KAY DAVID B Form 4 October 05, 2009

OMB APPROVAL

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

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Check this box if no longer subject to Section 16. Form 4 or

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading KAY DAVID B Issuer Symbol SAUL CENTERS INC [BFS] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) X_ Director 10% Owner Officer (give title Other (specify 7501 WISCONSIN AVENUE, 15TH 10/01/2009 below) **FLOOR** (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

BETHESDA, MD 20814

(State)

(Zip)

(City)

1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities 5. Amount of 6. Ownership 7. Nature of TransactionAcquired (A) or Security (Month/Day/Year) Execution Date, if Securities Form: Direct Indirect (Instr. 3) Code Disposed of (D) Beneficially (D) or Beneficial (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) Owned Indirect (I) Ownership Following (Instr. 4) (Instr. 4) Reported (A) Transaction(s)

or (Instr. 3 and 4) Code V Amount (D) Price

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

Common 4,144.32 (4) D Stock

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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. Transactic Code (Instr. 8)	5. Number or Derivative Securities Acquired (Disposed of (Instr. 3, 4, 5)	A) or of (D)	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	\$ 32.22						05/06/2005	05/06/2015	Common Stock	2,500
Phantom Stock (1)	\$ 31.37 (2)	10/01/2009		A	179.311		(3)	(3)	Common Stock	179.31
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

Reporting Owners

Reporting Owner Name / Address	Relationships						
1	Director	10% Owner	Officer	Other			
KAY DAVID B 7501 WISCONSIN AVENUE 15TH FLOOR BETHESDA, MD 20814	X						

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).
- 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.

Reporting Owners 2

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- (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) Balance increased by July 31, 2009 Dividend Reinvestment Plan award of 48.288 shares.
 - Includes 87.969 shares (\$33.08185/share) awarded July 31, 2009 as dividend reinvestments on shares of phantom stock held by the
- (5) 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.