

WATSON ROBERT J
 Form 4
 January 05, 2006

FORM 4

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

OMB APPROVAL

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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 *
WATSON ROBERT J

(Last) (First) (Middle)
 14100 E. 35TH PLACE
 (Street)

AURORA, CO 80011

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 01/03/2006

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)
 Pres. of N. America Operations

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 ⁽¹⁾	01/03/2006		M		13,000	A	11 55,131
Common Shares of Beneficial Interest, par value \$0.01 ⁽²⁾	01/03/2006		F		4,163.072 ⁽²⁾	D	\$ 47.61 50,967.972

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Common Shares of Beneficial Interest, par value \$0.01 ⁽³⁾	01/03/2006	M	11,159.479	A	<u>(3)</u>	62,127.451	D
Common Shares of Beneficial Interest, par value \$0.01 ⁽²⁾	01/03/2006	F	<u>3,783.915</u> ⁽²⁾	D	\$ 47.61	58,343.536	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
Performance Share Unit Award ⁽¹⁾	<u>(1)</u>	01/03/2006		M	(A) 13,000	<u>(1)</u> <u>(1)</u>	Common Shares of Beneficial Interest 1
Dividend Equivalent Units ⁽³⁾	<u>(3)</u>	01/03/2006		M	(A) 11,159.479	<u>(3)</u> <u>(3)</u>	Common Shares of Beneficial Interest 11,

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WATSON ROBERT J 14100 E. 35TH PLACE AURORA, CO 80011			Pres. of N. America Operations	

Signatures

Kate M. Meade, Attorney-in-Fact on behalf of Robert J.
Watson

01/05/2006

__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) Automatic conversion of performance share unit award earned on 12/31/03. Units convert into common shares on a 1 for 1 basis.
- (2) Payment of tax liability by reporting person to issuer pursuant to the conversion of performance share unit award and dividend equivalent unit award.
Automatic conversion of dividend equivalent units. Dividend Equivalent Units are earned and accrue on restricted share units and option
- (3) grants pursuant to the ProLogis 1997 Long-Term Incentive Plan. The rate of vest and the expiration date is the same as the underlying grant. DEUs are converted in common shares on a 1 for 1 basis.

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.