

SAUL B FRANCIS III  
Form 4  
October 05, 2009

**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 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)

(Last) (First) (Middle)  
7501 WISCONSIN AVENUE, 15TH FLOOR

3. Date of Earliest Transaction (Month/Day/Year)  
10/01/2009

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

(Street)  
BETHESDA, MD 20814

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

(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 Ownership (Instr. 4)
Common Shares				(A) or (D)	3,785.433 <sup>(6)</sup>	D	
Common Shares				(A) or (D)	12,000	I	Beneficiary of Trust
Common Shares				(A) or (D)	3,564.192 <sup>(4)</sup>	I	401K

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

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SEC 1474 (9-02)

number.

**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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Employee Stock Option	\$ 25.78					04/26/2005 <sup>(1)</sup>	04/26/2014	Common Stock	40
Employee Stock Option	\$ 24.91					05/23/2004 <sup>(1)</sup>	05/23/2013	Common Stock	80
Stock Option	\$ 25.78					04/26/2004	04/26/2014	Common Stock	2,
Employee Stock Option	\$ 33.22					05/06/2006 <sup>(1)</sup>	05/06/2015	Common Stock	40
Phantom Stock <sup>(3)</sup>	\$ 31.37 <sup>(2)</sup>	10/01/2009		A	197.641	<sup>(5)</sup>	<sup>(5)</sup>	Common Stock	197
Stock Option	\$ 33.22					05/06/2005	05/06/2015	Common Stock	2,
Stock Option	\$ 40.35					05/01/2006	05/01/2016	Common Stock	2,
Employee Stock Option	\$ 54.17					04/27/2008 <sup>(1)</sup>	04/27/2017	Common Stock	40
Stock Option	\$ 54.17					04/27/2007	04/27/2017	Common Stock	2,
Stock Option	\$ 50.15					04/25/2008	04/25/2018	Common Stock	2,
Stock Option	\$ 32.68					04/24/2009	04/24/2019	Common Stock	2,

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director    10% Owner    Officer    Other

SAUL B FRANCIS III  
 7501 WISCONSIN AVENUE            X                          President  
 15TH FLOOR  
 BETHESDA, MD 20814

## Signatures

Scott V. Schneider, by Power of  
 Attorney    10/05/2009  
 \*\*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  
 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.
- (3) Effective April 1, 2009, shares formerly held by the B.F. Saul Company Employees' Profit Sharing Reinvestment Trust were distributed to the individual 401(k) plan accounts of participants. The number of shares reported represents the reporting person's beneficial ownership interest in the Saul Centers stock fund of the 401(k) plan.
- (4) The conversion of phantom stock into shares of the issuer's common stock is governed pursuant to terms of the issuer's Deferred Compensation Plan under its 2004 Stock Plan, as amended, and the reporting person's Deferred Fee Agreement.
- (5) Balance increased by July 31, 2009 Dividend Reinvestment Plan award of 42.876 shares.  
 Includes 208.822 shares (\$33.08185/share) awarded July 31, 2009 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 Stock Plan for Directors.
- (6) 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.