

PROLOGIS
Form 4
May 31, 2006

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
STENSBY KENNETH N

(Last) (First) (Middle)

4545 AIRPORT WAY

(Street)

DENVER, CO 80239

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
05/26/2006

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)
			Code	V	Amount	(A) or (D)	Price		
Common Shares of Beneficial Interest, par value \$0.01	05/26/2006		M		1,250	A	\$ 24.47	1,269	D
Common Shares of Beneficial Interest, par value \$0.01	05/26/2006		M		2,890	A	<u>(1)</u>	4,159	D
Common Shares of	05/26/2006		M		117	A	<u>(2)</u>	4,276	D

Beneficial
Interest, par
value \$0.01

Common
Shares of

Beneficial 05/26/2006
Interest, par
value \$0.01

S 625 D \$ 49.34 3,651 D

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

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(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
Options Right-to-buy	\$ 24.47	05/26/2006		M		1,250		(3)	06/12/2012	Common Shares of Beneficial Interest	1,250
Deferred Share Units	(1)	05/26/2006		M		2,890		(1)	(1)	Common Shares of Beneficial Interest	2,890
Dividend Equivalent Units	(2)	05/26/2006		M		117		(2)	(2)	Common Shares of Beneficial Interest	117

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

STENSBY KENNETH N
4545 AIRPORT WAY
DENVER, CO 80239

X

Signatures

Kate M. Meade, Attorney-in-Fact on behalf of Kenneth N.
Stensby

05/31/2006

__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) The deferred share units are deferred until the reporting person is no longer providing services to ProLogis at which time the deferred share units will be converted on a 1-to-1 basis into common shares and distributed to the reporting person.
- (2) Dividend Equivalent Units are earned and accrued on deferred share units pursuant to the Outside Trustee Option Plans. The rate of vest and the expiration date is the same as the underlying grant. DEUs are converted into common shares on a 1 for 1 basis.
- (3) The remaining 25% of this option grant vested on 5/26/06 pursuant to Mr. Stensby's retirement under the plan.

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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