

SAUL B FRANCIS II  
Form 4  
January 05, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SAUL B FRANCIS II

(Last) (First) (Middle)

7501 WISCONSIN AVENUE, 15TH FLOOR

(Street)

BETHESDA, MD 20814

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
SAUL CENTERS INC [BFS]

3. Date of Earliest Transaction (Month/Day/Year)  
01/03/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Shares				(A) or (D)	1,091.056 <sup>(17)</sup>	D	
Common Shares				(A) or (D)	7,620.625	I <sup>(1)</sup>	See footnote <u>(1)</u>
Common Shares				(A) or (D)	4,072.379	I <sup>(2)</sup>	See footnote <u>(2)</u>
Common Shares				(A) or (D)	8,320.625	I <sup>(3)</sup>	See footnote <u>(3)</u>

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Common Shares	66,248.07 <sup>(18)</sup>	I <sup>(4)</sup>	See footnote <u>(4)</u>
Common Shares	1,382,568.371 <sup>(19)</sup>	I <sup>(5)</sup>	See footnote <u>(5)</u>
Common Shares	244,630.847 <sup>(20)</sup>	I <sup>(6)</sup>	See footnote <u>(6)</u>
Common Shares	332,171.451 <sup>(21)</sup>	I <sup>(7)</sup>	See footnote <u>(7)</u>
Common Shares	7,165.901 <sup>(22)</sup>	I <sup>(8)</sup>	See footnote <u>(8)</u>
Common Shares	215,070.826 <sup>(23)</sup>	I <sup>(9)</sup>	See footnote <u>(9)</u>
Common Shares	4,189,471.83 <sup>(24)</sup>	I <sup>(12)</sup>	See footnote <u>(12)</u>
Common Shares	128.95 <sup>(25)</sup>	I <sup>(15)</sup>	See footnote <u>(15)</u>
Common Shares	390,199.682 <sup>(26)</sup>	I <sup>(16)</sup>	See footnote <u>(16)</u>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares

Stock Option	\$ 25.78					04/26/2004	04/26/2014	Common Stock	2,500
Stock Option	\$ 33.22					05/06/2005	05/06/2015	Common Stock	2,500
Phantom Stock <sup>(13)</sup>	<u>(10)</u>	01/03/2006		A	163.632	<u>(11)</u>	<u>(11)</u>	Common Stock	163.63

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SAUL B FRANCIS II 7501 WISCONSIN AVENUE 15TH FLOOR BETHESDA, MD 20814	X	X	Chief Executive Officer	

## Signatures

Scott V. Schneider, by Power of Attorney  
01/05/2006

\_\_Signature of Reporting Person                      Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Owned by the Elizabeth Willoughby Saul Trust, of which the reporting person is sole beneficiary. Ms. Saul is the daughter of the reporting person. The reporting person disclaims beneficial ownership of these shares.
- (2) Owned by The Sharon Elizabeth Saul Trust, of which the reporting person is sole beneficiary. Ms. Saul is the daughter of the reporting person. The reporting person disclaims beneficial ownership of these shares.
- (3) Owned by the Patricia English Saul Trust, of which the reporting person is sole beneficiary. Ms. Saul is the daughter of the reporting person. The reporting person disclaims beneficial ownership of these shares.
- (4) Owned by Patricia E. Saul, the reporting person's spouse.
- (5) Owned by The B.F. Saul Company Employees' Profit Sharing Reinvestment Trust (the "Pension Trust", a profit sharing retirement plan for the benefit of the employees of B.F. Saul Company and other participating employers. The Pension Trust is administered by four trustees, one of which is the reporting person. The reporting person disclaims beneficial ownership of the securities in the Pension Trust that exceed his pecuniary interest in the Pension Trust.
- (6) Owned by B.F. Saul Property Company, which is a wholly-owned subsidiary of B.F. Saul Company, of which the reporting person is Chairman of the Board and Chief Executive Officer.
- (7) Owned by Dearborn, L.L.C., the sole member of which is B.F. Saul Real Estate Investment Trust, of which the reporting person is Chairman of the Board and the majority owner.
- (8) Owned by Van Ness Square Corporation, of which the reporting person is Chairman of the Board and Chief Executive Officer.
- (9) Owned by B.F. Saul Company, of which the reporting person is Chairman of the Board and Chief Executive Officer.
- (10) 1 for 1
- (11) Under the terms of the reporting person's Deferred Fee Agreement, payment of shares of the issuer's common stock commences at such time as the reporting person ceases to be a director of the issuer. Payment will be a lump sum upon termination of directorship.
- (12) Owned by B.F. Saul Real Estate Investment Trust, of which the reporting person is Chairman of the Board and the majority owner.

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- (13) Pursuant to the issuer's Deferred Compensation Plan under its 2004 Stock Plan and the Deferred Fee Agreement executed by the reporting person, the reporting person has elected to defer receipt of his director's fees, and receive phantom stock, the amount of which is calculated as the quotient of the dollar value of fees deferred, divided by the fair market value of the issuer's shares on the date the phantom stock is received.
- (14) Includes 163.392 shares (\$33.9500/share) awarded October 31, 2005 as dividend reinvestments on shares of phantom stock held by the reporting person pursuant to the issuer's Deferred Compensation Plan under its 2004 Stock Plan and shares of phantom stock issued under the issuer's Deferred Compensation and Stock Plan for Directors.
- (15) Owned by Avenel Executive Park, PH II L.L.C., the sole member of which is B.F. Saul Real Estate Investment Trust, of which the reporting person is Chairman of the Board and the majority owner.
- (16) Owned by Westminster Investing Corporation, of which the reporting person is Chairman of the Board and Chief Executive Officer.
- (17) Balance increased by October 31, 2005 Dividend Reinvestment Plan award of 13.333 shares.
- (18) Balance increased by October 31, 2005 Dividend Reinvestment Plan award of 809.549 shares.
- (19) Balance increased by October 31, 2005 Dividend Reinvestment Plan award of 16,894.929 shares.
- (20) Balance increased by October 31, 2005 Dividend Reinvestment Plan award of 2,989.379 shares.
- (21) Balance increased by October 31, 2005 Dividend Reinvestment Plan award of 4,059.122 shares.
- (22) Balance increased by October 31, 2005 Dividend Reinvestment Plan award of 87.567 shares.
- (23) Balance increased by October 31, 2005 Dividend Reinvestment Plan award of 2,628.157 shares.
- (24) Balance increased by October 31, 2005 Dividend Reinvestment Plan award of 51,195.175 shares.
- (25) Balance increased by October 31, 2005 Dividend Reinvestment Plan award of 1.576 shares.
- (26) Balance increased by October 31, 2005 Dividend Reinvestment Plan award of 4,768.224 shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.