

SAUL B FRANCIS II
 Form 4
 December 18, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 7501 WISCONSIN AVENUE, 14TH FLOOR

3. Date of Earliest Transaction (Month/Day/Year)
 12/14/2006

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

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 Ownership (Instr. 4)
Common Shares				(A) or (D)	1,341.636	D	
Common Shares				(A) or (D)	7,620.625	I ⁽¹⁾	See footnote <u>(1)</u>
Common Shares				(A) or (D)	4,072.379	I ⁽²⁾	See footnote <u>(2)</u>
Common Shares				(A) or (D)	8,320.625	I ⁽³⁾	See footnote <u>(3)</u>

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Common Shares						69,078.082	I ⁽⁴⁾	See footnote <u>(4)</u>	
Common Shares						1,441,629.488	I ⁽⁵⁾	See footnote <u>(5)</u>	
Common Shares						253,946.382	I ⁽⁶⁾	See footnote <u>(6)</u>	
Common Shares						374,827.213	I ⁽⁷⁾	See footnote <u>(7)</u>	
Common Shares						18,871.522	I ⁽⁸⁾	See footnote <u>(8)</u>	
Common Shares						219,341.661	I ⁽⁹⁾	See footnote <u>(9)</u>	
Common Shares						350.452	I ⁽¹³⁾	See footnote <u>(13)</u>	
Common Shares						397,039.079	I ⁽¹⁴⁾	See footnote <u>(14)</u>	
Common Shares	12/14/2006		P	4,800	A	\$ 56.14	4,529,519.981	I ⁽¹⁵⁾	See footnote <u>(15)</u>
Common Shares	12/15/2006		P	4,400	A	\$ 56.2	4,533,919.981	I ⁽¹⁵⁾	See footnote <u>(15)</u>
Common Shares	12/18/2006		P	9,500	A	\$ 56.1	4,543,419.981	I ⁽¹⁵⁾	See footnote <u>(15)</u>

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

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SEC 1474
(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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. F Der Sec
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- (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.

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.
- (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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