

LYONS IRVING F III  
Form 4  
February 24, 2006

**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 \*  
LYONS IRVING F III

2. Issuer Name and Ticker or Trading Symbol  
PROLOGIS [PLD]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
47775 FREMONT BLVD.  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
02/22/2006

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

FREMONT, CA 94538

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Shares of Beneficial Interest, par value \$0.01	02/22/2006		M		110,161	A	\$ 20.675
					272,930		
Common Shares of Beneficial Interest, par value \$0.01	02/22/2006		M		99,750	A	\$ 24.755
					372,680		

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Common Shares of Beneficial Interest, par value \$0.01	02/22/2006	M	75,000	A	\$ 30	447,680	D
Common Shares of Beneficial Interest, par value \$0.01	02/22/2006	M	37,500	A	\$ 34.925	485,180	D
Common Shares of Beneficial Interest, par value \$0.01	02/22/2006	S	351,328	D	\$ 52.7455	133,853 <sup>(1)</sup>	D

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number of Shares
Options Right-to-buy	\$ 20.675	02/22/2006		M	110,161	<u>(2)</u> 09/19/2011	Common Shares of Beneficial Interest 110
Options Right-to-buy	\$ 24.755	02/22/2006		M	99,750	<u>(3)</u> 09/26/2012	Common Shares of Beneficial Interest 99
Options Right-to-buy	\$ 30	02/22/2006		M	75,000	<u>(4)</u> 09/25/2013	Common Shares of Beneficial Interest 75

Options								Interest
Right-to-buy	\$ 34.925	02/22/2006	M	37,500	(5)	09/23/2014	Common Shares of Beneficial Interest	37

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LYONS IRVING F III 47775 FREMONT BLVD. FREMONT, CA 94538	X			

## Signatures

Kate M. Meade, Attorney-in-Fact on behalf of Irving F. Lyons, III 02/24/2006

\*\*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) Mr. Lyons holds 129,314 of these shares though the Lyons Family Trust of which Mr. Lyons is Trustee.
  - (2) Options vest 25% per year beginning on 9/19/02.
  - (3) Options vest 25% per year beginning on 9/26/03.
  - (4) Options vest 25% per year beginning on 9/25/04.
  - (5) Options vest 25% per year beginning on 9/23/05.

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.