

KELLEY PAUL X
 Form 4
 October 03, 2012

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

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 *
KELLEY PAUL X

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)
10/01/2012

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

(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

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) Price	31,709.987 ⁽⁵⁾	D	

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)

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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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Stock Option	\$ 25.78					04/26/2004 04/26/2014	Common Stock 2,500
Stock Option	\$ 33.22					05/06/2005 05/06/2015	Common Stock 2,500
Stock Option	\$ 40.35					05/01/2006 05/01/2016	Common Stock 2,500
Stock Option	\$ 54.17					04/27/2007 04/27/2017	Common Stock 2,500
Stock Option	\$ 50.15					04/25/2008 04/25/2018	Common Stock 2,500
Stock Option	\$ 32.68					04/24/2009 04/24/2019	Common Stock 2,500
Stock Option	\$ 38.76					05/07/2010 05/07/2020	Common Stock 2,500
Stock Option	\$ 41.82					05/13/2011 05/13/2021	Common Stock 2,500
Phantom Stock ⁽¹⁾	\$ 44.76 ⁽²⁾	10/01/2012		A	220.064	<u>(3)</u> <u>(3)</u>	Common Stock 220.06
Stock Option	\$ 39.29					05/04/2012 05/04/2022	Common Stock 2,500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KELLEY PAUL X 7501 WISCONSIN AVENUE 15TH FLOOR BETHESDA, MD 20814		X		

Signatures

Scott V. Schneider, by Power of Attorney
10/03/2012

**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) 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.

(2) 1 for 1

(3) 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.

(4) Includes 68.252 shares (\$40.4296/share) awarded July 31, 2012 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.

(5) Balance increased by July 31, 2012 Dividend Reinvestment Plan award of 251.623 shares.

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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