignor's assignment and transfer to Assignee pursuant to this Assignment, Assignor has not, either before or on the effective date of this Assignment, assigned or transferred all or any part of Assignor's right, title, or interest in the Company or the Property to any person or entity; and (vii) the Property represents all of Assignor's interest of any kind (direct, indirect, beneficial or otherwise) in the Company and upon execution of this Assignment and except as otherwise provided herein, Assignor will have no further ownership or other right, title, interest of any kind in or to the Company or the Property. The representations, warranties, covenants, and assignments contained in this Assignment will survive the transfer of the Property made by this Assignment and the payment of the consideration therefor. Assignor will defend, hold harmless, and indemnify Assignee from and after the date of this Assignment against any and all loss, damage, liability, claim, or deficiency (including, without limitation, reasonable attorney's fees and costs of courts) incurred by Assignee resulting from or incidental to any misrepresentation or breach of warranty by Assignor under this Assignment.

This Assignment will be governed by and construed in accordance with the internal laws of the State of Delaware. Any provision of this Assignment that is determined by a court of competent jurisdiction to be invalid or unenforceable will be ineffective only to the minimum extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining provisions of this Assignment or affecting the validity or enforceability of any provisions of this Assignment. This Assignment may be signed in any number of multiple counterparts which, when taken together, constitute one agreement enforceable against all parties. Additionally, for purposes of facilitating the execution of this Assignment: (i) the signature pages taken from separate individually executed counterparts of this Assignment may be combined to form multiple fully-executed counterparts and (ii) a facsimile signature or a signature sent by electronic mail will be deemed to be an original signature for all purposes.

[Remainder of page intentionally left blank.]

[Signature page follows.]

IN WITNESS WHEREOF, this Assignment has been executed to be effective as of September 28, 2015.

ASSIGNOR:

CJUF II BLOCK 21 MEMBER, LLC, a Delaware limited liability company

By: Canyon-Johnson Urban Fund II, L.P., a Delaware limited partnership, its member

By: Canyon-Johnson Realty Advisors II, LLC,
a Delaware limited liability company, General Partner

By: /s/ Jonathan M. Kaplan
Name: Jonathan M. Kaplan
Title: Authorized Signatory

ASSIGNEE:

STRATUS BLOCK 21 INVESTMENTS, L.P., a Texas limited partnership

By: Stratus Block 21 Investments GP, L.L.C., a Texas limited liability company, General Partner

By: /s/ Erin D. Pickens
Name: Erin D. Pickens
Title: Senior Vice-President

EXHIBIT "B"

RELEASE OF GUARANTOR

[Attached to this cover page is a copy of the Release of Guarantor.]

RELEASE OF GUARANTOR

This Release of Guarantor (this "Release") is made and entered into effective as of September 28, 2015, by and among **STRATUS PROPERTIES INC.**, a Delaware corporation ("Stratus Guarantor"), **CANYON-JOHNSON URBAN FUND II, L.P.,** a Delaware limited partnership ("Canyon Guarantor"), **CJUF II STRATUS BLOCK 21 LLC**, a Delaware limited liability company ("Borrower"), and **BANK OF AMERICA, N.A.**, a national banking association ("Administrative Agent"), as administrative agent on behalf of and for the benefit of the Lenders. Capitalized terms used herein, but not otherwise defined herein, shall have the meaning given to such term in the Loan Agreement.

RECITALS

A. Lenders made a ONE HUNDRED MILLION AND 00/100 DOLLAR ($100,000,000.00) loan to Borrower pursuant to that certain Term Loan Agreement dated as of September 30, 2013 (the "Loan Agreement") by and between Borrower, Administrative Agent and Lenders, as evidenced by that certain Promissory Note dated September 30, 2013 (the "Note"), executed by Borrower and made payable to the order of Administrative Agent in the original principal amount of ONE HUNDRED MILLION AND 00/100 DOLLARS ($100,000,000.00).

B. The Loan is secured in part by that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated September 30, 2013, executed by Borrower to Administrative Agent covering certain property more particularly described therein (the "Property"), recorded under Document No. 2013180523 in the Official Public Records of Travis County, Texas.

C. Borrower has requested and Lenders agreed to increase the amount of the Loan to ONE HUNDRED THIRTY MILLION DOLLARS ($130,000,000.00) in order to facilitate the purchase by an affiliate of Stratus Guarantor of the interest of an affiliate of Canyon Guarantor in Borrower in accordance with Section 4.13 of the Amended and Restated Operating Agreement of Borrower (the "Canyon Interest Purchase") and in connection therewith Lenders agreed to release Canyon Guarantor from its obligations under that certain Guaranty Agreement dated as of September 30, 2013 and executed by Canyon Guarantor and Stratus Guarantor for the benefit of Administrative Agent and the Lenders (the "Guaranty") and that certain Environmental Indemnification and Release Agreement dated as of September 30, 2013, executed by Borrower, Canyon Guarantor and Stratus Guarantor for the benefit of Administrative Agent and the Lenders (the "Environmental Indemnity").

D. In conjunction with the increase in the Loan from $100,000,000.00 to $130,000,000.00 and the closing of the Canyon Interest Purchase, Administrative Agent, on behalf of itself and the Lenders, has agreed to provide Canyon Guarantor with the following release.

RELEASE

NOW THEREFORE, for good and sufficient consideration, the receipt of which is hereby acknowledged by each of the parties, Administrative Agent on behalf of itself and the Lenders hereby agree as follows:

1. Administrative Agent and Lenders hereby RELEASE and FOREVER DISCHARGE Canyon Guarantor from any and all claims, debts, guaranties, demands, damages, expenses, actions, causes of action, and suits in equity, of whatsoever kind or nature, whether heretofore or hereafter accruing or whether now known or not known, past, present or future, arising directly or indirectly out of any claims alleged or asserted in regard to the Guaranty, the Environmental Indemnity or the other Loan Documents. Administrative Agent and Lenders hereby RELEASE Canyon Guarantor from the Guaranty and the Environmental Indemnity. It is expressly agreed and understood that this Release should in no way release, effect or impair any of Stratus Guarantor's obligations under the Guaranty or the Environmental Indemnity.

2. Administrative Agent represents and warrants that (i) it has full and complete authorization and power to execute this Release in the capacity herein stated, and (ii) this Release is a valid, binding and enforceable obligation of Administrative Agent and Lenders.

3. This Release may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument.

4. This Release shall be governed by and construed and interpreted in accordance with the laws of the State of Texas.

5. Borrower and Stratus Guarantor are joining in this Release for purposes of acknowledging the release of Canyon Guarantor and agreeing that such release does not affect the liability of Borrower under the Loan Documents or the liability of Stratus Guarantor under the Guaranty and the Environmental Indemnity. Stratus Guarantor acknowledges and ratifies all of its obligations under the Guaranty and the Environmental Indemnity.

[SIGNATURES ON FOLLOWING PAGES]

EFFECTIVE as of the date first written above.

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.,
a national banking association

By: /s/ Jeff Hendricks
Name: Jeff Hendricks
Title: Senior Vice President

GUARANTOR:

STRATUS PROPERTIES INC.,
a Delaware corporation

By: /s/ Erin D. Pickens
Name: Erin D. Pickens
Title: Sr. Vice President

BORROWER:

CJUF II STRATUS BLOCK 21 LLC,
a Delaware limited liability company

By: Stratus Block 21 Investments, L.P.,
a Texas limited partnership, Manager

By: Stratus Block 21 Investments, GP, L.L.C., a Texas limited liability company, General Partner

By: /s/ Erin D. Pickens
Name: Erin D. Pickens
Title: Sr. Vice President

FIRST AMENDMENT TO LOAN DOCUMENTS

THIS **FIRST AMENDMENT TO LOAN DOCUMENTS** (this "Agreement") is executed effective as of September 28, 2015 (the "Effective Date"), by and among **CJUF II STRATUS BLOCK 21 LLC**, a Delaware limited liability company ("Borrower"), **STRATUS PROPERTIES INC.**, a Delaware corporation ("Guarantor"), and **BANK OF AMERICA, N.A.**, a national banking association ("Administrative Agent"), as administrative agent on behalf of and for the benefit of the Lenders, and the Lenders. Capitalized terms used herein, but not otherwise defined herein, shall have the meaning given to such term in the Loan Agreement.

W I T N E S S E T H:

WHEREAS, Lender made available a $100,000,000.00 loan (the "Loan") to Borrower pursuant to that certain Term Loan Agreement dated as of September 30, 2013 (the "Loan Agreement") by and between Borrower, Administrative Agent and Lenders, as evidenced by that certain Promissory Note dated September 30, 2013 (the "Note") executed by Borrower and payable to the order of Bank of America, N.A., as lender in the original principal amount of $100,000,000.00;

WHEREAS, the Loan is secured in part by that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated September 30, 2013 (the "Mortgage") executed by Borrower to Administrative Agent covering property more particularly described therein, (the "Property") recorded as Document Number 2013180523 in the Official Public Records of Travis County, Texas;

WHEREAS, Borrower has requested that, among other things, Lenders increase the Loan to $130,000,000.00; and

WHEREAS, Lenders have agreed to such request, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the covenants, conditions and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are all hereby acknowledged, Borrower, Administrative Agent and Lenders hereby covenant and agree as follows:

ARTICLE I - AMENDMENTS

Section 1.1. Loan Increase. The Loan is hereby increased to $130,000,000.00 and in that regard, the Loan Agreement, the Mortgage, and all of the other Loan Documents are hereby modified and amended to reflect the amount of the Loan is $130,000,000.00.

Section 1.2. Note. Concurrently with the execution of this Agreement, Borrower is executing and delivering to Administrative Agent, that certain Amended and Restated Promissory Note in the principal amount of $130,000,000.00 (the "New Note") to evidence the increase in the Loan. All references to the Note or Notes in the Loan Documents shall mean the New Note. The New Note shall be, and hereby is, one of the Loan Documents.

Section 1.3. Maturity Date. As stated in the New Note, the Maturity Date has been extended to September 28, 2020.

Section 1.4. Permitted Transfer. Administrative Agent and Lenders hereby acknowledge and permit (a) the acquisition by Stratus Properties Inc. ("Stratus") of the interests of Canyon-Johnson Urban Fund

II, L.P., a Delaware limited partnership ("Canyon") in Borrower pursuant to the terms of Section 4.13 of Borrower's Amended and Restated Operating Agreement and (b) in connection with such acquisition, the change in Borrower's name to Stratus Block 21, L.L.C., and the closure of the City National Bank Account as reflected on Schedule 13 attached hereto. In connection with such transfer, Administrative Agent and Lenders hereby release Canyon of all its obligations under the Guaranty and the Environmental Agreement. Stratus hereby acknowledges the terms of this Agreement, including the release of Canyon as a Guarantor, and acknowledges that Stratus remains fully liable for all obligations pursuant to the Guaranty and the Environmental Agreement. In connection with Borrower's name change, within thirty (30) days of the date of this Agreement, Borrower shall deliver to Administrative Agent (i) a name change certification, and (ii) state registration documentation for the updated name (the "Name Change Due Diligence"). Once Administrative Agent has received and approved the Name Change Due Diligence, (A) for all purposes of the Loan and the Loan Documents, Borrower's name shall be Stratus Block 21, L.L.C., (B) a UCC-3 shall be recorded to evidence such name change, and (C) the organizational chart attached as Schedule 11 to the Loan Agreement is hereby deleted and replaced with the organizational chart attached hereto as Schedule 11.

Section 1.5. Defined Terms. The following terms set forth in Schedule 1 to the Loan Agreement are hereby amended and restated in their entirety as follows:

> "FF&E Reserve Account" means account no. **********9903 at Administrative Agent into which the deposits required pursuant to Section 2.3(c) of this Agreement are to be made.
>
> "Guarantor" means Stratus and its heirs, personal representatives, successors and assigns.
>
> "Loan Amount" means One Hundred Thirty Million and No/100 Dollars ($130,000,000.00).
>
> "Note" means the Amended and Restated Promissory Note in an amount equal to the Loan Amount, made by Borrower to the order of Bank of America, N.A., as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.
>
> "Office Leasing Reserve Account" means account no. **********9916 at Administrative Agent, into which the deposits required pursuant to Section 2.3(c) of this Agreement are to be made.
>
> "Reserve Accounts" means, collectively, the Office Leasing Reserve Account and the FF&E Reserve Account, as applicable.
>
> "Reserve Funds" means, collectively, Office Leasing Reserve Funds and FF&E Reserve Funds.

Section 1.6. Tax and Insurance Reserve Fund. Section 2.3(b) of the Loan Agreement is hereby deleted. Borrower shall no longer be obligated to deposit funds into the Tax and Insurance Reserve Fund. Amounts currently held in the Tax and Insurance Reserve Fund shall be returned to Borrower.

Section 1.7. Accounts.

(a) *Security Interest*. Borrower hereby assigns and pledges to Administrative Agent, for the benefit of the Lenders, and grants Administrative Agent, for the benefit of the Lenders, a first priority security interest in and lien on, as security for the Obligations (i) all of Borrower's deposit accounts related to the Property and, to the extent within Borrower's Control, the businesses of Service Company LLC and Show Bureau LLC, including, without limitation, (A) the Owner's Remittance Account, (B) the Cash Sweep Account, (C) any Borrower's Deposit Account now existing or hereafter established, (D) the Reserve Accounts, and (E) all other operating accounts, any reserve or escrow accounts (subject to and limited by the rights of Hotel Manager pursuant to the Hotel Management Agreement and the subordination, non-disturbance and attornment agreement between Hotel Manager and Administrative Agent with respect to the "Operating Account", the "Reserve Fund" and the "Payroll Account" as defined in the Hotel Management Agreement to the extent maintained by Hotel Manager) other than the Comerica Operating Account and the City National Bank Account reflected on Schedule 13 attached hereto, any accounts from which Borrower may from time to time authorize Administrative Agent or Swap Counterparty to debit payments due on the Loan and any Swap Contracts, and any lockbox, cash management or other account into which tenants are required from time to time to pay rent (all accounts referred to above, the "Pledged Accounts"), (ii) all amounts or Investment Property held in or credited to the Pledged Accounts, and (iii) any proceeds thereof. The foregoing notwithstanding, the Pledged Accounts do not include the Comerica Operating Account or the City National Bank Account reflected on Schedule 13 attached hereto.

(b) *Control*. Such security interest shall be perfected by virtue of Administrative Agent's "control" of the Pledged Accounts in accordance with Section 9.104 of the Uniform Commercial Code of the State of Texas. Administrative Agent shall have all of the rights and remedies available to a secured party under the Uniform Commercial Code of the State of Texas, in addition to all other rights and remedies available to Administrative Agent under the Loan Documents or otherwise.

(c) *Negative Pledge*. Borrower shall not further pledge, assign or grant any security interest in the Pledged Accounts or the funds (except to the extent funds are distributed out of the Pledged Accounts in accordance with the Loan Agreement) or Investment Property deposited therein or permit any Lien to attach thereto, except for the security interest in favor of Administrative Agent, for the benefit of the Lenders, or any levy to be made thereon, or any UCC financing statements, except those naming Administrative Agent as the secured party, to be filed with respect thereto. Borrower shall maintain the security interest created hereby as a first priority perfected security interest and will defend the right, title and interest of Administrative Agent in and to the Pledged Accounts and the funds and Investment Property therein against the claims and demands of all Persons whomsoever (other than Lenders).

(d) *Restricted Accounts*. Borrower shall not be entitled to withdraw funds from the Reserve Accounts or the Borrower's Deposit Account (the "Restricted Accounts") without Administrative Agent's written consent (which may be by e-mail). So long as no Event of Default exists, Administrative Agent shall grant its consent Borrower's withdrawal of funds on deposit in the Restricted Accounts as follows:

(i) with respect to the Reserve Accounts, only for the purposes, and subject to the terms and conditions, set forth in Schedule 2 to the Loan Agreement, to the extent funds are available on deposit in the applicable Reserve Account for such purposes; and

(ii) with respect to the Borrower's Deposit Account, only for the purposes, and subject to the terms and conditions, set forth in Section 4.6 of the Loan Agreement, to the extent funds are available on deposit in the Borrower's Deposit Account for such purpose.

Such consent shall be granted by Administrative Agent within a reasonable time after delivery by Borrower of a draw request acceptable to Administrative Agent, together with the documents and information required by the applicable provisions the Loan Agreement. Administrative Agent may require a site inspection of the Property in order to verify completion of all requirements prior to consenting to any withdrawal of funds from any Restricted Account. In consenting to any payment from a Restricted Account, Administrative Agent shall be entitled to rely on any bill, statement or estimate procured from the appropriate public office, consultant, engineer, contractor or insurance company or agent without any inquiry into the accuracy, validity, enforceability or contestability of any cost, expense, commission, assessment, lien or title or claim thereof.

(e) *Cash Sweep Account*. Borrower shall not be entitled to withdraw funds from the Cash Sweep Account without Administrative Agent's written consent (which may be by e-mail). Administrative Agent shall only be required to consent to Borrower's withdrawal of funds from the Cash Sweep Account upon satisfaction of the conditions set forth in Section 5 of Schedule 7 to the Loan Agreement to the extent funds are available on deposit in the Cash Sweep Account.

(f) *Schedule 13*. The accounts chart attached as Schedule 13 to the Loan Agreement is hereby deleted and replaced with the accounts chart attached hereto as Schedule 13.

Section 1.8. Schedule 7. Schedule 7 of the Loan Agreement is hereby amended as follows:

(a) The first sentence of Section 1 of Schedule 7 is hereby amended and restated as follows: "Borrower shall maintain a Debt Service Coverage Ratio as of any Determination Date of at least 1.20 to 1.00."

(b) The first sentence of Section 2 of Schedule 7 is amended and restated to read as follows: "If the Debt Service Coverage Ratio is less than 1.20 to 1.00, then Administrative Agent shall implement a Cash Sweep." The third sentence of Section 2 of Schedule 7 is amended and restated to read as follows: "Commencing on the first Determination Date upon which Borrower provides to Administrative Agent financial statements showing a Debt Service Coverage Ratio of less than 1.20 to 1.00, Borrower shall deposit into the Cash Sweep Account all Excess Cash Flow received in any calendar month on or before the fifth (5th) day of the second month thereafter (except with respect to the Excess Cash Flow for the initial 3-month period preceding the Determination Date, which shall be deposited concurrently with the provision of the quarterly financial statements described above)."

(c) The first sentence of Section 3 of Schedule 7 is hereby amended and restated to read as follows: "If the Debt Service Coverage Ratio is less than 1.20 to 1.00 following two (2) consecutive Determination Dates, Borrower shall, within thirty (30) days after such second (2nd) Determination Date, prepay such principal amount as is required to achieve a Debt Service Coverage Ratio of 1.35 to 1.00 (redetermined as of such second (2nd) Determination Date and giving effect to said prepayment) and shall satisfy any conditions to prepayment."

(d) Section 5 of Schedule 7 is hereby amended and restated in its entirety to read as follows: "At such time as Borrower achieves a Debt Service Coverage Ratio of at least 1.35 to 1.00 for two (2) consecutive Determination Dates, the Cash Sweep will terminate and, provided no Event of Default exists, any funds held in the Cash Sweep Account will be released to Borrower."

Section 1.9. Schedule 8. Schedule 8 of the Loan Agreement is hereby deleted and replaced with Schedule 8 attached hereto.

Section 1.10. **Permitted Mezzanine Debt**. Administrative Agent and Lenders hereby agree that Borrower may obtain mezzanine financing subject to the following conditions: (a) no Default or Event of Default exists, (b) the proposed mezzanine loan shall not be secured by any collateral of the Loan and the mezzanine lender shall enter into an intercreditor agreement with Borrower, Administrative Agent and the Lenders in form and substance acceptable to Administrative Agent; (c) the amount of the mezzanine debt does not exceed to lesser of (i) $40,000,000.00, (ii) an amount, that when added to the Loan Amount, causes the Loan to Value Ratio to equal 85%, and (iii) an amount, that when added to the Loan Amount, causes the Aggregate Debt Service Coverage Ratio to be less than 1.00 to 1.00. As used herein, "Loan-to-Value Ratio" means the aggregate of the Loan Amount and the proposed amount of the mezzanine loan divided by the appraised "As-Is" value of the Property. The appraised "As-Is" value of the Property shall be based upon an appraisal prepared by a third-party appraiser acceptable to, and engaged directly by, Administrative Agent. The appraisal shall be satisfactory to Administrative Agent in all respects, as reviewed, adjusted and approved by Administrative Agent. As used herein, "Aggregate Debt Service Coverage Ratio" means, as of any Determination Date, for the applicable Calculation Period the ratio, as determined by Administrative Agent (which determination shall be conclusive absent manifest error), of Net Operating Income to Aggregate Debt Service. As used herein, "Aggregate Debt Service" means the payments of principal and interest that would have been payable under a hypothetical loan in the amount of the aggregate of the Loan Amount and the proposed amount of the mezzanine loan during the Calculation Period, assuming (i) an interest rate equal to the Aggregate Assumed Interest Rate, and (ii) amortization of the aggregate principal indebtedness over a thirty (30) year amortization period. As used herein, "Aggregate Assumed Interest Rate" means the greatest of: (i) the actual borrowing rate of the Loan, (ii) the annual yield payable on the last day of the applicable Calculation Period on ten (10) year United States Treasury obligations in amounts approximately the outstanding principal balance of the Loan at the inception of the Calculation Period plus two hundred fifty (250) basis points per annum, and (iii) six and one-quarter percent (6.25%) per annum.

ARTICLE II - CONDITIONS

Section 2.1. **Conditions to Closing**. As a condition to the closing of this Agreement, all of the following shall have been satisfied:

(a) Borrower and Guarantor shall have executed and delivered to Administrative Agent this Agreement;

(b) Borrower shall have executed and delivered to Administrative Agent that certain First Amendment of Deed of Trust;

(c) Borrower shall have executed and delivered to Administrative Agent the New Note;

(d) Borrower shall have paid to Administrative Agent the commitment fee in the amount of $325,000.00;

(e) Borrower shall have delivered (or shall cause to be delivered) to Administrative Agent, a commitment for mortgagee title insurance policy reflecting the increased amount of the Loan and otherwise in form acceptable to Administrative Agent together with evidence that the premium for issuance of a mortgagee title insurance policy in accordance therewith is being paid by Borrower at closing;

(f) Borrower shall have delivered to Administrative Agent the authority documents of Borrower and Guarantor required by Administrative Agent, as well as an opinion letter of counsel as to the authority of Borrower and Guarantor and the enforceability of the Loan Documents;

(g) Borrower and Guarantor shall execute and deliver such other documents as may be necessary or as may be required, in the opinion of counsel to Administrative Agent, to effect the transactions contemplated hereby and continue the liens and/or security interests under the Loan, as modified by this Agreement; and

(h) Borrower shall provide evidence satisfactory to Administrative Agent that Borrower is in compliance with all insurance requirements under the Loan Documents.

ARTICLE III - MISCELLANEOUS

Section 3.1. **Default**. If any indebtedness, covenant, agreement or condition in this Agreement or in any other Loan Document, including, without limitation, the New Note and First Amendment of Deed of Trust is not fully and timely paid, performed, observed or kept, and such failure continues beyond any notice, cure or grace period specified in the Loan Agreement or such other Loan Document, such failure shall constitute a Default under the Loan Agreement and the Loan Documents.

Section 3.2. **Payment of Expenses**. Borrower agrees to pay to Lender the reasonable attorneys' fees and expenses of Administrative Agent's counsel and other expenses incurred by Administrative Agent in connection with this Agreement.

Section 3.3. **Binding Agreement**. This Agreement shall be binding upon, and shall inure to the benefit of, the parties' respective representatives, successors and assigns.

Section 3.4. **Ratification**. Except as otherwise expressly modified by this Agreement, all terms and provisions of the Loan Agreement and the other Loan Documents, including, without limitation, any and all representations and warranties contained therein, shall remain unchanged and hereby are ratified and confirmed and shall be and shall remain in full force and effect, enforceable in accordance with their terms.

Section 3.5. **No Defenses**. Borrower by its execution of this Agreement, hereby declares that it has no set-offs, counterclaims, defenses or other causes of action against Administrative Agent or any Lender arising out of the Loan, the modification of the Loan, any documents mentioned herein or otherwise; and, to the extent any such setoffs, counterclaims, defenses or other causes of action may exist as of the Effective Date, whether known or unknown, such items are hereby waived by Borrower.

Section 3.6. **Further Assurances.** The parties hereto shall execute such other documents as may be necessary or as may be required, in the opinion of counsel to Administrative Agent, to effect the transactions contemplated hereby and the liens and/or security interests of all other collateral instruments, as modified by this Agreement. Borrower also agrees to provide to Administrative Agent such other documents and instruments as Administrative Agent reasonably may request in connection with the modification of the Loan effected hereby.

Section 3.7. **Usury Savings Clause**. Notwithstanding anything to the contrary contained in any Loan Document, the interest and fees paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If any Lender shall receive interest or a fee in an amount that exceeds the Maximum Rate, the excessive interest

or fee shall be applied to the outstanding principal balance of the Indebtedness or, if it exceeds the unpaid principal, refunded to Borrower. In determining whether the interest or a fee contracted for, charged, or received by any Lender exceeds the Maximum Rate, such person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Loan.

Section 3.8. **Non-Waiver of Events of Default**. Except as specifically provided herein, neither this Agreement nor any other document executed in connection herewith constitutes or shall be deemed (a) a waiver of, or consent by Administrative Agent or Lenders to, any default or event of default which may exist or hereafter occur under any of the Loan Documents, (b) a waiver by Administrative Agent or Lenders

of any of Borrower's obligations under the Loan Documents, or (c) a waiver by Administrative Agent or Lenders of any rights, offsets, claims, or other causes of action that Administrative Agent or Lenders may have against Borrower.

Section 3.9. **Enforceability**. In the event the enforceability or validity of any portion of this Agreement, the Loan Agreement or any of the other Loan Documents is challenged or questioned, such provision shall be construed in accordance with, and shall be governed by, applicable federal law or the law of the State of Texas, whichever may be applicable.

Section 3.10. **Counterparts.** This Agreement may be executed in several counterparts, all of which are identical, each of which shall be deemed an original, and all of which counterparts together shall constitute one and the same instrument, it being understood and agreed that the signature pages may be detached from one or more of such counterparts and combined with the signature pages from any other counterpart in order that one or more fully executed originals may be assembled.

Section 3.11. **Choice of Law**. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS, EXCEPT TO THE EXTENT FEDERAL LAWS PREEMPT THE LAWS OF THE STATE OF TEXAS.

Section 3.12. **Entire Agreement**. This Agreement, together with the other Loan Documents, contain the entire agreements between the parties relating to the subject matter hereof and thereof. This Agreement and the other Loan Documents may be amended, revised, waived, discharged, released or terminated only by a written instrument or instruments, executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted. Any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party.

Section 3.13. **Release of Claims.** For valuable consideration, the receipt and adequacy of which are hereby acknowledged, Borrower on behalf of itself and on behalf of its respective successors, assigns, partners, and agents, and the members, directors, shareholders, officers and directors of its partners (collectively, "Releasors"), hereby irrevocably and unconditionally release and forever discharge Administrative Agent and each Lender and its successors, assigns, agents, officers, employees, representatives, attorneys, and affiliates, and all persons acting by, through, under, or in concert with any of the aforesaid persons or entities (collectively, "Released Parties"), or any of them, from and against any and all causes of action, suits, debts, liens, obligations, liabilities, claims, demands, damages, judgments, losses, orders, penalties, costs and expenses including, without limitation, attorneys' fees, of any kind or nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent, liquidated or unliquidated, which any of the Releasors now have, own, hold, or claim to have, own, or

hold, or at any time heretofore have had, owned, held or claimed to have had, owned, or held against any of the Released Parties arising from, based upon, or related to, whether directly or indirectly (collectively, "Claims"): (i) the Loan; (ii) the Loan Documents; (iii) any and all other agreements, documents or instruments referenced herein or in the Loan Documents or related hereto or thereto; (iv) any defenses as to the enforcement of the Loan Documents; (v) any act, omission, negligence or breach of duty by Administrative Agent or any Lender regarding the Loan, excluding acts, omissions or negligence resulting from Lender's willful misconduct or gross negligence; or (vi) any theory of lender liability regarding the Loan.

Section 3.14. **Representations and Warranties of Borrower**. Borrower and Guarantor each hereby represent and warrant to Administrative Agent and each Lender that (a) such party has the power and authority to execute and deliver this Agreement, the New Note, and the First Amendment of Deed of Trust and perform its obligations hereunder and thereunder, and the execution, delivery and performance of this Agreement, the New Note, and the First Amendment of Deed of Trust have been duly authorized by all requisite action by such party, (b) this Agreement, the New Note and the First Amendment of Deed of Trust

have been duly executed and delivered by such party, (c) to the best of such party's knowledge, no action of, or filing with, any tribunal is required to authorize, or is otherwise required in connection with, the execution, delivery and performance by such party of this Agreement, the New Note, and the First Amendment of Deed of Trust, except those that have been made or obtained on or before the date of this Agreement, (d) the Loan Documents, as amended by this Agreement, are valid and binding upon such party and are enforceable against such party in accordance with their terms, subject to Debtor Relief Laws, (e) the execution, delivery and performance by such party of this Agreement does not require the consent of any other person or entity, except those that have been made or obtained on or before the date of this Agreement and, to the best of such party's knowledge, will not constitute a violation of any laws or material agreement or understanding to which such party is a party or by which such party is bound, and (f) as of the date hereof neither Borrower or Guarantor are in default under any of the Loan Documents.

THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL LOAN AGREEMENT BETWEEN THE PARTIES RELATED TO THE SUBJECT MATTER HEREIN CONTAINED AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement is executed effective as of the date first written above.

BORROWER:

CJUF II STRATUS BLOCK 21 LLC,
a Delaware limited liability company

By: Stratus Block 21 Investments, L.P.,
a Texas limited partnership, Manager

By: Stratus Block 21 Investments, GP, L.L.C.,
a Texas limited liability company, General Partner

By: /s/ Erin D. Pickens
Name: Erin D. Pickens
Title: Sr. Vice President

GUARANTOR:

STRATUS PROPERTIES, INC.,
a Delaware corporation

By: /s/ Erin D. Pickens
Name: Erin D. Pickens
Title: Senior Vice-President

ADMINISTRATIVE AGENT AND LENDER:

BANK OF AMERICA, N.A.,
a national banking association

By: /s/ Jeff Hendricks
Name: Jeff Hendricks
Title: Senior Vice President

AMENDED AND RESTATED PROMISSORY NOTE

$130,000,000.00 September 28, 2015

FOR VALUE RECEIVED, CJUF II Stratus Block 21 LLC, a Delaware limited liability company ("Borrower"), hereby unconditionally promises to pay to the order of Bank of America, N.A., a national banking association, as administrative agent for the lenders from time to time party to the Loan Agreement as hereinafter defined (as more particularly defined in the Loan Agreement, "Administrative Agent"), without offset, in immediately available funds in lawful money of the United States of America, at Administrative Agent's Office, the principal sum of One Hundred Thirty Million and 00/100 Dollars ($130,000,000) (or the unpaid balance of all principal advanced against this Note (as hereinafter defined), if that amount is less), together with interest on the unpaid principal balance of this Note from day to day outstanding as hereinafter provided.

Section 1 Payment Schedule and Maturity Date. Beginning on October 5, 2015 (such initial date and each subsequent date, the "Payment Date"), the principal of this Note shall be due and payable in monthly installments on the fifth (5th) day of each month and each succeeding month thereafter, in an amount specified on the amortization schedule attached hereto as Exhibit A. In addition to the foregoing payment of principal on this Note, accrued and unpaid interest on this Note shall be due and payable in arrears on the fifth (5th) day of each month commencing on October 5, 2015, for the period commencing on the first day of the immediately preceding calendar month and ending on the last day of the immediately preceding calendar month, until all principal and accrued interest owing on this Note shall have been fully paid and satisfied. The entire principal balance of this Note then unpaid, together with all accrued and unpaid interest and all other amounts payable hereunder and under the other Loan Documents, shall be due and payable in full on the Maturity Date (as hereinafter defined), the final maturity of this Note. Interest shall accrue hereunder from the date principal is first advanced on the principal balance of the Loan from day to day outstanding.

Section 2 Intentionally Deleted.

Section 3 Security. The security for this Note includes a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated September 30, 2013 (as amended from time to time), by Borrower for the benefit of Administrative Agent, conveying and encumbering certain real and personal property more particularly described therein.

Section 4 Interest Rate.

(a) Interest Rates. Subject to Section 18, the Principal Debt (as hereinafter defined) from day to day outstanding which is not past due shall bear interest at a fluctuating rate of interest per annum equal to the LIBOR Daily Floating Rate (as hereinafter defined) for that day plus two hundred thirty-five (235) basis points, except as specifically described in Sections 4(c) and 5. For the avoidance of doubt, the maximum rate of interest hereunder shall not exceed the maximum lawful rate permitted by applicable law.

(b) Computations and Determinations. All interest shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed. Administrative Agent shall

determine each interest rate applicable to the Principal Debt in accordance with this Note and its determination thereof shall be conclusive in the absence of manifest error. The books and records of Administrative Agent shall be conclusive evidence, in the absence of manifest error, of all sums owing to Lender from time to time under this Note, but the failure to record any such information shall not limit or affect the obligations of Borrower under the Loan Documents.

(c) Unavailability of Rate. Administrative Agent may notify Borrower in writing if the London Interbank Offered Rate is not available, or if Administrative Agent determines that no adequate basis exists for determining the LIBOR Daily Floating Rate, or that the LIBOR Daily Floating Rate will not adequately and fairly reflect the cost to Lenders of funding or maintaining the Principal Debt by reason of increased Compliance Costs (as defined in Section 4(d) below), or that any applicable Law, or any request or directive (whether or not having the force of law) of any Tribunal (as hereinafter defined), or compliance therewith by any Lender, prohibits or restricts or makes impossible the making or maintaining of the Principal Debt at the LIBOR Daily Floating Rate or the charging of interest on the Principal Debt at the LIBOR Daily Floating Rate. If Administrative Agent so notifies Borrower, then until Administrative Agent notifies Borrower that the circumstances giving rise to such suspension no longer exist, the Principal Debt shall automatically bear interest at the Base Rate (as hereinafter defined).

(d) Increased Cost and Reduced Return. Subject to Section 8.7(g) of the Loan Agreement, if at any time after the date hereof, any Lender (which shall include, for purposes of this Section 4(d), any corporation controlling any Lender) determines that any Change in Law (as defined in the Loan Agreement) or other adoption or modification of any applicable Law or the enforcement or interpretation thereof regarding taxation, such Lender's required levels of reserves, deposits, insurance or capital (including any allocation of capital requirements or conditions), or similar requirements, or any interpretation or administration thereof by any Tribunal or compliance by such Lender with any of such requirements, has or would have the effect of (a) increasing such Lender's costs related to its Pro Rata Share of the Indebtedness (as hereinafter defined), or (b) reducing the yield or rate of return of such Lender on its Pro Rata Share of the Indebtedness, to a level below that which such Lender could have achieved but for the adoption or modification of any such requirements (collectively, "Compliance Costs"), Borrower shall, within fifteen (15) days of any request by Administrative Agent, pay to such Lender such additional amounts as (in such Lender's sole judgment, after good faith and reasonable computation) will compensate such Lender for such Compliance Costs of such Lender; provided that the imposition of such Compliance Costs is generally consistent with such Lender's treatment of similar financings. No failure by Administrative Agent to immediately demand payment of any additional Compliance Costs payable hereunder shall constitute a waiver of Administrative Agent's or any Lender's right to demand payment of any such amounts at any subsequent time. Nothing herein contained shall be construed or shall so operate as to require Borrower to pay any interest, fees, costs or charges greater than is permitted by applicable Law.

Section 5 Default Rate. Subject to Section 18, after the occurrence of an Event of Default, Administrative Agent, in Administrative Agent's sole discretion and without notice or demand, may raise the rate of interest accruing on the outstanding principal balance of this Note by three hundred (300) basis points above the rate of interest otherwise applicable ("Default Rate"), independent of whether Administrative Agent elects to accelerate the outstanding principal balance

of this Note. For the avoidance of doubt, the maximum rate of interest hereunder shall not exceed the maximum lawful rate permitted by applicable law.

Section 6 Definitions.

(a) In addition to other terms defined herein, as used herein the following terms shall have the meanings indicated, unless the context otherwise requires:

"Base Rate" means, on any day, a fluctuating rate per annum equal to the sum of (a) one hundred and fifty (150) basis points plus (b) the higher of (i) the Federal Funds Rate plus fifty (50) basis points or (ii) the rate of interest in effect for such day as publicly announced by Bank of America as its Prime Rate (as defined below).

"Indebtedness" means any and all of the indebtedness to Lenders evidenced, governed or secured by or arising under this Note or any other Loan Documents.

"LIBOR Daily Floating Rate" means, for any day, a fluctuating rate of interest per annum equal to the London Interbank Offered Rate or a successor thereto as approved by Administrative Agent, as published by Reuters (or other commercially available source providing quotations of the London Interbank Offered Rate as selected by Bank of America from time to time) at approximately 11:00 a.m., London time determined two (2) London Banking Days (as hereinafter defined) prior to such date for U.S. Dollar deposits being delivered in the London interbank eurodollar market for a term of one month commencing that day, as adjusted from time to time in Administrative Agent's sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs.

"Loan Agreement" means that certain Term Loan Agreement dated as of September 30, 2013 by and among Borrower, Administrative Agent and the lenders party thereto from time to time, as the same may be renewed, extended, increased, amended, replaced, restated, replaced, supplemented or otherwise modified from time to time in accordance with its terms.

"London Banking Day" means a day on which banks in London are open for business and dealing in offshore dollars.

"Maturity Date" means September 28, 2020, as it may be earlier accelerated in accordance with the terms and provisions of this Note or the other Loan Documents.

"Note" means this promissory note, and any renewals, extensions, amendments or supplements hereof.

"Prime Rate" means a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such Prime Rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Principal Debt" means the aggregate unpaid principal balance of this Note at the time in question.

"Tribunal" means any applicable state, commonwealth, federal, foreign, territorial or other court or governmental department, commission, board, bureau, district, authority, agency, central bank, or instrumentality, or any arbitration authority.

(b) All other capitalized terms used herein but not defined shall have the meaning as set forth in the Loan Agreement.

Section 7 Prepayment.

(a) Borrower may prepay the principal balance of this Note, in full at any time or in part from time to time, provided that: (i) Administrative Agent shall have actually received from Borrower prior irrevocable written notice (the "Prepayment Notice") of Borrower's intent to prepay, the amount of principal which will be prepaid (the "Prepaid Principal"), and the date on which the prepayment will be made; (ii) each prepayment shall be in the amount of $1,000 or a larger integral multiple of $1,000 (unless the prepayment retires the outstanding balance of this Note in full); and (iii) each prepayment shall be in the amount of 100% of the Prepaid Principal, plus accrued unpaid interest thereon to the date of prepayment, plus any other sums which have become due to Administrative Agent and Lenders under the Loan Documents on or before the date of prepayment but have not been paid.

(b) Within fifteen (15) days after request by Administrative Agent (or at the time of any prepayment), Borrower shall pay to Administrative Agent such amount or amounts as will compensate Lenders for any loss, cost, expense, penalty, claim or liability, including any loss incurred in obtaining, prepaying, liquidating or employing deposits or other funds from third parties and any loss of revenue, profit or yield, as determined by each Lender in its judgment reasonably exercised (together, "Consequential Loss") incurred by any Lender with respect to the LIBOR Daily Floating Rate as a result of: (i) the failure of Borrower to make any payment on the date or in the amount specified in any Prepayment Notice from Borrower to Administrative Agent; or (ii) the payment or prepayment of any amount on a date other than the date such amount is required or permitted to be paid or prepaid. Borrower agrees to pay all Consequential Loss upon any prepayment of all or any portion of the Principal Debt, whether voluntary or involuntary, whether effected by a credit bid at foreclosure, or whether by reason of acceleration upon an Event of Default or upon any transfer or conveyance of any right, title or interest in the Property giving Administrative Agent the right to accelerate the maturity of this Note as provided in the Mortgage or the other Loan Documents. Notwithstanding the foregoing, the amount of the Consequential Loss shall never be less than zero or greater than is permitted by applicable Law. Administrative Agent shall provide a written notice to Borrower setting forth in detail each applicable Lender's determination of any Consequential Loss, which notice shall be conclusive and binding in the absence of manifest error. Administrative Agent and Lenders reserve the right to provide interim calculations of such Consequential Loss in any notice of default or notice of sale for information purposes, but the exact amount of such Consequential Loss shall be calculated only upon the actual prepayment of all or any portion of the Principal Debt as described herein. The Consequential Loss shall be included in the total indebtedness secured by the Mortgage for all purposes, including in connection with a foreclosure sale.

Administrative Agent may include the amount of the Consequential Loss in any credit bid Administrative Agent may make at a foreclosure sale. No Lender shall have any obligation to purchase, sell and/or match funds in connection with the funding or maintaining of the Loan or any portion thereof. The obligations of Borrower under this Section shall survive any termination of the Loan Documents and payment of this Note and shall not be waived by any delay by Administrative Agent or any Lender in seeking such compensation.

Section 8 Late Charges. If Borrower shall fail to make any payment under the terms of this Note (other than the payment due at maturity or acceleration) within fifteen (15) days after the date such payment is due, Borrower shall pay to Administrative Agent on demand a late shall not be construed as in any way extending the due date of any payment. The late charge is imposed for the purpose of defraying the expenses of Administrative Agent and Lenders incident to handling such delinquent payment. This charge shall be in addition to, and not in lieu of, any other amount that Administrative Agent or any Lender may be entitled to receive or action that Administrative Agent or any Lender may be authorized to take as a result of such late payment.

Section 9 Certain Provisions Regarding Payments. All payments made under this Note shall be applied, to the extent thereof, to late charges, to accrued but unpaid interest, to unpaid principal then due, and to any other sums due and unpaid to Administrative Agent and Lenders under the Loan Documents, in such manner and order as Administrative Agent may elect in its sole discretion, any instructions from Borrower or anyone else to the contrary notwithstanding. Remittances shall be made without offset, demand, counterclaim, deduction, or recoupment (each of which is hereby waived) and shall be accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Administrative Agent of any payment in an amount less than the amount then due on any indebtedness shall be deemed an acceptance on account only, notwithstanding any notation on or accompanying such partial payment to the contrary, and shall not in any way (a) waive or excuse the existence of an Event of Default (as hereinafter defined), (b) waive, impair or extinguish any right or remedy available to Administrative Agent or Lenders hereunder or under the other Loan Documents, or (c) waive the requirement of punctual payment and performance or constitute a novation in any respect. Payments received after 2:00 p.m. shall be deemed to be received on, and shall be posted as of, the following Banking Day. Whenever any payment under this Note or any other Loan Document falls due on a day which is not a Banking Day, such payment may be made on the next succeeding Banking Day.

Section 10 Events of Default. The occurrence of any Event of Default under the Loan Agreement shall constitute an "Event of Default" under this Note.

Section 11 Remedies. Following and during the continuance of an Event of Default, Administrative Agent may at any time thereafter exercise any one or more of the following rights, powers and remedies:

(a) Administrative Agent may accelerate the Maturity Date and declare the unpaid principal balance and accrued but unpaid interest on this Note, and all other amounts payable hereunder and under the other Loan Documents, at once due and payable, and upon such declaration the same shall at once be due and payable.

(b) Administrative Agent may (and may direct any Lender to) set off the amount due against any and all accounts, credits, money, securities or other property now or hereafter on deposit with, held by or in the possession of Administrative Agent or any Lender to the credit or for the account of Borrower, or pledged to Administrative Agent, without notice to or the consent of Borrower.

(c) Administrative Agent may exercise any of its other rights, powers and remedies under the Loan Documents or at law or in equity.

Section 12 Remedies Cumulative. All of the rights and remedies of Administrative Agent and Lenders under this Note and the other Loan Documents are cumulative of each other and of any and all other rights at law or in equity, and the exercise by Administrative Agent or any Lender of any one or more of such rights and remedies shall not preclude the simultaneous or later exercise by Administrative Agent or any Lender of any or all such other rights and remedies. No single or partial exercise of any right or remedy shall exhaust it or preclude any other or further exercise thereof, and every right and remedy may be exercised at any time and from time to time. No failure by Administrative Agent or any Lender to exercise, nor delay in exercising, any right or remedy shall operate as a waiver of such right or remedy or as a waiver of any Event of Default.

Section 13 Costs and Expenses of Enforcement. Borrower agrees to pay to Administrative Agent on demand all costs and expenses incurred by Administrative Agent and Lenders in seeking to collect this Note or to enforce any of Administrative Agent's and Lenders' rights and remedies under the Loan Documents, including court costs and reasonable attorneys' fees and expenses, whether or not suit is filed hereon, or whether in connection with arbitration, judicial reference, bankruptcy, insolvency or appeal.

Section 14 Service of Process. Borrower with its filing in Texas of an application for registration certificate to transact business in Texas on July 30, 2007, has designated and appointed William H. Armstrong III, 212 Lavaca, Suite 300, Austin, Texas 78701 as Borrower's authorized agent to accept and acknowledge on Borrower's behalf service of any and all process that may be served in any suit, action, or proceeding instituted in connection with this Note and the other Loan Documents in any state or federal court sitting in the State of Texas or any federal court sitting in the state in which any of the Property is located. If such agent shall cease so to act, Borrower shall irrevocably designate and appoint without delay another such agent in the State of Texas satisfactory to Administrative Agent and shall promptly deliver to Administrative Agent evidence in writing of such agent's acceptance of such appointment and its agreement that such appointment shall be irrevocable.

Borrower hereby consents to process being served in any suit, action, or proceeding instituted in connection with this Note and the other Loan Documents by (a) the mailing of a copy thereof by certified mail, postage prepaid, return receipt requested, to Borrower and (b) serving a copy thereof upon the agent, if any, hereinabove designated and appointed by Borrower as Borrower's agent for service of process. Borrower irrevocably agrees that such service shall be deemed to be service of process upon Borrower in any such suit, action, or proceeding. Nothing in this Note shall affect the right of Administrative Agent to serve process in any manner otherwise permitted by law and nothing in this Note or any other Loan Document

will limit the right of Administrative Agent otherwise to bring proceedings against Borrower in the courts of any jurisdiction or jurisdictions.

Section 15 Heirs, Successors and Assigns. The terms of this Note and of the other Loan Documents shall bind and inure to the benefit of the heirs, devisees, representatives, successors and assigns of the parties. The foregoing sentence shall not be construed to permit Borrower to assign the Loan except as otherwise permitted under the Loan Documents.

Section 16 General Provisions. Time is of the essence with respect to Borrower's obligations under this Note. Borrower hereby severally (a) waive demand, presentment for payment, notice of dishonor and of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note or any other Loan Document), filing of suit and diligence in collecting this Note or enforcing any of the security herefor; (b) agree to any substitution, subordination, exchange or release of any such security or the release of any party primarily or secondarily liable hereon; (c) agree that Administrative Agent and Lenders shall not be required first to institute suit or exhaust its remedies hereon against Borrower or others liable or to become liable hereon or to perfect or enforce its rights against them or any security herefor; (d) consent to any extensions or postponements of time of payment of this Note for any period or periods of time and to any partial payments, before or after maturity, and to any other indulgences with respect hereto, without notice thereof to any of them; and (e) submit (and waive all rights to object) to non-exclusive personal jurisdiction of any state or federal court sitting in the State of Texas for the enforcement of any and all obligations under this Note and the other Loan Documents; (f) waive the benefit of all homestead and similar exemptions as to this Note; (g) agrees that its liability under this Note shall not be affected or impaired by any determination that any title, security interest or lien taken by Administrative Agent or any Lender to secure this Note is invalid or unperfected; and (h) hereby subordinate to the Loan and the Loan Documents any and all rights against Borrower and any security for the payment of this Note, whether by subrogation, agreement or otherwise, until this Note is paid in full. A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. This Note may not be amended except in a writing specifically intended for such purpose and executed by the party against whom enforcement of the amendment is sought. Captions and headings in this Note are for convenience only and shall be disregarded in construing it. This Note and its validity, enforcement and interpretation shall be governed by the laws of the State of Texas (without regard to any principles of conflicts of laws) and applicable United States federal law. Whenever a time of day is referred to herein, unless otherwise specified such time shall be Central Time. The words "include" and "including" shall be interpreted as if followed by the words "without limitation."

Section 17 Notices; Time. All notices, requests, consents, approvals or demands required or permitted by this Note to be given by any party to any other party hereunder shall be in writing and shall be given in accordance with Section 8.6 of the Loan Agreement.

Section 18 No Usury. It is expressly stipulated and agreed to be the intent of Borrower, Administrative Agent and Lenders at all times to comply with applicable state law or applicable

United States federal law (to the extent that it permits Administrative Agent and Lenders to contract for, charge, take, reserve, or receive a greater amount of interest than under state law) and that this Section shall control every other covenant and agreement in this Note and the other Loan Documents. If applicable state or federal law should at any time be judicially interpreted so as to render usurious any amount called for under this Note or under any of the other Loan Documents, or contracted for, charged, taken, reserved, or received with respect to the Loan, or if Administrative Agent's exercise of the option to accelerate the Maturity Date, or permitted by applicable law, then it is Administrative Agent's and Lenders' express intent that all excess amounts theretofore collected by Administrative Agent and Lenders shall be credited on the principal balance of this Note and all other indebtedness secured by the Mortgage, and the provisions of this Note and the other Loan Documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to Administrative Agent and Lenders for the use, forbearance, or detention of the Loan shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the maximum lawful rate from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

Section 19 Amended and Restated Promissory Note. The indebtedness evidenced by this Note amends, restates and renews, but does not constitute a novation of, the indebtedness evidenced by that certain Promissory Note dated September 30, 2013 by Borrower in favor of Bank of America, N.A., in the principal amount of $100,000,000.00

THE WRITTEN LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Signature on following page]

IN WITNESS WHEREOF, Borrower had duly executed this Note as of the date first above written.

BORROWER:

CJUF II STRATUS BLOCK 21 LLC,
a Delaware limited liability company

By: Stratus Block 21 Investments, L.P.,
a Texas limited partnership, Manager

By: Stratus Block 21 Investments, GP, L.L.C.,
a Texas limited liability company,
General Partner

By: /s/ Erin D. Pickens
Name: Erin D. Pickens
Title: Sr. Vice President

Exhibit A

AMORTIZATION SCHEDULE

Exhibit A

AMORTIZATION SCHEDULE

Month	Amortization Payment Amount Per Month
October 5, 2015 – September 5, 2016	$159,800
October 5, 2016 – September 5, 2017	$168,000
October 5, 2017 – September 5, 2018	$176,600
October 5, 2018 – September 5, 2019	$185,600
October 5, 2019 – September 5, 2020	$195,100

STRATUS®

NEWS RELEASE

NASDAQ Symbol: "STRS"

Stratus Properties Inc.
212 Lavaca St., Suite 300
Austin, Texas 78701

Financial and Media Contact:
William H. Armstrong III
(512) 478-5788

STRATUS PROPERTIES INC. COMPLETES PURCHASE OF CANYON-JOHNSON URBAN FUND II, L.P.'S INTEREST IN BLOCK 21 JOINT VENTURE AND REFINANCE OF BANK OF AMERICA TERM LOAN

AUSTIN, TX, September 30, 2015 - Stratus Properties Inc. (NASDAQ: STRS) announced today that on September 28, 2015, Stratus completed its previously announced acquisition of Canyon-Johnson Urban Fund II, L.P.'s (Canyon-Johnson's) approximate 58 percent joint venture interest in CJUF II Stratus Block 21 LLC (Block 21), which owns a 36-story mixed-use development in downtown Austin, Texas, anchored by the W Austin Hotel & Residences, for approximately $62 million. Stratus funded its acquisition of Canyon-Johnson's interest in Block 21 with (1) approximately $32.3 million of proceeds from its non-recourse term loan with Bank of America, N.A. (the BoA Loan), (2) a $20.0 million term loan under Stratus' credit facility with Comerica Bank, and (3) approximately $9.7 million in cash. The Sale and Purchase Agreement contains customary representations and warranties, and the parties have agreed to indemnify each other in connection with the breach of such representations and warranties. Block 21 is now a wholly-owned subsidiary of Stratus. As of September 28, 2015, in addition to its real estate assets, Block 21 had cash and cash equivalents of approximately $22.8 million.

William H. Armstrong III, Chairman of the Board, President and Chief Executive Officer of Stratus, stated, "We believe in the future of Austin and surrounding markets and our acquisition of Canyon's interest in the joint venture that owns the W Austin Hotel and Residences affirms that belief. Stratus' ownership of the entire joint venture provides dependable cash flow from diverse sources, simplifies operations and is consistent with our previously announced five-year development plan. We are pleased to have successfully completed this acquisition in connection with the refinancing of the W Austin Hotel & Residences project. We would like to congratulate Canyon-Johnson on the sale and thank them for their participation in Block 21 and support over the years."

Also, in connection with its acquisition of Canyon-Johnson's interest in Block 21, Stratus, as guarantor, Block 21, as borrower; and Bank of America, N.A., as administrative agent on behalf of the participating lenders, amended the BoA Loan agreement to (1) increase the proceeds of the existing non-recourse term loan from $100.0 million to $130.0 million, (2) reduce the interest rate to the LIBOR daily floating rate plus 2.35 percent, (3) extend the maturity date to September 28, 2020, (4) decrease the required debt service coverage ratio to be maintained by Block 21 from 1.35 to 1.00 to 1.20 to 1.00 and (5) permit Block 21 to obtain additional third-party financing, subject to certain conditions. In addition, Canyon-Johnson was released as a guarantor. Accordingly, certain obligations of Block 21 under the BoA Loan are guaranteed by Stratus, including environmental indemnification and other customary carve-out obligations. All other terms and conditions of the BoA Loan agreement remain unchanged.

Stratus is a diversified real estate company engaged primarily in the acquisition, entitlement, development, management, operation and sale of commercial, hotel, entertainment, and multi- and single-family residential real estate properties, primarily located in the Austin area, but including projects in certain other select markets in Texas.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS. This press release contains forward-looking statements which are all statements other than statements of historical facts, such as statements regarding the implementation and potential results of Stratus' five-year business strategy, projections or expectations related to operational and financial performance or liquidity, and other plans and objectives of management for future operations and activities. The words "anticipates," "may," "can," "plans," "believes," "potential," "estimates," "expects," "projects," "intends," "likely," "will," "should," "to be" and any similar expressions and/or statements that are not historical facts are intended to identify those assertions as forward-looking statements.

Stratus cautions readers that forward-looking statements are not guarantees of future performance, and its actual results may differ materially from those anticipated, projected or assumed in the forward-looking statements. Important factors that can cause Stratus' actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, Stratus' ability to refinance and service its debt and the availability of financing for development projects and other corporate purposes, Stratus' ability to sell properties at prices its board considers acceptable, a decrease in the demand for real estate in the Austin, Texas market, changes in economic and business conditions, reductions in discretionary spending by consumers and corporations, competition from other real estate developers, hotel operators and/or entertainment venue operators and promoters, business opportunities that may be presented to and/or pursued by Stratus, the failure of third parties to satisfy debt service obligations, the failure to complete agreements with strategic partners and/or appropriately manage relationships with strategic partners, the termination of sales contracts or letters of intent due to, among other factors, the failure of one or more closing conditions or market changes, the failure to attract customers for its developments or such customers' failure to satisfy their purchase commitments, increases in interest rates, declines in the market value of its assets, increases in operating costs, including real estate taxes and the cost of construction materials, changes in external perception of the W Austin Hotel, changes in consumer preferences, changes in laws, regulations or the regulatory environment affecting the development of real estate, opposition from special interest groups with respect to development projects, weather-related risks and other factors described in more detail under the heading "Risk Factors" in Stratus' Annual Report on Form 10-K for the year ended December 31, 2014, filed with the U.S. Securities and Exchange Commission (SEC) as updated by Stratus' subsequent filings with the SEC.

Investors are cautioned that many of the assumptions upon which Stratus' forward-looking statements are based are likely to change after the forward-looking statements are made. Further, Stratus may make changes to its business plans that could affect its results. Stratus cautions investors that it does not intend to update its forward-looking statements notwithstanding any changes in its assumptions, business plans, actual experience, or other changes, and Stratus undertakes no obligation to update any forward-looking statements, except as required by law.

A copy of this release is available on Stratus' website, www.stratusproperties.com.

# # #