

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2(a)

Stratus Properties Inc.
(Name of Issuer)

Common Stock
(Title of Class of Securities)

863167201
(CUSIP Number)

Carl E. Berg, 10050 Bandle Drive, Cupertino, CA 95014, Tel. (408) 725-0700
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

January 10, 2012
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box .

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

¹ The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 863167201

13D

1 NAME OF REPORTING PERSON

Carl E. Berg

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

PF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7 SOLE VOTING POWER

1,405,000

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

1,405,000

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,405,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

18.9%

14 TYPE OF REPORTING PERSON*

IN

* SEE INSTRUCTIONS BEFORE FILLING OUT!

ORIGINAL REPORT ON SCHEDULE 13D

Item 1. Security and Issuer

This Statement on Schedule 13D (“Schedule 13D”) relates to the common stock (the “Common Stock”) of Stratus Properties Inc., a Delaware corporation (the “Issuer”), whose principal executive offices are located at 212 Lavaca St., Suite 300, Austin, TX 78701. The total number of shares of Common Stock reported as beneficially owned in this Schedule 13D is 1,405,000, which constitutes approximately 18.9% of the total number of shares of Common Stock outstanding.

Item 2. Identity and Background

This statement is filed by Carl E. Berg (“Mr. Berg” or the “Reporting Person”). Mr. Berg’s principal business address is 10050 Bandle Drive, Cupertino, CA 95014. Mr. Berg is the chairman of the board and chief executive officer of Mission West Properties, Inc., a real estate investment trust whose principal executive offices are located at 10050 Bandle Drive, Cupertino, CA 95014. During the past five years, Mr. Berg has not been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) and has not been a party to civil proceedings of a judicial or administrative body of competent jurisdiction, as a result of which Mr. Berg was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. Mr. Berg is a United States citizen.

Item 3. Source and Amount of Funds or Other Consideration

The shares of Common Stock purchased by Mr. Berg were purchased with personal funds.

Item 4. Purpose of the Transaction

Mr. Berg acquired the shares originally in July 1997 through December 2001 because he believed that they represented an attractive investment opportunity. However, he is concerned with the adequacy and enforcement of the Issuer’s corporate governance policies and practices. He intends to express his views regarding the need for improved corporate governance to the board of directors and the management of the Issuer.

Mr. Berg intends to engage in discussions with management, the board of directors, and other stockholders of the Issuer and other relevant parties concerning the business, management, operations, assets, capitalization, financial condition, governance, board of directors composition, strategy and future plans of the Issuer, which discussions may include proposing or considering one or more of the actions described in subsections (a) through (j) of Item 4 of Schedule 13D. In addition, Mr. Berg intends to discuss the composition of the board, including the addition of persons suggested or nominated by Mr. Berg, and to take actions to cause the election of one or more individuals nominated by Mr. Berg for election to the board of directors. In furtherance of this objective, on January 10, 2012 Mr. Berg submitted to the Issuer notice of his intention to nominate one director for election to the board of directors at the Issuer’s 2012 Annual Meeting of Stockholders (the “2012 Annual Meeting”). Mr. Berg is prepared to take such actions, including the solicitation of proxies, as he may consider appropriate or necessary to elect his nominee to the Issuer’s board of directors pursuant to the Issuer’s charter documents, Delaware law and the federal securities laws.

In connection with Mr. Berg’s nomination of one director for election to the board of directors at the 2012 Annual Meeting he entered into a separate nomination agreement with William Lenehan. Under the nomination agreement, Mr. Berg agreed to reimburse Mr. Lenehan for out-of-pocket expenses incurred in connection with serving as Mr. Berg’s nominee to the Issuer’s board of directors, and to indemnify him in connection with his

nomination and service as such nominee, subject to certain limitations, as set forth in the form of nomination agreement attached as Exhibit 99.1 to this Schedule 13D and incorporated into this Item 4 by this reference.

Mr. Berg may in the future exercise any and all of his rights as a shareholder of the Issuer in a manner consistent with his equity interest. Depending on his evaluation of the factors listed above, he may at any time take such actions with respect to his holdings in the Issuer as he deems appropriate in light of circumstances existing from time to time. Such actions may involve one or more of the events referred to in paragraphs (a) through (j), inclusive, of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer

(a) The Reporting Person may be deemed to beneficially own 1,405,000 shares of Common Stock, which is equal to approximately 18.9% of the outstanding shares, based on 7,446,586 shares of Common Stock outstanding, as reported in the Issuer's Form 10-Q filed on November 14, 2011. The Reporting Person has reported his beneficial ownership of these shares previously on Schedule 13G, filed February 13, 2002.

(b) The Reporting Person may be deemed to have sole voting and dispositive power for all shares beneficially owned by him.

(c) None

(d) Not Applicable.

(e) Not Applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Not Applicable.

Item 7. Material to be Filed as Exhibits.

99.1 Nomination Agreement

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January 10, 2012

By: /s/ Carl E. Berg

Carl E. Berg

Exhibit 99.1

CARL E. BERG
10050 Bandley Drive
Cupertino, CA 95014

January 10, 2012

William Lenehan
2784 Union Street, Apt. 1
San Francisco, CA 94123

Dear William:

This letter agreement (this "Agreement") is with reference to your agreement to be nominated by Carl E. Berg and/or affiliates ("Berg") for election to the Board of Directors (the "Board") of Stratus Properties, Inc., a Delaware corporation (the "Company") at the 2012 Annual Meeting of Stockholders of the Company (together with any adjournments, postponements or stockholder meetings held in lieu thereof, the "2012 Annual Meeting"). Berg currently intends to nominate you (the "Berg Nominee") as the Berg Nominee for election to the Board at the 2012 Annual Meeting. In addition, Berg may solicit proxies (the "Proxy Solicitation") from the Company's stockholders to elect you to the Board. By executing this Agreement, you agree that if Berg selects you as a Berg Nominee you will fully and actively participate in the Proxy Solicitation, if any, and will devote the time and energy reasonably required to conduct an effective campaign for your election to the Board.

I. Responsibilities.

(a) By signing this Agreement and the written consent attached hereto as Exhibit A, you agree, among other things:

(i) To be named as a Berg Nominee in any nominating materials submitted to the Company and in any Proxy Solicitation materials or other Securities and Exchange Commission ("SEC") filings, including beneficial ownership reports on Schedule 13D, that may be prepared by Berg in connection with your nomination as a Berg Nominee or the Proxy Solicitation (collectively, the "Proxy Materials");

(ii) To provide true and complete information concerning (A) your background, experience, abilities, professional qualifications and integrity as may be requested from time to time by Berg or (B) such other matters as are required or customary to be disclosed regarding you, your nomination as a Berg Nominee or the Proxy Solicitation under (x) the Company's bylaws (the "Bylaws") or (y) pursuant to the Securities Exchange Act of 1934, as amended, or the rules and regulations promulgated thereunder;

(iii) To not omit any information that may be material to an understanding of your background, experience, abilities, professional qualifications and integrity or in order to make any information you may provide Berg not misleading in the context in which it is provided;

(iv) That your agreement to be a Berg Nominee, and any information regarding you, or your nomination or that you provide to Berg pursuant to this Agreement, may be included in the nominating materials submitted by Berg to the Company and disclosed by Berg in its Proxy Solicitation materials, SEC filings or otherwise;

(v) If elected to the Board, you will serve as a director of the Company, and in that capacity you will (A) act in the best interests of the Company and its stockholders, (B) exercise your independent judgment and act in good faith, and (C) duly consider all matters that come before the Board, in each case, consistent with your fiduciary duties as a director; and

(vi) If requested by Berg, and upon reasonable notice, you agree to attend and participate in meetings with stockholders, analysts, fund managers, representatives of nominee holders, proxy advisory firms, members of the media, and other persons Berg from time to time may request in connection with the Proxy Solicitation, the election of the Berg Nominees or any stockholder resolutions Berg may determine to bring before the Company's stockholders.

You represent that any information that you supply to Berg (the "Nominee Information") will be true, complete and correct when provided and will not omit any information that may be material to understanding your background, experience, abilities, professional qualifications and integrity or that otherwise would be necessary in order to make the Nominee Information you provide not misleading in the context in which it is provided. In addition, you agree that, concurrently with your execution of this Agreement, you will execute a written consent (in the form attached as Exhibit A), in which you consent to being a Berg Nominee, consent to being named in the Proxy Materials as a Berg Nominee and, if elected, you consent to serving as a director of the Company. You also agree that you will promptly provide Berg (x) any necessary updates or corrections to your Nominee Information, to the extent you become aware that any such information is incomplete or inaccurate in any respect, and (y) such additional information as Berg may request in connection with your nomination or the Proxy Solicitation.

(b) The parties to this Agreement acknowledge and agree that you are not an employee, agent or representative of Berg; that you are independent of, and not controlled by or acting at the direction of, Berg; and that, if elected, you will act as an independent director of the Company, on behalf of the Company and all of the stockholders of the Company, and will in no way be controlled by, report to, or act at the direction of, Berg. You understand you have no authority to act as an agent of Berg and agree that you will not represent that you are an agent of Berg to any person.

2. Expenses. Berg agrees from the date of this Agreement until the earliest of (a) the date you are elected to the Board (or if the election or qualification of members to the Board is contested on any grounds, the date such contest is resolved) and (b) the date Berg informs you (i) it will not commence or has abandoned the Proxy Solicitation, (ii) it has determined not to nominate you as a Berg Nominee or (iii) the requisite number of votes for your election to the Board has not been obtained, Berg will (A) promptly reimburse you for all reasonable out of pocket expenses you incur in performing your responsibilities as a Berg Nominee as set forth in paragraph 1 and (B) directly pay the costs and expenses incurred on behalf of Berg in connection with the Proxy Solicitation.

3. Indemnification.

(a) As a material inducement to you to become a Berg Nominee, Berg hereby agrees to indemnify, defend and hold you harmless from and against any and all losses, claims, damages, liabilities, judgments, fines, penalties, settlement payments, awards, costs, expenses and amounts of any type (including reasonable fees and disbursements of counsel and costs of investigation) (collectively, “Losses”) to which you become subject or which you incur in connection with being made, or threatened to be made, a party or witness (or in any other capacity) to any proceeding at law or in equity or before any governmental agency or board or any other body whatsoever (whether arbitral, civil, criminal, trial, appeal, administrative, formal, informal, investigative or other) (a “Proceeding”), arising out of or based upon your being a Berg Nominee or a “participant in a solicitation” (as defined in the rules and regulations under the Securities Exchange Act of 1934, as amended) in connection with the Proxy Solicitation.

(b) The indemnification obligation set forth in subparagraph (a) of this paragraph 3 will not apply to the extent (i) the Losses (or any costs of defending you in a Proceeding) are otherwise paid or payable under any directors and officers insurance policy that may separately provide coverage to you as a Berg Nominee or a director of the Company, or (ii) such Losses arise or result from (A) your gross negligence or willful misconduct, or (B) any untrue statement or omission made by you or made by Berg in reliance upon and in conformity with any Nominee Information furnished by you for use in your nomination materials or in the Proxy Solicitation material or another document to be made available to the public; it being understood that you are furnishing the Nominee Information expressly for use in the nominating materials to be submitted by Berg to the Company and in the Proxy Solicitation materials and other filings to be made publicly available in connection with the Proxy Solicitation. Berg expects that if you are elected to the Board, (x) you will be entitled to the same indemnification and advancement of expenses with respect to your service as a director of the Company as the Company provides to its other directors and (y) you will be entitled to be covered by any directors and officers liability insurance policy that the Company from time to time may maintain for its directors, each in accordance with the Company’s policies as in effect from time to time. After you are elected to the Board, Berg’s indemnification obligations will be deemed (as between Berg and the Company) secondary to any insurance or indemnification provided by the Company to its directors, and (to the extent that the Company’s director indemnification policies and insurance coverage would cover the Losses in question in the absence of this Agreement) the Company will be deemed for all purposes to be the primary obligor with respect to any and all such Losses sustained in connection with a Proceeding which Berg otherwise would be required to indemnify you pursuant to this paragraph 3. For avoidance of doubt, if there is a dispute as to whether the Company or Berg is the appropriate indemnifying party with respect to any specific Losses, Berg will provide indemnification and advancement of expenses in accordance with the terms and conditions hereof pending the resolution of such dispute, and subject to Berg’s rights to seek reimbursement from the Company.

(c) In the event of the commencement or threatened commencement of any Proceeding in respect of which you may seek indemnification from Berg hereunder, you will give prompt written notice thereof to Berg; provided, however, that your failure to provide prompt notice shall not relieve Berg of its indemnification obligations hereunder, except to the extent that Berg is materially prejudiced as a result thereof. Berg shall timely pay all reasonable fees and disbursements of the defense counsel selected by Berg (which shall be a nationally recognized firm experienced in the matters subject to the Proceeding in question) in respect of any such Proceeding with respect to which Berg provides you indemnification as they become due and payable. In addition to such defense counsel, you shall have the right to retain your own separate defense counsel and participate in the defense of the Proceeding if you so desire, provided that you shall be responsible for the fees and expenses of such counsel and costs of such participation unless either (i) you and Berg mutually agree to the retention of such counsel and Berg agrees to pay some or all of the cost of such separate counsel, or (ii) representation of you and Berg or the other Berg Nominees by the same counsel would be inappropriate due to actual or potential differing interests of such parties.

(d) Berg shall not indemnify you or otherwise be liable for any settlement of any Proceeding (or any related Losses) effected by you or on your behalf without the prior written consent of Berg. Without your prior written consent, Berg shall not settle any Proceeding in any manner that (i) would impose any material penalty, obligation or limitation on you (other than monetary damages that will be paid by insurance, the Company or that Berg agrees to pay), (ii) that contains any admission of wrongdoing on your part or (iii) otherwise reasonably would result in damage to your professional reputation.

(e) Your rights to indemnification under this Agreement shall include the right to be advanced any and all expenses incurred in connection with any indemnifiable claim promptly upon your request as such expenses are incurred, subject to your executing a written undertaking to repay the amount of such advances to Berg if it is ultimately determined you are not entitled to be indemnified by Berg. The indemnification provided by this Agreement shall not be deemed exclusive of any other rights to which you may be entitled under any bylaw, other agreement, vote of stockholders or disinterested directors, or otherwise, to the extent such other rights are permitted by applicable law.

(f) Notwithstanding anything to the contrary, if Berg has made payments to you or on your behalf pursuant to the indemnification, defense and expense reimbursement provisions hereof and you subsequently are reimbursed by a third party therefor, you will remit such subsequent reimbursement to Berg. Berg also shall be subrogated to all of your rights of recovery with respect to any matters with respect to which Berg has made indemnification payments, and you shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable Berg to effectively bring suit to enforce such subrogated rights. Further, no payment by or on behalf of Berg hereunder shall affect the relative responsibilities of the Company as the primary indemnitor in respect of any specified Losses and Berg as the secondary indemnitor in respect thereof, nor shall any payment by or on behalf of Berg in advance of determining the Company’s and Berg’s relative responsibilities with respect to such Losses be deemed an admission that (as between the Company and Berg) Berg is responsible as an indemnitor nor shall any such payment be deemed a waiver of any rights that Berg may have to be reimbursed or repaid by the Company for any such payments.

4. General. All notices and other communications under this Agreement shall be in writing and delivered by a nationally-recognized overnight courier and, if mailed to you, then to the address set forth above under your name, and, if mailed to Berg, then to the address set forth above. The failure of a party to this Agreement to insist upon strict adherence to any term in this Agreement shall not waive such party’s rights to insist upon strict adherence to that term or to any other term. If any one or more provisions of this Agreement are deemed to be invalid, illegal or unenforceable by a court of competent jurisdiction, then such provision(s) shall be deemed severed to the least extent possible without affecting the validity, legality and enforceability of the remainder of this Agreement. This Agreement (a) shall be governed by and construed in accordance with the laws of the state of Delaware, without regard to its conflicts or choice of laws principles; (b) contains the entire understanding of the parties with respect to its subject matter; (c) may not be modified or amended except by mutual written consent; and (d) establishes contract rights which shall inure to the benefit of and be binding upon the parties to this Agreement and their respective heirs, representatives, successors, and assigns. If any signature to this Agreement is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

If you are in agreement with the foregoing, please so indicate by signing and returning one copy of this Agreement.

Very truly yours,

/s/ Carl E. Berg

Carl E. Berg

Accepted and agreed to:

/s/ William Lenehan

William Lenehan
January 10, 2012

Consent of Berg Nominee

I hereby consent:

- (a) to being nominated by Carl E. Berg and/or affiliates (“Berg”) for election to the Board of Directors (the “Board”) of Stratus Properties, Inc., a Delaware corporation (the “Company”), at the 2012 Annual Meeting of Stockholders of the Company (the “2012 Annual Meeting”);
- (b) to being named as a nominee in the proxy statement and any other materials prepared by Berg and used in connection with soliciting proxies for the election of Berg’s nominees to the Board at the 2012 Annual Meeting; and
- (c) to serving as a director of the Company if elected.

/s/ William Lenehan

William Lenehan
January 10, 2012