

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): May 21, 2020

S T R A T U S ®

Stratus Properties Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other
Jurisdiction of
Incorporation)

001-37716
(Commission
File Number)

72-1211572
(I.R.S. Employer
Identification
Number)

212 Lavaca St., Suite 300
Austin Texas
(Address of Principal Executive Offices)

78701
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	STRS	The NASDAQ Stock Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.02. Termination of a Material Definitive Agreement.

As previously disclosed, on December 9, 2019, Stratus Properties Inc.'s ("Stratus") wholly owned subsidiary Stratus Block 21, L.L.C. ("Stratus Block 21") entered into an Agreement of Sale and Purchase (the "Purchase Agreement") with Ryman Hospitality Properties, Inc., a Delaware corporation ("Purchaser"), pursuant to which Stratus Block 21 agreed to sell to the Purchaser the real and personal property associated with Block 21, subject to limited exclusions and subject to the terms and conditions specified in the Purchase Agreement. Contemporaneously with the execution of the Purchase Agreement, Stratus Block 21 Investments, L.P. ("Block 21 Investments"), another wholly owned subsidiary of Stratus, entered into a Membership Interest Purchase Agreement with the Purchaser (the "Membership Interest Purchase Agreement" and collectively with the Purchase Agreement, the "Contracts"), pursuant to which Block 21 Investments agreed to transfer all of the membership interests in its wholly owned subsidiary Block 21 Service Company LLC to Purchaser.

On May 21, 2020, Purchaser delivered a termination letter (the "Termination Letter"), which was agreed to and accepted by Stratus Block 21 and Block 21 Investments, terminating the Contracts and authorizing the release of Purchaser's previously deposited \$15 million in earnest money under the Contracts to Stratus Block 21 in full and final settlement and satisfaction of all claims by Stratus Block 21 and Block 21 Investments, and liabilities of Purchaser, under and pursuant to the Contracts (other than the Post Termination Obligations (as defined in the Purchase Agreement)).

The foregoing description of the Purchase Agreement, Member Interest Purchase Agreement and the Termination Letter does not purport to be complete and is qualified in its entirety by reference to such agreements, filed as exhibits hereto.

Item 8.01. Other Events.

Stratus issued a press release dated May 22, 2020, titled "Stratus Properties Inc. Announces Ryman's Termination of Agreement to Purchase Block 21" announcing Ryman's termination of the Contracts. 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.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Exhibit Title</u>
2.1	Agreement of Sale and Purchase, dated December 9, 2019 between Stratus Block 21, L.L.C. and Ryman Hospitality Properties, Inc. (incorporated herein by reference to Exhibit 2.1 to Stratus' Current Report on Form 8-K filed on December 11, 2019).
2.2	Membership Interest Purchase Agreement, dated December 9, 2019 between Stratus Block 21, Investments, L.P. and Ryman Hospitality Properties, Inc. (incorporated herein by reference to Exhibit 2.2 to Stratus' Current Report on Form 8-K filed on December 11, 2019).
10.1	Termination Letter dated May 21, 2020.
99.1	Press release dated May 22, 2020, titled "Stratus Properties Inc. Announces Ryman's Termination of Agreement to Purchase Block 21."
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

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: May 22, 2020

May 21, 2020

Ryman Hospitality Properties, Inc.
One Gaylord Drive
Nashville, Tennessee 37214

VIA EMAIL

Stratus Block 21, L.L.C.
212 Lavaca Street
Suite 300
Austin, Texas 78701
Attn: William H. Armstrong, III

Re: Agreement of Sale and Purchase (the "PSA") dated December 9, 2019 between Stratus Block 21, L.L.C., as "Seller" (herein so called), and Ryman Hospitality Properties, Inc. ("RHPI"), as purchaser, regarding Block 21 Austin, Texas; and Membership Interest Purchase Agreement dated December 9, 2019, between Stratus Block 21 Investments, L.P. ("Equity Seller"), as seller, and RHPI, as purchaser, with respect to Block 21 Service Company LLC (collectively, with the PSA, the "Contracts")

Gentlemen:

RHPI is not prepared to proceed with the transactions contemplated by the Contracts. By copy, the Title Company (as defined in the PSA) is authorized to release the Earnest Money (as defined in the PSA) to Seller, and Seller is authorized to receive the Earnest Money, in full and final settlement and satisfaction of all claims by Seller and Equity Seller, and liabilities of Purchaser, under and pursuant to the Contracts (other than the Post Termination Obligations (as defined in the PSA)), if any, and as the sole and exclusive remedy of Seller and Equity Seller under and pursuant to the Contracts in connection with RHPI's failure to proceed to closing under the Contracts, other than the Post Termination Obligations, if any. Accordingly, Seller, Equity Seller, and RHPI agree that the PSA and the MIPA are hereby terminated. Upon the disbursement of Earnest Money to Seller, the Title Company is hereby released from any further obligations and/or liabilities by virtue of having acted as escrow agent and closing agent under the PSA.

Very truly yours,

RYMAN HOSPITALITY PROPERTIES, INC.

By: /s/ Scott Lynn
Name: Scott Lynn
Title: EVP and General Counsel

AGREED AND ACCEPTED TO BY:

STRATUS BLOCK 21, L.L.C.,
a Delaware limited liability company

By: STRATUS BLOCK 21 MANAGER, L.L.C.,
a Texas limited liability company,
its Manager

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

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

By: STRATUS BLOCK 21 INVESTMENTS GP, L.L.C.,
a Texas limited liability company,
its General Partner

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

cc: Kenneth Jones (via email)
Amy Fisher (via email)

NEWS RELEASE

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

NASDAQ Symbol: "STRS"

Financial and Media Contact:

William H. Armstrong III
(512) 478-5788

STRATUS PROPERTIES INC. ANNOUNCES RYMAN'S TERMINATION OF AGREEMENT TO PURCHASE BLOCK 21

AUSTIN, TX, May 22, 2020 - Stratus Properties Inc. (NASDAQ: STRS) announced today that Ryman Hospitality Properties, Inc. ("Ryman") terminated its agreement with Stratus to purchase Block 21, Stratus' wholly owned mixed-use real estate development and entertainment business in downtown Austin, Texas. As a result of the termination of the transaction, Ryman has forfeited to Stratus Ryman's \$15 million of earnest money deposited in escrow in connection with the execution of the purchase agreement in December 2019.

William H. Armstrong III, Chairman of the Board, President and Chief Executive Officer of Stratus, said, "We are disappointed that the sale of Block 21 to Ryman will not be completed; however, we understand Ryman's termination given the intervening COVID-19 pandemic. Ryman's experience and depth in both the hospitality and music industries would have been a meaningful addition to the Austin community. We have tremendous respect for Ryman's entire team and operations, and wish them well. We believe Block 21 is a great asset and we remain focused on its continued success in Austin."

About Stratus Properties Inc.

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS. *This press release contains forward-looking statements in which Stratus discusses factors it believes may affect its future performance. Forward-looking statements are all statements other than statements of historical facts, such as, the potential continuing impacts of the COVID-19 pandemic. The words "anticipates," "may," "can," "plans," "believes," "potential," "estimates," "expects," "projects," "targets," "intends," "likely," "will," "should," "to be" and any similar expressions 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, expected, 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, evolving risks relative to the spread of COVID-19 or fear of the further spread of COVID-19, the duration and scope of the COVID-19 pandemic and impact thereof including the pace of recovery, 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, 2019 as supplemented by Stratus' Current Report on Form 8-K filed May 11, 2020, each filed with the U.S. Securities and Exchange Commission.

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, some of which Stratus may not be able to control. 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 more frequently than quarterly notwithstanding any changes in its assumptions, business plans, actual experience, or other changes, and Stratus undertakes no obligation to update any forward-looking statements.

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

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