

FORM 4

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

OMB APPROVAL	
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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 III			2. Issuer Name and Ticker or Trading Symbol SAUL CENTERS INC [BFS]				5. Relationship of Reporting Person(s) to Issuer (Check all applicable) ☐ Director ☐ 10% Owner ☒ Officer (give title below) ☐ Other (specify below) President										
(Last) (First) (Middle) 7501 Wisconsin Avenue, 15th Floor			3. Date of Earliest Transaction (Month/Day/Year) 01/03/2006														
(Street) Bethesda, MD 20814			4. If Amendment, Date of 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										
(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												2,462.409 ⁽⁶⁾		D			
Common Shares												12,000		I		Beneficiary of Trust	

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

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 control number. 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 (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 Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Employee Stock	\$25.78							04/26/2005	04/26/2014	Common	40,000		40,000	D	

Option								(1)		Stock					
Employee Stock Option	\$24.91							05/23/2004 (1)	05/23/2013	Common Stock	40,000		40,000	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	40,000		40,000	D	
Phantom Stock(5)	(2)	01/03/2006		A		163.632		(3)	(3)	Common Stock	163.632	\$37.89	13,329.278 (4)	D	
Stock Option	\$33.22							05/06/2004	05/06/2015	Common Stock	2,500		2,500	D	

Reporting Owners

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 Attorney

01/05/2006

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) 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.

(4) Includes 160.884 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.

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

(5) 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.

(6) Balance increased by October 31, 2005 Dividend Reinvestment Plan award of 23.981 shares.

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

