

OASIS

September 2, 2020

Beau Armstrong
Stratus Properties
212 Lavaca St, Suite 300
Austin, TX 78701

Dear Beau,

As you know, Oasis has had a representative serve on Stratus' Board for almost four years. During this time, we have tried to have a collaborative relationship, bringing value to Stratus and all of its stockholders in a non-disruptive way, out of the public eye. Going forward, we want our relationship with Stratus to continue on a similar trajectory which is why we are writing to you.

With the expiration of Stratus' five-year plan in March 2020 and the operating changes brought on by Covid-19, Stratus faces new, interesting challenges that must be met with decisive actions, creative solutions, and strong leadership. However, progress has been lacking and there is a disturbing lack of a sense of urgency on cost cutting initiatives and a failure to create a clear plan going forward while the share price has languished. We believe true progress requires effective leadership under the direction of a diverse and refreshed board of directors. We believe that the Company and its shareholders would benefit from a refreshed board that would see overly-long-tenured directors—Jim Leslie and Michael Madden—as well as Jim Joseph retire from the Board and be replaced with a new set of diverse, engaged and active directors that can help guide Stratus to greater success in the pivotal coming years. During the time that Leslie and Madden have been on the board, Austin's population has more than doubled and it has become one of the most vibrant urban economies in the United States with a bustling tech sector drawing entrepreneurs and top companies from all around the country. The Stratus Board should represent this changed landscape, not only because a more diverse board would be favored by all of the Company's stakeholders, but because a board with more perspectives from new generations of ambitious, highly qualified leaders of real estate, finance and tech will help Stratus be more successful in the coming years. In addition, a refreshed board will be welcomed by institutional investors and advisory firms that have expressed concern with the average tenure and lack of diversity on Stratus' Board. It will eliminate any appearance of non-independence and bring more equity and new ideas to the board room.

As Stratus's largest shareholder, Oasis would like to work collaboratively to help Stratus identify new candidates to replace departing directors. To that end, we would be open to having Oasis's representative serve on the Nominating and Corporate Governance Committee and participate in this process. Recognizing that a thorough search for highly qualified board members takes time, we think you should work expeditiously to obtain commitments to resign from Madden, Leslie, and Joseph upon the identification of their replacements and to start this search process by September 14th, 2020.

Looking forward to hearing from you,



Ella Benson