

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): December 17, 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
Series D Participating Cumulative Preferred Stock Purchase Rights	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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(d) On December 17, 2020, the Board of Directors (the "Board") of Stratus Properties Inc. ("Stratus"), upon the recommendation of the Nominating and Corporate Governance Committee of the Board, appointed Neville L. Rhone, Jr. to serve as a Class II director of the Board, effective immediately. Mr. Rhone was also appointed as a member of the Audit Committee and the Nominating and Corporate Governance Committee of the Board. As a Class II director, Mr. Rhone will serve until Stratus' 2021 annual meeting of stockholders or until his successor is duly elected and qualified.

The Board determined that Mr. Rhone is independent pursuant to the director independence standards established under the NASDAQ Stock Market listing rules and Stratus' Corporate Governance Guidelines, and that he meets the additional independence requirements for service on Stratus' Audit Committee. The Board now consists of six directors, five of whom are independent. There is no arrangement or understanding between Mr. Rhone and any other person pursuant to which Mr. Rhone was selected as a director. There are no transactions involving Stratus and Mr. Rhone that Stratus would be required to report under Item 404(a) of Regulation S-K.

Mr. Rhone will receive compensation for his Board and committee service in accordance with Stratus' standard compensation arrangements for non-employee directors, which are described in Stratus' definitive proxy statement on Schedule 14A filed with the U.S. Securities and Exchange Commission on April 3, 2020 under the heading "Director Compensation." With respect to the equity-based component of Stratus' non-employee director compensation arrangements, on December 17, 2020, Stratus approved a grant of restricted stock units to Mr. Rhone with a pro-rated target grant date value of \$31,950, with the number of restricted stock units determined based on the closing stock price of Stratus' common stock on December 17, 2020. The restricted stock units will vest ratably over four years beginning on September 1, 2021.

In connection with Mr. Rhone's appointment, Charles W. Porter resigned as a Class II director and was immediately reappointed as a Class III director, the Class to which he was originally appointed upon first joining Stratus' Board in 2012. Mr. Porter's reappointment to Class III filled the vacancy in Class III created by the resignation of Ella Benson in September 2020, and Mr. Rhone filled the vacancy created by Mr. Porter's resignation and reappointment. As previously disclosed, on March 12, 2020, Mr. Porter had resigned as a Class III director and was immediately reappointed as a Class II director solely for the purpose of filling the vacancy in Class II created by the death of former director John C. Schweitzer and in order to rebalance the three classes so that they would be as nearly equal in number as is possible, as required by Stratus' Certificate of Incorporation.

Accordingly, Stratus' current Class II directors, with terms expiring at the 2021 annual meeting of stockholders and until their successors are elected and qualified, are Neville L. Rhone, Jr. and James C. Leslie. Stratus' current Class III directors, with terms expiring at the 2022 annual meeting of stockholders and until their successors are elected and qualified, are Charles W. Porter and William H. Armstrong III. Stratus' current Class I directors, with terms expiring at the 2023 annual meeting of stockholders and until their successors are elected and qualified, are James E. Joseph and Michael D. Madden.

Mr. Porter was also immediately reappointed as a member of the Audit Committee and the Nominating and Corporate Governance Committee.

Mr. Porter serves as a director on Stratus' Board as the designated director of LCHM Holdings, LLC, pursuant to an Investor Rights Agreement between Stratus and Moffett Holdings, L.L.C. dated March 15, 2012, which was subsequently assigned to LCHM Holdings, LLC. Mr. Porter will continue to receive compensation for his Board and committee service in accordance with Stratus' standard compensation arrangements for non-employee directors, which are described in Stratus' definitive proxy statement on Schedule 14A filed with the U.S. Securities and Exchange Commission on April 3, 2020, under the heading "Director Compensation."

Item 8.01. Other Events.

Stratus issued a press release dated December 17, 2020, announcing the appointment of Neville L. Rhone, Jr. to the Board of Directors. 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.

Exhibit Number

Exhibit Title

[99.1](#)

Press release dated December 17, 2020, titled "Stratus Properties Inc. Announces Appointment of Neville L. Rhone, Jr. to its Board of Directors."

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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: December 17, 2020

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

NEWS RELEASE

NASDAQ Symbol: "STRS"

Financial and Media Contact:

William H. Armstrong III
(512) 478-5788

STRATUS PROPERTIES INC. ANNOUNCES APPOINTMENT OF NEVILLE L. RHONE, JR. TO ITS BOARD OF DIRECTORS

AUSTIN, TX, December 17, 2020 - Stratus Properties Inc. (NASDAQ: STRS) announced today the appointment of Neville L. Rhone, Jr. to its Board of Directors ("Board"). Mr. Rhone will serve as an independent Class II director, effective immediately, and will be up for election to the Board at the 2021 Annual Meeting of Stockholders.

William H. Armstrong III, Chairman of the Board, President and Chief Executive Officer of Stratus, stated, "We are pleased to welcome Neville Rhone to our Board. Neville is a talented leader and real estate executive with a track record of reimagining urban mixed-use environments as a Co-Founder and Managing Partner of Arc Capital Partners. He also brings his experience with Texas real estate acquisitions. I saw his expertise firsthand when he served as a senior member of the investment team of the Canyon-Johnson Urban Fund that partnered with Stratus in 2007 to provide the equity for our Block 21 project."



*Neville L. Rhone, Jr.
Appointed to Stratus Board.*

Mr. Armstrong continued, "Mr. Rhone's extensive experience in the areas of real estate development, finance, investments, operations, entrepreneurship and executive leadership will complement our current directors' mix of skills and expertise, which includes hospitality, entertainment, corporate leadership, commercial real estate investment and development, finance, capital markets, residential real estate and the Austin market. The appointment of Mr. Rhone also reflects our Board's commitment to increase the diversity of Stratus' Board, a goal I strongly support."

Mr. Rhone will serve as a member of the Audit Committee and the Nominating and Corporate Governance Committee. Following the appointment of Mr. Rhone, Stratus' Board of Directors comprises six members, including five independent directors. Stratus' Nominating and Corporate Governance Committee continues to evaluate a diverse slate of candidates and expects to recommend to the Board another independent director in the near term.

Mr. Rhone stated, "I am incredibly excited to join Stratus' Board. I believe cities, like Austin, will continue to grow and thrive thanks to a younger and more diverse generation that is coming of age, a key demographic trend for any real estate company to consider. I look forward to the opportunity to work with Stratus' other directors and its management in guiding the company's strategic direction."

About Neville L. Rhone, Jr.

Neville L. Rhone, Jr., age 50, is a 27-year veteran of real estate development, finance, investing and operations in over \$6 billion of transactions. Mr. Rhone is Co-Founder and Managing Partner of Arc Capital Partners, a Los Angeles-based real estate operating company that acquires and repositions urban properties. Specializing in creating walkable, urban mixed-use environments, Arc Capital Partners is an institutional-quality, minority-owned firm dedicated to corporate responsibility. Prior to co-founding Arc in 2013, Mr. Rhone was a Managing Director and member of the investment committee of Canyon Partners Real Estate

("Canyon"), where he led Texas acquisitions. Prior to joining Canyon in 2005, Mr. Rhone was a Vice President at Morgan Stanley focused on investment banking and real estate.

Mr. Rhone is an active member of the Urban Land Institute and the Pension Real Estate Association. He graduated from Cornell University with both Bachelor of Science and Master of Engineering (Civil Engineering) degrees and holds an MBA from Columbia Business School.

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, which are all statements other than statements of historical fact. The words "anticipates," "may," "can," "could," "plans," "believes," "potential," "possible," "estimates," "expects," "projects," "targets," "intends," "likely," "will," "should," "to be" and any similar expressions are intended to identify those assertions as forward-looking statements. Forward-looking statements include Stratus' plans regarding potential future changes in Board composition.

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, Stratus' ability to continue to effectively develop and execute its strategies, including regarding Board composition, 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, and Quarterly Report on Form 10-Q for the quarter ended September 30, 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. 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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