

KELLEY PAUL X
 Form 4
 April 05, 2011

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 *
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)

3. Date of Earliest Transaction
 (Month/Day/Year)
04/01/2011

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

7501 WISCONSIN AVENUE, 15TH FLOOR

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Shares | | | | (A) or (D) Price | 26,323.248 ⁽⁴⁾ | 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 Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Option | \$ 25.78 | | | | | 04/26/2004 04/26/2014 | Common Stock | 2,5 |
| Stock Option | \$ 33.22 | | | | | 05/06/2005 05/06/2015 | Common Stock | 2,5 |
| Phantom Stock (1) | \$ 44.04 (2) | 04/01/2011 | | A | 223.66 | (5) (5) | Common Stock | 223 |
| Phantom Stock | \$ 48.18 | 01/03/2011 | | M | 3,044 | (5) (5) | Common Stock | 3,0 |
| Stock Option | \$ 40.35 | | | | | 05/01/2006 05/01/2016 | Common Stock | 2,5 |
| Stock Option | \$ 54.17 | | | | | 04/27/2007 04/27/2017 | Common Stock | 2,5 |
| Stock Option | \$ 50.15 | | | | | 04/25/2008 04/25/2018 | Common Stock | 2,5 |
| Stock Option | \$ 32.68 | | | | | 04/24/2009 04/24/2019 | Common Stock | 2,5 |
| Stock Option | \$ 38.76 | | | | | 05/07/2010 05/07/2020 | Common Stock | 2,5 |

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

04/05/2011

**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).

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.

(1) 1 for 1

(2) Includes 71.573 shares (\$45.9246/share) awarded January 31, 2011 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.

(3) Balance increased by January 31, 2011 Dividend Reinvestment Plan award of 179.852 shares.

(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.

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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