SAUL CENTERS INC

Form 4 October 04, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Washington, D.C. 20549

if no longer subject to Section 16. Form 4 or Form 5

Check this box

SECURITIES Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,

obligations may continue. See Instruction

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(b).

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

2. Issuer Name and Ticker or Trading

Symbol

SAUL CENTERS INC [BFS]

5. Relationship of Reporting Person(s) to

(Check all applicable)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

Issuer

(Last)

(City)

(First)

(Middle)

(Zip)

3. Date of Earliest Transaction

(Month/Day/Year)

_X__ Director 10% Owner X_ Officer (give title Other (specify

below) below) President

7501 WISCONSIN AVENUE, 15TH 10/02/2006 **FLOOR**

(Street)

(State)

4. If Amendment, Date Original

Filed(Month/Day/Year)

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

BETHESDA, MD 20814

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 Indirect (I) Following (Instr. 4)

> Reported (Instr. 4) (A) Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

Common 2,730.341 (6) **Shares**

Common Beneficiary I 12,000 Shares of Trust

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. Transactic Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) Disposed of (Instr. 3, 4, an 5)	or D)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amour 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)	\$ 44.99 (2)	10/02/2006		A	137.809		(3)	(3)	Common Stock	137
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

Scott V. Schneider, by Power of

**Signature of Reporting Person

Attorney

Reporting Owner Name / Address	Relationships						
1 0	Director	10% Owner	Officer	Other			
SAUL B FRANCIS III 7501 WISCONSIN AVENUE 15TH FLOOR BETHESDA, MD 20814	X		President				
Signatures							

Reporting Owners 2

10/04/2006

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
- (4) 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 July 31, 2006 Dividend Reinvestment Plan award of 23.944 shares.
 - Includes 151.413 shares (\$38.7030/share) awarded July 31, 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.