

SAUL CENTERS INC  
Form 4  
September 24, 2008

**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 \*  
CARACI PHILIP D

(Last) (First) (Middle)

7501 WISCONSIN AVENUE, 15TH FLOOR

(Street)

BETHESDA, MD 20814

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
SAUL CENTERS INC [BFS]

3. Date of Earliest Transaction  
(Month/Day/Year)  
09/23/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Indirect Beneficial Ownership (Instr. 4)
Common Shares					3,119.136 <sup>(6)</sup>	I	Wifes-IRA
Common Shares					51,116	D <sup>(1)</sup>	
Common Shares					49,017.087 <sup>(7)</sup>	I	Wifes-Trust
Series B Preferred Stock					2,000	I	Wifes- Trust
Common Shares	09/23/2008		M	2,500 A	\$ 39,161.633 <sup>(5) (8)</sup> 25.78	I	Self-Trust

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Common Shares	09/23/2008	S	2,500	D	\$ 50	36,661.633 (5)	I	Self-Trust
Common Shares	09/23/2008	M	2,500	A	\$ 33.22	39,161.633 (5)	I	Self-Trust
Common Shares	09/23/2008	S	2,500	D	\$ 50	36,661.633 (5)	I	Self-Trust

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)

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 or Number of Shares
Stock Option	\$ 25.78	09/23/2008		M	2,500	04/26/2004	04/26/2014	Common Stock	2,500
Stock Option	\$ 33.22	09/23/2008		M	2,500	05/06/2005	05/06/2015	Common Stock	2,500
Phantom Stock (4)	\$ 48.35 (2)					(3)	(3)	Common Stock	153.051
Stock Option	\$ 40.35					05/01/2006	05/06/2016	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

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
				X

CARACI PHILIP D  
7501 WISCONSIN AVENUE  
15TH FLOOR  
BETHESDA, MD 20814

## Signatures

Scott V. Schneider, by Power of  
Attorney

09/24/2008

\_\_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) Self-IRA

(2) 1 for 1

(3) Under the terms of the reporting person's Deferred Fee Agreement, payment of shares of the issuer's common stock commences at such time as the reporting person ceases to be a director of the issuer. Payment will be a lump sum upon termination of directorship.

(4) 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.

(5) Self-Trust. Reporting person is a Trustee.

(6) Balance increased by July 31, 2008 Dividend Reinvestment Plan award of 31.027 shares.

(7) Balance increased by July 31, 2008 Dividend Reinvestment Plan award of 35.464 shares.

(8) Balance increased by July 31, 2008 Dividend Reinvestment Plan award of 17.404 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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