SAUL B FRANCIS II
Form 4
December 27, 2006

FORM 4

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

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

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).

(Print or Type Responses)

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

(Last) (First) (Middle)

7501 WISCONSIN AVENUE, 14TH 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)
12/22/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director __X__ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Shares								1,341.636	D	
Common Shares								7,620.625	I (1)	See footnote (1)
Common Shares								4,072.379	I (2)	See footnote (2)
Common Shares								8,320.625	I (3)	See footnote (3)

Common Shares						69,078.082	I (4)	See footnote (4)
Common Shares						1,441,629.488	I (5)	See footnote (5)
Common Shares						253,946.382	I (6)	See footnote (6)
Common Shares						374,827.213	I (7)	See footnote (7)
Common Shares						18,871.522	I (8)	See footnote (8)
Common Shares						219,341.661	I (9)	See footnote (9)
Common Shares						350.452	I (13)	See footnote (13)
Common Shares						397,039.079	I (14)	See footnote (14)
Common Shares	12/22/2006	P	2,500	A	$ 55.17	4,568,919.981	I (15)	See footnote (15)
Common Shares	12/26/2006	P	9,000	A	$ 55.01	4,577,919.981	I (15)	See footnote (15)

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

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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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. D Der Sec (Ins

				Disposed of (D) (Instr. 3, 4, and 5)					
		Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of 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 (12)	$ 44.99 (10)					(11)	(11)	Common Stock	137.809
Stock Option	$ 40.35					05/01/2006	05/01/2016	Common Stock	2,500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SAUL B FRANCIS II 7501 WISCONSIN AVENUE 14TH FLOOR BETHESDA, MD 20814	X	X	Chief Executive Officer	

Signatures

Scott V. Schneider, by Power of Attorney	12/27/2006
**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 benefical 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.

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(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) 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.

(13) 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.

(14) Owned by Westminster Investing Corporation, of which the reporting person is Chairman of the Board and Chief Executive Officer.

(15) Owned by B.F. Saul Real Estate Investment Trust, of which the reporting person is Chairman of the Board and the majority owner.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Explanation of Responses: