

PROLOGIS
Form 4
February 22, 2007

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 *
SCHWARTZ JEFFERY H

(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)
02/20/2007

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)
CEO

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	02/20/2007		M		9,425	A	\$ 21.2188
Common Shares of Beneficial Interest, par value \$0.01	02/20/2007		S		5,550	D	\$ 71.7223
							108,822
							103,272

Common Shares of Beneficial Interest, par value \$0.01	02/21/2007	M	5,191.993	A	<u>(1)</u>	108,464	D
Common Shares of Beneficial Interest, par value \$0.01	02/21/2007	F	<u>2,132.871</u> <u>(2)</u>	D	\$ 70.95	106,331	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.

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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
Options Right-to-buy	\$ 21.2188	02/20/2007		M	9,425	<u>(3)</u> 09/08/2007	Common Shares of Beneficial Interest
Dividend Equivalent Units	<u>(1)</u>	02/21/2007		M	5,191.993	<u>(1)</u> <u>(1)</u>	Common Shares of Beneficial Interest

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHWARTZ JEFFERY H 4545 AIRPORT WAY DENVER, CO 80239	X		CEO	

Signatures

/s/ Kate M. Meade, Attorney-in-Fact on behalf of Jeffrey H.
Schwartz

02/22/2007

__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).

Conversion of dividend equivalent units. Dividend Equivalent Units are earned and accrue on options pursuant to the ProLogis

- (1) 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.
- (2) Payment of tax liability by reporting person to issuer pursuant to the conversion of dividend equivalent unit award.
- (3) Options vested 25% per year beginning on 9/8/99

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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