

SAUL B FRANCIS III  
 Form 4  
 December 09, 2010

**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)  
 12/09/2010

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 Indirect Beneficial Ownership (Instr. 4)
Common Shares					12,000	I	Beneficiary of Trust
Common Shares					3,564.192 <sup>(4)</sup>	I	401K
Common Shares	12/09/2010		M	80,000 A	\$ 24.91 84,176.23 <sup>(7)</sup>	D	
Common Shares	12/09/2010		S	59,978 D	\$ 45 24,198.23	D	

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

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(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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Employee Stock Option	\$ 25.78					04/26/2005 <sup>(1)</sup> 04/26/2014	Common Stock 40
Employee Stock Option	\$ 24.91	12/09/2010		M	80,000	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>	\$ 42.415 <sup>(2)</sup>					<sup>(5)</sup> <sup>(5)</sup>	Common Stock 19,7
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,
	\$ 38.76					05/07/2010 05/07/2020	2,

Stock  
Option

Common  
Stock

## 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

12/09/2010

\_\_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) 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.
- (4) 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.
- (5) 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.
- (6) Includes 170.932 shares (\$41.1426/share) awarded October 29, 2010 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.
- (7) Balance increased by October 29, 2010 Dividend Reinvestment Plan award of 36.225 shares.

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