

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2006-01-05** | Period of Report: **2006-01-03**

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REPORTING OWNER

SAUL B FRANCIS II

CIK: **1027551** | State of Incorporation: **MD** | Fiscal Year End: **0820**
Type: **4** | Act: **34** | File No.: **001-12254** | Film No.: **06513831**
SIC: **6500** Real estate

Mailing Address
8401 CONNECTICUT AVE
CHEVY CHASE MD 20815

Business Address
3019867000

ISSUER

SAUL CENTERS INC

CIK: **907254** | IRS No.: **521833074** | State of Incorporation: **MD** | Fiscal Year End: **1231**
SIC: **6798** Real estate investment trusts

Mailing Address
8401 CONNECTICUT AVE
CHEVY CHASE MD 20815

Business Address
8401 CONNECTICUT AVE
CHEVY CHASE MD 20815
3019866207

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

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

1. Name and Address of Reporting Person SAUL B FRANCIS II			2. Issuer Name and Ticker or Trading Symbol SAUL CENTERS INC [BFS]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Chief Executive Officer		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/03/2006			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
7501 WISCONSIN AVENUE, 15TH FLOOR			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street) BETHESDA, MD 20814								
(City)	(State)	(Zip)						

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								1,091.056 ⁽¹⁷⁾	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								66,248.07 ⁽¹⁸⁾	I ⁽⁴⁾	See footnote ⁽⁴⁾
Common Shares								1,382,568.371 ⁽¹⁹⁾	I ⁽⁵⁾	See footnote ⁽⁵⁾
Common Shares								244,630.847 ⁽²⁰⁾	I ⁽⁶⁾	See footnote ⁽⁶⁾
Common Shares								332,171.451 ⁽²¹⁾	I ⁽⁷⁾	See footnote ⁽⁷⁾
Common Shares								7,165.901 ⁽²²⁾	I ⁽⁸⁾	See footnote ⁽⁸⁾
Common Shares								215,070.826 ⁽²³⁾	I ⁽⁹⁾	See footnote ⁽⁹⁾
Common Shares								4,189,471.83 ⁽²⁴⁾	I ⁽¹²⁾	See footnote ⁽¹²⁾
Common Shares								128.95 ⁽²⁵⁾	I ⁽¹⁵⁾	See footnote ⁽¹⁵⁾
Common Shares								390,199.682 ⁽²⁶⁾	I ⁽¹⁶⁾	See footnote ⁽¹⁶⁾

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	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following	10. Ownership Form of Derivative Security:	11. Nature of Indirect Beneficial Ownership (Instr. 4)
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	Derivative Security		(Month/Day/Year)			(D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Reported Transaction(s) (Instr. 4)	Direct (D) or Indirect (I) (Instr. 4)	
				Code	V	(A)	(D)							
Stock Option	\$25.78							04/26/2004	04/26/2014	Common Stock	2,500	2,500	D	
Stock Option	\$33.22							05/06/2005	05/06/2015	Common Stock	2,500	2,500	D	
Phantom Stock (13)	(10)	01/03/2006		A		163.632		(11)	(11)	Common Stock	163.632	\$37.89	13,534.561 (14)	D

Explanation of Responses:

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.
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.

Signatures

Scott V. Schneider, by Power of Attorney

01/05/2006

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

* 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).

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Scott V Schneider, the undersigned's true and lawful attorney-in-fact to:

(1) execute for and on behalf of the undersigned, in the undersigned's capacity as a director of Saul Centers, Inc. (the "Company"), Forms 3, 4 and 5 in accordance with Section 16(a) of the Securities and Exchange Act of 1934 and the rules thereunder;

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Form 3, 4, or 5, complete and execute any amendment or amendments thereto, and timely file such form with the United States Securities and Exchange Commission and any stock exchange or similarly authority; and

(3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorney-in-fact, in serving in such capacity at the request of the undersigned, is not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4, and 5 with respect to the undersigned's holdings of and transactions in securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 2nd day of December, 2004.

Signature: /s/ B. Francis Saul II
Name: B. Francis Saul II