SAUL CENTERS INC Form 4 July 06, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL

OMB Number:

3235-0287

Expires:

January 31, 2005

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obligations may continue.

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(b).

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading SAUL B FRANCIS III Issuer Symbol SAUL CENTERS INC [BFS] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) _X__ Director 10% Owner X_ Officer (give title Other (specify 7501 WISCONSIN AVENUE, 15TH 07/03/2006 below) below) **FLOOR** President (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting BETHESDA, MD 20814 Person (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities 5. Amount of 7. Nature of Security (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Securities Ownership Indirect (Instr. 3) Code Disposed of (D) Beneficially Form: Direct Beneficial (Instr. 3, 4 and 5) Ownership (Month/Day/Year) (Instr. 8) Owned (D) or

Common 2,706.398 (6) **Shares**

Common Beneficiary I 12,000 Shares of Trust

Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Following

Reported

Transaction(s) (Instr. 3 and 4)

(A)

(9-02)

(Instr. 4)

Indirect (I)

(Instr. 4)

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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. Transactic Code (Instr. 8)	onDerivative Exp		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amous Underlying Securi (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amo Num Shar
Employee Stock Option	\$ 25.78						04/26/2005(1)	04/26/2014	Common Stock	80
Employee Stock Option	\$ 24.91						05/23/2004(1)	05/23/2013	Common Stock	40
Stock Option	\$ 25.78						04/26/2004	04/26/2014	Common Stock	2,
Employee Stock Option	\$ 33.22						05/06/2005(5)	05/06/2015	Common Stock	40
Phantom Stock (4)	\$ 41.89 (2)	07/03/2006		A	176.652		(3)	<u>(3)</u>	Common Stock	176
Stock Option	\$ 33.22						05/06/2004	05/06/2015	Common Stock	2,
Stock Option	\$ 40.35						05/01/2006	05/01/2016	Common Stock	2,

Reporting Owners

**Signature of Reporting Person

Attorney

Reporting Owner Name / Address	Relationships							
	Director	10% Owner	Officer	Other				
SAUL B FRANCIS III 7501 WISCONSIN AVENUE 15TH FLOOR BETHESDA, MD 20814	X		President					
Signatures								
Scott V. Schneider, by Power of	of							

Reporting Owners 2

07/06/2006

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) The option will vest 25% per year over four years from the date of grant.
- **(2)** 1 for 1
- (3) 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.
 - 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.
- (5) The option will vest 25% per year over four years from the date of grant.
- (6) Balance increased by April 30, 2006 Dividend Reinvestment Plan award of 21.023 shares.
 - Includes 144.348 shares (\$39.66/share) awarded April 28, 2006 as dividend reinvestments on shares of phantom stock held by the
- (7) 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 Stock Plan for Directors.

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.