

STRATUS PROPERTIES INC
Form 8-K
October 18, 2007

**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): October 12, 2007

Stratus Properties Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of
incorporation)

0-19989
(Commission File
Number)

72-1211572
(IRS Employer
Identification
Number)

98 San Jacinto Blvd., Suite 220
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))
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Item 1.01 Entry into a Material Definitive Agreement.

On October 12, 2007, our wholly owned subsidiary, Escarpment Village, L.P., completed the sale of the Escarpment Village Shopping Center, located in Austin, Texas, to Lake Villa, L.L.C. (Purchaser) for \$46.5 million, before closing costs and other adjustments. Purchaser paid approximately \$23 million in cash to us at closing, including \$1.0 million previously deposited by Purchaser in an escrow account, and assumed the \$22.4 million principal balance remaining under our loan from the Teachers Insurance and Annuity Association. We intend to use the net proceeds from the sale for general corporate purposes.

A copy of the Purchase and Sale Agreement is filed as an exhibit to this Current Report (see Exhibit 10.1).

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The Exhibit included as part of this Current Report is 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/ John E. Baker

John E. Baker
Senior Vice President and
Chief Financial Officer
(authorized signatory and
Principal Financial Officer)
Date: October 18, 2007

Stratus Properties Inc.
Exhibit Index

Exhibit
Number

10.1 Purchase and Sale Agreement dated as of July 9, 2007, between Escarpment Village,
L.P. as Seller and Christopher Investment Company, Inc. as Purchaser.
