

PROLOGIS  
Form 11-K  
July 14, 2006

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 11-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the fiscal year ended December 31, 2005**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

Commission file number: 002-29180

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

ProLogis 401(k) Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

ProLogis  
4545 Airport Way  
Denver, CO 80239

**PROLOGIS**  
**401(k) SAVINGS PLAN**  
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**Report of Independent Registered Public Accounting Firm**

The Plan Administrator

ProLogis 401(k) Savings Plan:

We have audited the accompanying statements of net assets available for plan benefits of the ProLogis 401(k) Savings Plan (the Plan) as of December 31, 2005 and 2004, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the ProLogis 401(k) Savings Plan as of December 31, 2005 and 2004, and the changes in net assets available for plan benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules, Schedule H, Line 4i Schedule of Assets (Held at End of Year) December 31, 2005 and Schedule H, Line 4j Schedule of Reportable Transactions Year Ended December 31, 2005, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**KPMG LLP**

Denver, Colorado  
July 14, 2006

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**PROLOGIS**  
**401(k) SAVINGS PLAN**

Statements of Net Assets Available for Plan Benefits

|                                                                                 | <b>December 31,</b> |                   |
|---------------------------------------------------------------------------------|---------------------|-------------------|
|                                                                                 | <b>2005</b>         | <b>2004</b>       |
| Assets:                                                                         |                     |                   |
| Investments, at fair value:                                                     |                     |                   |
| ProLogis common stock                                                           | \$ 12,504,391       | \$ 6,975,645      |
| Common collective trust                                                         | 732,831             | 788,750           |
| Mutual funds                                                                    | 14,489,200          | 12,324,370        |
| Self directed brokerage account                                                 | 470,695             | 350,034           |
| Participant loans                                                               | 485,216             | 333,942           |
| <br>Total investments                                                           | <br>28,682,333      | <br>20,772,741    |
| <br>Receivables:                                                                |                     |                   |
| Participant contributions                                                       |                     | 2,635             |
| Pending trade receivable                                                        | 5,198               |                   |
| <br>Total receivables                                                           | <br>5,198           | <br>2,635         |
| <br>Liabilities:                                                                |                     |                   |
| Pending trade payable                                                           | 4,702               |                   |
| Payable to the Catellus Development Corporation Profit Sharing and Savings Plan | 4,520,021           |                   |
| <br>Net assets available for plan benefits                                      | <br>\$ 24,162,808   | <br>\$ 20,775,376 |

See accompanying notes to financial statements.

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**PROLOGIS**  
**401(k) SAVINGS PLAN**

Statements of Changes in Net Assets Available for Plan Benefits

|                                                                                                 | <b>Year Ended December 31,</b> |               |
|-------------------------------------------------------------------------------------------------|--------------------------------|---------------|
|                                                                                                 | <b>2005</b>                    | <b>2004</b>   |
| Additions:                                                                                      |                                |               |
| Contributions:                                                                                  |                                |               |
| Employer                                                                                        | \$ 797,651                     | \$ 583,754    |
| Participants                                                                                    | 2,325,271                      | 1,734,974     |
| Rollover                                                                                        | 262,989                        | 239,528       |
| Total contributions                                                                             | 3,385,911                      | 2,558,256     |
| Investment income:                                                                              |                                |               |
| Net appreciation in fair value of investments                                                   | 1,200,998                      | 3,019,386     |
| Interest and dividends                                                                          | 646,769                        | 392,773       |
| Total investment income                                                                         | 1,847,767                      | 3,412,159     |
| Assets transferred from the Catellus Development Corporation<br>Profit Sharing and Savings Plan | 4,520,021                      |               |
| Total additions                                                                                 | 9,753,699                      | 5,970,415     |
| Deductions:                                                                                     |                                |               |
| Benefits paid to participants                                                                   | 1,844,040                      | 1,638,142     |
| Administrative expenses                                                                         | 2,206                          | 8,695         |
| Assets transferred to the Catellus Development Corporation Profit Sharing and<br>Savings Plan   | 4,520,021                      |               |
| Total deductions                                                                                | 6,366,267                      | 1,646,837     |
| Net increase during the year                                                                    | 3,387,432                      | 4,323,578     |
| Net assets available for plan benefits:                                                         |                                |               |
| Beginning of year                                                                               | 20,775,376                     | 16,451,798    |
| End of year                                                                                     | \$ 24,162,808                  | \$ 20,775,376 |

See accompanying notes to financial statements.

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**PROLOGIS**  
**401(k) SAVINGS PLAN**  
Notes to Financial Statements

**(1) Description of the Plan**

The following description of the ProLogis 401(k) Savings Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**(a) General**

The Plan is a defined contribution plan established by ProLogis (ProLogis, the Company, us and/or ours). The Plan covers all eligible employees of the Company who have attained the age of 21. Prior to July 1, 2004, eligibility to participate began on the first day of the next month following hire date for full-time employees or after completing 1,000 hours of service for part-time employees. Effective July 1, 2004, eligibility to participate begins with the date of hire. Participation is voluntary. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

**(b) Plan Merger**

On September 15, 2005, Catellus Development Corporation, a publicly traded real estate investment trust, (Catellus) merged with and into Palmtree Acquisition Corporation, one of the Company's subsidiaries, pursuant to an Agreement and Plan of Merger dated as of June 6, 2005, as amended (the Merger). Eligible employees of Catellus began participating in the Plan after September 15, 2005. Catellus maintained the Catellus Development Corporation Profit Sharing and Savings Plan (Catellus Plan) prior to the Merger. The Catellus Plan merged into the Plan effective January 3, 2006. A portion of the total assets of the Catellus Plan totaling \$4,520,021, comprised of \$4,376,408 in ProLogis common stock and \$143,613 in participant loans, were transferred to the Plan prior to December 31, 2005 in anticipation of the January 3, 2006 merger date. However, for financial reporting purposes, the legal right to these assets belonged to the Catellus Plan until January 3, 2006. As such, the Plan recorded a payable to the Catellus Plan to reflect the effective transfer of these assets back to the Catellus Plan. Total assets of \$30,581,712 were transferred from the Catellus Plan to the Plan by January 3, 2006. Any benefits accrued under the Catellus Plan shall be preserved under the Plan and shall not be affected, reduced or eliminated as a result of the merger of the Catellus Plan into the Plan.

**(c) Contributions**

Each year, effective July 1, 2004 participants may contribute up to 75% of their pretax annual compensation, as defined in the Plan, not to exceed \$14,000 and \$13,000 (\$18,000 and \$16,000 if age 50 or older) in 2005 and 2004, respectively. Prior to July 1, 2004, participants could contribute up to 20% of their pretax annual eligible compensation. Participants may also contribute amounts representing rollovers from other qualified plans. The Company matches 50% of participants' contributions up to a maximum of 6% of eligible compensation. The Plan also provides for discretionary Company contributions, which are allocated to participants' accounts based on the relative compensation of participants. There were no discretionary Company contributions during 2005 and 2004.

**(d) Participant Accounts**

Each participant's account is credited with the participant contributions, Company contributions, and an allocation of Plan earnings. Earnings of the Plan are allocated to all participants' accounts proportionately

based on each participant's account balance.



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**PROLOGIS**  
**401(k) SAVINGS PLAN**  
Notes to Financial Statements Continued

**(e) Vesting**

Participants are immediately vested in their contributions and any income or loss thereon.

Company contributions vest based upon the following schedule:

| Years of service | Vesting percentage |
|------------------|--------------------|
| Less than 1 year |                    |
| 1 year           | 20%                |
| 2 years          | 40%                |
| 3 years          | 60%                |
| 4 years          | 80%                |
| 5 or more years  | 100%               |

**(f) Investment Options**

Upon enrollment in the Plan, a participant may direct employee contributions into various investment options. Participant contributions may be invested in any or all of the investment options.

Exclusive of a transition period from July 1, 2004 to October 15, 2004 related to the change in trustees, Company matching contributions are invested in the Company's common stock.

**(g) Payment of Benefits**

Participants are entitled to receive benefit payments in the form of a lump-sum payment, an annuity or installment equal to 100% of their accrued benefit upon attainment of age 59<sup>1/2</sup>, termination of employment, or upon death or disability. The accrued benefit includes the sum of the value of participants' contributions, allocation of earnings (losses), and the vested portion of Company contributions.

**(h) Forfeited Accounts**

If a participant is not 100% vested and receives a distribution of Company contributions, the dollars left in the Plan are called forfeitures. Unused forfeitures totaled approximately \$89,000 and \$7,900 at December 31, 2005 and 2004, respectively. Forfeiture allocations from Company discretionary contributions are used to reduce future Company discretionary contributions. There were no forfeiture amounts used for future Company discretionary contributions during 2005 or 2004. Forfeiture allocations from Company match contributions are used to reduce future Company match contributions. In 2005 and 2004 the amount of forfeitures used for Company match contributions was approximately \$42,800 and \$107,300, respectively.

**(i) Loans to Participants**

The Plan permits loans to participants in an amount not to exceed the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years. The loans are secured by the participant's account balance. Interest rates on participant's loans range from 5% to 8.75% at December 31, 2005 and 5% to 10.5% at December 31, 2004. Principal and interest is paid ratably through regular payroll deductions.



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**PROLOGIS**  
**401(k) SAVINGS PLAN**  
Notes to Financial Statements Continued

**(j) *Hardship Withdrawals***

Participants may receive hardship withdrawals for reasons of financial hardship. Contributions from participants receiving a hardship withdrawal are disallowed for six months following the receipt of the hardship withdrawal.

**(2) Summary of Significant Accounting Policies**

**(a) *Basis of Accounting***

The financial statements of the Plan are prepared using the accrual basis of accounting.

**(b) *Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions in net assets during the reporting period. Actual results may differ from those estimates.

**(c) *Investment Valuation and Income Recognition***

Mutual funds and common stocks are stated at fair value based upon quoted market prices. The common collective trust is stated at net asset value at year end. Participant loans are stated at cost, which approximates their fair value. The ProLogis common stock was in a unitized fund prior to July 1, 2004.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**(d) *Net Appreciation (Depreciation) in Fair Value of Investments***

Net realized and unrealized gains and losses, as reported in the accompanying statement of changes in net assets available for plan benefits, is the cumulative difference between the fair value and the related cost of the Plan's investments. Such income (loss) is allocated to participants' accounts based on relative participant account balances.

**(e) *Administrative Expenses and Distributions***

The majority of administrative expenses of the Plan are paid by the Company. Unless paid by the Company, such expenses will be a charge upon Plan assets and deducted by the trustee to the extent permitted by applicable law. Distributions are recorded when paid.

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**PROLOGIS**  
**401(k) SAVINGS PLAN**  
Notes to Financial Statements    Continued

**(3) Investments**

The fair values of investments that represent 5% or more of the Plan's net assets at December 31, 2005 and 2004 are as follows:

|                                               | <b>2005</b>   | <b>2004</b>  |
|-----------------------------------------------|---------------|--------------|
| ProLogis common stock                         | \$ 12,504,391 | \$ 6,975,645 |
| Vanguard Balanced Index Fund Investors Shares | 1,436,121     | 1,338,609    |
| Vanguard Growth Index Fund Investors Shares   | 3,283,053     | 3,104,531    |
| Vanguard Value Index Fund Investors Shares    | 1,430,688     | 1,256,457    |
| Vanguard 500 Index Fund Investors Shares      | 1,281,631     | 1,227,611    |
| PIMCO Total Return Fund                       | *             | 1,059,455    |

\* Not greater than 5% of net assets at respective year end.

During the years ended December 31, 2005 and 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

|                                 | <b>2005</b>         | <b>2004</b>         |
|---------------------------------|---------------------|---------------------|
| Mutual funds                    | \$ 543,610          | \$ 1,093,053        |
| ProLogis common stock           | 608,225             | 1,898,781           |
| Self directed brokerage account | 49,163              | 27,552              |
|                                 | <b>\$ 1,200,998</b> | <b>\$ 3,019,386</b> |

**(4) Nonparticipant-Directed Investments**

The Company common stock is an investment option that contains both participant-directed and nonparticipant-directed activity. Information about the net assets and the significant components of the changes in net assets relating to this investment option is as follows:

|                                                      | <b>2005</b>         | <b>2004</b>         |
|------------------------------------------------------|---------------------|---------------------|
| Net assets:                                          |                     |                     |
| ProLogis common stock                                | \$ 12,504,391       | \$ 6,975,645        |
| Changes in net assets:                               |                     |                     |
| Employer contributions                               | \$ 797,651          | \$ 502,810          |
| Participant contributions, including loan repayments | 144,304             | 62,801              |
| Net appreciation in fair value                       | 608,225             | 1,898,781           |
| Interest and dividends                               | 246,307             | 115,576             |
| Asset transfers in (see Note 1(b))                   | 4,376,408           |                     |
| Benefits paid to participants                        | (629,933)           | (345,804)           |
| Net interfund transfers                              | (13,816)            | (236,006)           |
| Administrative expenses                              | (400)               | (830)               |
|                                                      | <b>\$ 5,528,746</b> | <b>\$ 1,997,328</b> |



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**PROLOGIS**  
**401(k) SAVINGS PLAN**  
Notes to Financial Statements Continued

**(5) Plan Termination**

Although the Company has not expressed any intention to terminate the Plan, it may do so at any time. In the event of termination of the Plan, participants will become fully vested in their accounts and the Plan's trustee would distribute the assets in the Plan to participants.

Additionally, the Plan's sponsor may amend the Plan at any time without the consent of any participant or any beneficiary, provided that no amendment deprives any participant of the participant's vested accrued benefit.

**(6) Tax Status**

The Internal Revenue Service has determined and informed the Company by a letter dated April 10, 2002 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been subsequently amended, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the plan administrator believes that the Plan is qualified and the related trust is tax-exempt as of December 31, 2005 and 2004.

**(7) Related Party Transactions**

Certain Plan investments represent shares of a common collective trust, common stock, self directed brokerage account and mutual funds managed by Vanguard Fiduciary Trust Company (Vanguard) as of December 31, 2005 and 2004, respectively. Vanguard is the trustee as defined by the Plan and therefore, these investments and investment transactions qualify as parties-in-interest transactions.

Certain Plan investments represent shares of common stock of the Company as of December 31, 2005 and 2004. The Company is the plan sponsor as defined by the Plan and therefore, these investments and investment transactions qualify as parties-in-interest transactions.

**(8) Risks and Uncertainties**

The Plan provides for various investment options in stocks and other investment securities. Investment securities, in general, are exposed to various risks such as, significant world events, interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for plan benefits and the statements of changes in net assets available for plan benefits.

The Plan has a concentration of investments in ProLogis common stock. A change in the value of the Company common stock could cause the value of the Plan's net assets available for plan benefits to change due to this concentration.

**(9) Subsequent Events**

The Catellus Plan merged into the Plan effective January 3, 2006. See note 1(b) for further description.

The Plan was amended effective June 1, 2006 to allow participants to transfer all or a portion of their vested company matching contributions from ProLogis common stock to other available investment options, subject to trading windows.

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401(k) SAVINGS PLAN**

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2005

| <b>Identity of party involved/<br/>description of asset</b>    | <b>Cost (a)</b> | <b>Current value</b> |
|----------------------------------------------------------------|-----------------|----------------------|
| ProLogis common stock*                                         | \$ 6,390,680    | \$ 12,504,391        |
| Common Collective Trust:<br>Vanguard Retirement Savings Trust* |                 | 732,831              |
| Mutual Funds:                                                  |                 |                      |
| ABN AMRO Growth*                                               |                 | 18,925               |
| Amer Beacon International*                                     |                 | 221,852              |
| Amer Beacon Sm Cp Val Inst*                                    |                 | 103,539              |
| Ariel Appreciation*                                            |                 | 48,047               |
| Artisan International*                                         |                 | 14,116               |
| Cohen & Steers Realty*                                         |                 | 92,065               |
| Davis New York Venture*                                        |                 | 205,859              |
| Harbor Capital Appreciation*                                   |                 | 55,159               |
| Hotchkis Mid Cap Value*                                        |                 | 294,251              |
| ICAP: Equity*                                                  |                 | 11,740               |
| Julius Baer Int l Eq. Fund*                                    |                 | 267,271              |
| PIMCO: Emerging Companies Fund*                                |                 | 69,476               |
| PIMCO: CCM Mid-Cap Fund*                                       |                 | 96,184               |
| PIMCO Total Return Fund*                                       |                 | 1,168,704            |
| Third Avenue Small-Cap Value Fund*                             |                 | 106,326              |
| Turner Midcap Growth Fund*                                     |                 | 21,964               |
| Turner SmallCap Growth Fund*                                   |                 | 22,070               |
| UAM Funds, Inc.: C&B Mid Cap Equity Portfolio*                 |                 | 48,347               |
| Vanguard 500 Index Fund Investors Shares*                      |                 | 1,281,631            |
| Vanguard Balanced Index Fund Investors Shares*                 |                 | 1,436,121            |
| Vanguard Growth Index Fund Investors Shares*                   |                 | 3,283,053            |
| Vanguard Intermediate-Term Bond Index Fund*                    |                 | 238,302              |
| Vanguard Mid-Cap Index Fund*                                   |                 | 406,831              |
| Vanguard REIT Index Fund*                                      |                 | 503,662              |
| Vanguard Sm-Cap Growth Index*                                  |                 | 587,919              |
| Vanguard Sm-Cap Value Index*                                   |                 | 82,891               |
| Vanguard Target Retirement 2005*                               |                 | 300,661              |
| Vanguard Target Retirement 2015*                               |                 | 8,185                |
| Vanguard Target Retirement 2025*                               |                 | 475,217              |
| Vanguard Target Retirement 2035*                               |                 | 730,308              |
| Vanguard Target Retirement 2045*                               |                 | 133,515              |
| Vanguard Target Retirement Income*                             |                 | 5,582                |
| Vanguard Total International Stock Index*                      |                 | 718,739              |
| Vanguard Value Index Fund Investors Shares*                    |                 | 1,430,688            |



Total mutual funds 14,489,200

\* Represents a party-in-interest transaction.

(a) Cost information is omitted for investments that are fully participant-directed.

See accompanying report of independent registered public accounting firm.

(Continued)

**Table of Contents****Schedule 1****PROLOGIS  
401(k) SAVINGS PLAN**Schedule H, Line 4i Schedule of Assets (Held at End of Year)  
December 31, 2005

| <b>Identity of party involved/<br/>description of asset</b> | <b>Cost<br/>(a)</b> | <b>Current value</b> |
|-------------------------------------------------------------|---------------------|----------------------|
| Self Directed Brokerage Account VGI Brokerage Option:*      |                     |                      |
| Common Stocks:                                              |                     |                      |
| Calpine Corp Com*                                           |                     | 208                  |
| Cimarex Energy Co Com*                                      |                     | 129,032              |
| Corning Inc Com*                                            |                     | 1,966                |
| Crucell N V Sponsored ADR*                                  |                     | 5,120                |
| Deep Field Technologies*                                    |                     | 17                   |
| Dell Inc Com*                                               |                     | 4,498                |
| Ebay Inc Com*                                               |                     | 4,325                |
| EMC Corp (Mass) Com*                                        |                     | 4,086                |
| Google Inc Cl A                                             |                     | 41,486               |
| Intel Corp Com*                                             |                     | 3,804                |
| Invoice Technology Inc Cl A*                                |                     | 5                    |
| Ivoice Inc Com*                                             |                     | 135                  |
| JDS Uniphase Corp*                                          |                     | 472                  |
| Monterey Pasta Co*                                          |                     | 3,627                |
| Mylan Laboratories Inc*                                     |                     | 3,992                |
| Omnicare Inc Com*                                           |                     | 5,722                |
| Pfizer Inc*                                                 |                     | 6,763                |
| Powerwave Technologies Inc Com*                             |                     | 3,142                |
| Qualcomm Inc*                                               |                     | 6,462                |
| Research in Motion Ltd Com*                                 |                     | 9,241                |
| Sabmiller PLC Sponsored ADR*                                |                     | 5,610                |
| Siebel Sys Inc Com*                                         |                     | 1,592                |
| Speechswitch Inc Cl A*                                      |                     | 10                   |
| Starbucks Corp*                                             |                     | 4,501                |
| Stryker Corp*                                               |                     | 3,999                |
| Teva Pharmaceutical Industries Ltd ADR*                     |                     | 4,301                |
| Trey Res Inc Cl A*                                          |                     | 2                    |
| Wireless Facs Inc Com*                                      |                     | 1,275                |
| XM Satellite Radio Hlds Inc Cl A*                           |                     | 8,184                |
| Mutual Funds:                                               |                     |                      |
| Wells Fargo Government Money Market Fund*                   |                     | 32,791               |
| Artisan International Fund*                                 |                     | 16,402               |
| Baron Small Cap Fund*                                       |                     | 38,556               |
| Old Mutual Large Cap Growth*                                |                     | 16,252               |
| PIMCO Commodity Real Return Strategy Fund*                  |                     | 62,273               |
| Selected American Shares, Inc.*                             |                     | 20,627               |
| TCW Galileo, Inc., TCW Galileo Select*                      |                     | 20,217               |

|                                       |               |
|---------------------------------------|---------------|
| Total self directed brokerage account | 470,695       |
| Participant Loans, 5% to 8.75%*       | 485,216       |
| Total investments, at fair value      | \$ 28,682,333 |

\* Represents a party-in-interest transaction.

(a) Cost information is omitted for investments that are fully participant-directed.

See accompanying report of independent registered public accounting firm.

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Schedule H, Line 4j Schedule of Reportable Transactions  
Year ended December 31, 2005

| Identity<br>of party<br><br>involved | Description<br><br>of asset | Purchase<br>transactions |                           | Sales transactions     |                                                        | Net<br>realized<br><br>gain |
|--------------------------------------|-----------------------------|--------------------------|---------------------------|------------------------|--------------------------------------------------------|-----------------------------|
|                                      |                             | Cost of<br>purchases     | Proceeds<br>from<br>sales | Cost of<br>assets sold | Current<br>value<br>of asset on<br>transaction<br>date |                             |
| ProLogis                             | Common stock                | \$5,650,543              | \$                        | \$                     | \$ 5,650,543                                           | \$                          |
| ProLogis                             | Common stock                | \$                       | \$730,021                 | \$456,873              | \$ 730,021                                             | \$273,148                   |

See accompanying report of independent registered public accounting firm.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Management Development and Compensation Committee of the ProLogis 401(k) Savings Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ProLogis 401(k) Savings  
Plan

(Name of Plan)

Dated: July 14, 2006

By: /s/ Dessa M. Bokides

Dessa M. Bokides

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**EXHIBIT INDEX**

| Exhibit No.  | Description                                                    |
|--------------|----------------------------------------------------------------|
| Exhibit 23.2 | Consent of Independent Registered Public Accounting Firm<br>13 |