

LYONS IRVING F III
Form 4
February 24, 2006

FORM 4

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

OMB APPROVAL

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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

(Last) (First) (Middle)
47775 FREMONT BLVD.
(Street)
FREMONT, CA 94538
(City) (State) (Zip)

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

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

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 Ownership (Instr. 4)
			Code	V	Amount	(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 ⁽¹⁾	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 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	<u>(5)</u>	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.