EXHIBIT H

FORM OF GUARANTY

(see attached)

GUARANTY

GUARANTY (this *"Guaranty"),* made as of the ___ day of _____, 2007, by FOREST CITY ENTERPRISES, INC. a corporation organized under the laws of the State of Ohio.having an address at 1100 Terminal Tower, 50 Public Square, Cleveland, Ohio 44113-2203 ***('Guarantor"),*** to New York State Urban Development Corporation d/b/a the EMPIRE STATE DEVELOPMENT CORPORATION, a corporate governmental agency of the State of New York, having an address at 633 Third Avenue, 36th floor, New York, New York 10017 ***("ESDC").***

W I T N E S S E T H:

WHEREAS, on December 8, 2006, ESDC adopted that certain Modified General Project Plan (the "**GPP**") for the Atlantic Yards Land Use Improvement and Civic Project (the "**Project**") in accordance with the New York State Urban Development Corporation Act;

WHEREAS, ESDC has agreed to contribute One Hundred Million ($100,000,000) Dollars (the "**State Contribution**") towards the costs incurred, and to be incurred, for the design and construction of the Infrastructure as defined in that certain Funding Agreement dated of even date herewith by and among ESDC, Brooklyn Arena, LLC ("**ArenaCo**") and Atlantic Yards Development Company, LLC ("**AYDC**") (the "**Funding Agreement**");

WHEREAS, pursuant to the terms of the Funding Agreement, ArenaCo and AYDC have agreed to construct the infrastructure necessary for the construction of the Arena and for the redevelopment of the Long Island Rail Road Vanderbilt Storage Yard and the MTA storage yard, as described in the GPP (the "**Phase I Infrastructure**") in accordance with the provisions of the GPP;

WHEREAS, pursuant to the terms of the Funding Agreement, in the event the Funding Agreement is terminated in accordance with its terms, ArenaCo and AYDC may be obligated to pay to ESDC the **Required Amount** (as defined in the Funding Agreement);

WHEREAS, it is a condition precedent under the terms of the Funding Agreement to ESDC's funding of the State Contribution that ArenaCo and AYDC deliver to ESDC this Guaranty; and

WHEREAS, Guarantor will derive substantial direct and indirect benefit from the transactions contemplated by the Funding Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby covenants and agrees as follows:

1. Guaranteed Obligations. Guarantor does hereby unconditionally and irrevocably guarantee to ESDC that (a) ArenaCo and/or AYDC shall construct and complete the Phase I Infrastructure as described in and in accordance with the terms of the GPP, as the same may be amended (the "**Guaranteed Work**"); (b) ArenaCo and/or AYDC shall fully and punctually pay and discharge any and all costs, expenses and liabilities for or in connection with the Guaranteed Work, including, but not limited to, the costs of constructing, equipping and furnishing the Guaranteed Work, as the same become due and payable; (c) the Guaranteed Work shall be and remain free and clear of all liens, encumbrances, chattel mortgages, conditional bills of sale and other charges of any and all persons, firms, corporations or other entities furnishing materials, labor or services in constructing or completing the Guaranteed Work ; and (d) Guarantor shall indemnify and hold harmless ESDC from and against any and all claims, losses, suits, costs and expenses, including without limitation, reasonable attorneys' fees and expenses incurred by ESDC in enforcing or collecting any or all of the Guaranteed Obligations required to be paid under this Guaranty (the obligations set forth in the immediately preceding clauses (a) through (d) being herein collectively referred to as the "**Guaranteed Obligations**").

2. Guaranty Absolute. (a) Guarantor guarantees that the Guaranteed Obligations will be paid or performed strictly in accordance with the Funding Agreement and this Guaranty, regardless of any law, statute, rule, regulation, decree or order now or hereafter in effect in any jurisdiction affecting or purporting to affect in any manner any of such terms or the rights or remedies of ESDC with respect thereto.

(b) Any payment or payments made by ArenaCo and/or AYDC or any other person or received or collected by ESDC from ArenaCo and/or AYDC or any other person by virtue of any action or proceeding or any other set-off or appropriation or application at any time or from time to time in respect of any obligations or liabilities of ArenaCo and/or AYDC under the Funding Agreement may be applied by ESDC in satisfaction of such obligations and liabilities in such order as ESDC may determine, and no application of such payment or payments to satisfaction of indebtedness, obligations or liabilities other than the Guaranteed Obligations shall discharge in any manner any obligations of Guarantor hereunder.

(c) The liability of Guarantor under this Guaranty shall be absolute and unconditional, and shall not be affected, released, terminated, discharged or impaired, in whole or in part, by, and ESDC may proceed to exercise any right or remedy hereunder irrespective of, any or all of the following:

(i) any lack of genuineness, regularity, validity, legality or enforceability, or the voidability of, the Funding Agreement, the Project Documentation, or any other agreement or instrument relating thereto;

(ii) the failure of ESDC to exercise or to exhaust any right or remedy or take any action against ArenaCo and/or AYDC or any other security available to it;

(iii) any amendment or modification of the terms of the Funding Agreement;

(iv) any change in the time, manner or place of payment or performance, of all or any of the Guaranteed Obligations or any extensions of time for payment, performance or observance, whether in whole or in part, of the terms of the Funding Agreement on the part of ArenaCo and/or AYDC to be paid, performed or observed, as applicable;

(v) any amendment or waiver of, or any assertion or enforcement or failure or refusal to assert or enforce, or any consent or indulgence granted by ESDC with respect to a departure from, any term of the Funding Agreement, including, without limiting the generality of the foregoing, the waiver by ESDC of any default of ArenaCo and/or AYDC, or the making of any other arrangement with, or the accepting of any compensation or settlement from, ArenaCo and/or AYDC;

(vi) any failure or delay of ESDC to exercise, or any lack of diligence in exercising, any right or remedy with respect to the Funding Agreement or this Guaranty;

(vii) any dealings or transactions between ESDC and AYDC and/or ArenaCo, whether or not Guarantor shall be a party to or cognizant of the same;

(viii) any bankruptcy, insolvency, assignment for the benefit of creditors, receivership, trusteeship or dissolution of or affecting ArenaCo and/or AYDC;

(ix) any exchange, surrender or release, in whole or in part, of any security which may be held by ESDC at any time for or under the Funding Agreement or in respect of the Guaranteed Obligations;

(x) any other guaranty now or hereafter executed by Guarantor or any other guarantor or the release of any other guarantor from liability for the payment, performance or observance of any of the Guaranteed Obligations or any of the terms of the Funding Agreement on the part of ArenaCo and/or AYDC to be paid, performed or observed, as applicable, whether by operation of law or otherwise;

(xi) any rights, powers or privileges ESDC may now or hereafter have against any person, entity or collateral in respect of the Guaranteed Obligations;

(xiii) any other circumstance which might in any manner or to any extent constitute a defense available to AYDC and/or ArenaCo, or vary the risk of Guarantor, or might otherwise constitute a legal or equitable discharge or defense available to a surety or guarantor, whether similar or dissimilar to the foregoing;

(xiv) any notice of the creation, renewal or extension of the Guaranteed Obligations and notice of or proof of reliance by ESDC upon this Guaranty or acceptance of the Guaranty;

(xv) any change, restructuring or termination of the structure or existence of ArenaCo and/or AYDC; or

(xvi) any assignment by ArenaCo and/or AYDC of their respective interests in the Project,

whether occurring before or after any default by ArenaCo and/or AYDC under the Funding Agreement, and with or without further notice to or assent from Guarantor.

(d) Notwithstanding anything to the contrary contained in Section 11 hereof, this Guaranty shall continue to be effective or be reinstated, as the case may be, and the rights of ESDC hereunder shall continue with respect to, any Guaranteed Obligation (or portion thereof) at any time paid by ArenaCo and/or AYDC which shall thereafter be required to be restored or returned by ESDC upon the insolvency, bankruptcy or reorganization of ArenaCo and/or AYDC, or for any other reason, all as though such Guaranteed Obligation (or portion thereof) had not been so paid or applied.

3. Representations and Warranties. Guarantor represents and warrants to ESDC as follows:

(a) Guarantor is a duly organized, validly existing Corporation and in good standing under the laws of the State of Ohio and has full power, authority and legal right to execute and deliver this Guaranty and to perform fully and completely all of its obligations hereunder.

(b) The execution, delivery and performance of this Guaranty by Guarantor has been duly authorized by all necessary corporate action, and will not violate any provision of any law, regulation, order or decree of any governmental authority, bureau or agency or of any court binding on Guarantor, or of any contract, undertaking or agreement to which Guarantor is a party or which is binding upon Guarantor or any of its property or assets, and will not result in the imposition or creation of any lien, charge or encumbrance on, or security interest in, any of its property or assets pursuant to the provisions of any of the foregoing.

(c) This Guaranty has been duly executed and delivered by a duly authorized officer of Guarantor and constitutes a legal, valid and binding obligation of Guarantor, enforceable against it in accordance with its terms, subject as to enforcement of remedies to any applicable bankruptcy, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and doctrines of equity affecting the availability of specific enforcement as a remedy.

(d) All necessary resolutions, consents, licenses, approvals and authorizations of any person or entity required in connection with the execution, delivery and performance of this Guaranty have been duly obtained and are in full force and effect.

(e) There are no conditions precedent to the effectiveness of this Guaranty that have not been either satisfied or waived.

(f) The Guarantor has, independently and without reliance upon the ESDC and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Guaranty.

(g) Guarantor is the holder, directly or indirectly, of at least twenty-two percent of the beneficial interests of ArenaCo and at least fifty-eight percent of the beneficial interests of AYDC.

4. Waivers. Guarantor expressly waives, to the extent permitted by law, the following:

(a) notice of acceptance of this Guaranty and of any change in the financial condition of ArenaCo and/or AYDC;

(b) promptness, diligence, presentment and demand for payment or performance of any of the Guaranteed Obligations;

(c) protest, notice of dishonor, notice of default and any other notice with respect to any of the Guaranteed Obligations and/or this Guaranty;

(d) any demand for payment under this Guaranty;

(e) the right to interpose all substantive and procedural defenses of the law of guaranty, indemnification and suretyship, except the defenses of prior payment or performance by ArenaCo and/or AYDC of the Guaranteed Obligations which Guarantor is called upon to pay or perform under this Guaranty;

(f) all rights and remedies accorded by applicable law to guarantors, or sureties, including, without being limited to, any extension of time conferred by any law now or hereafter in effect;

(g) the right to trial by jury in any action or proceeding of any kind arising on, under, out of, or by reason of or relating, in any way, to this Guaranty or the interpretation, breach or enforcement hereof;

(h) the right to interpose any set-off or counterclaim of any nature or description in any action or proceeding arising hereunder or with respect to this Guaranty; and

(i) any right or claim of right to cause a marshalling of the assets of ArenaCo and/or AYDC or to cause ESDC to proceed against ArenaCo and/or AYDC and/or any collateral or security held by ESDC at any time or in any particular order.

5. Bankruptcy. Notwithstanding anything to the contrary contained herein, Guarantor's liability shall extend to all amounts or other obligations which constitute part of the Guaranteed Obligations and would be owed by, or required to be performed by, ArenaCo and/or AYDC under the Funding Agreement but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving ArenaCo and/or AYDC. Without limiting the foregoing, neither Guarantor's obligation to make payment or otherwise perform in accordance with this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed, stayed, released or limited in any manner by any impairment, modification, change, release, limitation or stay of the liability of ArenaCo and/or AYDC or its estate in bankruptcy or any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the Bankruptcy Code or other statute or from the decision of any court interpreting any of the same.

6. Currency of Payments. Any and all amounts required to be paid by Guarantor hereunder shall be paid to ESDC in lawful money of the United States of America and in immediately available funds to ESDC. Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to ESDC on account of its liability hereunder, it will notify ESDC in writing that such payment is made under this Guaranty for that purpose.

7. Amendments. No amendment or waiver of any provision of this Guaranty nor consent to any departure by Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by ESDC, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

8. Liquidated Damages. (a) In the event that (i) ESDC elects to terminate the Funding Agreement and such termination is not a result of the delivery of an ESDC Withdrawal Notice, or (ii) if ArenaCo and/or AYDC abandon the Project, then in that event, Guarantor shall pay to ESDC as liquidated damages an amount equal to (i) the Required Amount as defined in the Funding Agreement, plus (ii) any costs and expenses, including without limitation, reasonable attorneys' fees and expenses, incurred by ESDC in collecting any or all of the Required Amount, it being agreed that the damages to ESDC by reason of such termination or abandonment would otherwise be difficult, if not impossible, to ascertain, and thereafter ESDC shall have no further rights against Guarantor under this Guaranty and Guarantor's, ArenaCo's and AYDC's obligations with respect to the completion of the Phase I Infrastructure, as the case may be, shall be terminated. All of the provisions of Sections 2, 4, 5, 6 and 11 hereof shall apply to Guarantor's obligations in this Section 8 with the same force and effect as if such obligations comprised a Guaranteed Obligation..

(b) In the event that ESDC has elected to terminate the Funding Agreement by delivery of an ESDC Withdrawal Notice, then for purposes of this Guaranty the Required Amount shall be deemed to be zero dollars, and Guarantor shall have no further obligations hereunder.

9. Certified Statement. Guarantor agrees that it will, at any time and from time to time, within ten (10) days following request by ESDC, execute and deliver to ESDC a statement

certifying that this Guaranty is unmodified and in full force and effect (or if modified, that the same is in full force and effect as modified and stating such modifications).

10. Notices. All notices and other communications which may be or are desired to be given hereunder shall be in writing, mailed via certified mail, sent via overnight courier or personally delivered, and addressed to the following addresses:

If to Guarantor:

Forest City Enterprises, Inc.
1100 Terminal Tower
50 Public Square
Cleveland, Ohio 44113-2203
Attn: Geri Presti, Esq.

With copies to:

(i) Forest City Ratner Companies
One MetroTech Center North
11th floor
Brooklyn, New York 11201
Attn: David Berliner, Esq.

(ii) Fried Frank Harris Shriver & Jacobson LLP
1 New York Plaza
New York, NY 10004
Attn: Stephen Lefkowitz, Esq.

If to ESDC:

Empire State Development Corporation
633 Third Avenue
New York, NY 10017-6754
Attn: General Counsel

With a copy to:

Skadden Arps Slate Meagher & Flom LLP
4 Times Square
New York, NY 10036
Attn: Neil Rock, Esq.

or as to each party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section 10. All such notices and other communications shall be effective two (2) business days following the date deposited

in the mails if sent by certified mail, or the day following the date sent delivered via overnight courier, or the date personally delivered, addressed as aforesaid.

11. Termination of Guaranty: Successors and Assigns. This Guaranty shall remain in full force and effect until the earliest to occur of (i) payment of the Required Amount by ArenaCo and/or AYDC, and (ii) the date the Project Documentation (as defined in the Funding Agreement) takes effect, following which this Guaranty shall be terminated and of no further force or effect. Following the occurrence of either event set forth in (i) or (ii) in the immediately preceding sentence, upon request by ArenaCo and/or AYDC, ESDC shall promptly provide written confirmation that this Guaranty has been terminated and is of no further force and effect. This Guaranty shall be binding upon Guarantor, its successors and permitted assigns, and shall inure to the benefit of and be enforceable by ESDC and its successors, transferees and assigns. Wherever in this Guaranty reference is made to ESDC or ArenaCo and/or AYDC, the same shall be deemed to refer also to the then successor or assign of ESDC or ArenaCo and/or AYDC. Notwithstanding anything herein to the contrary, Guarantor shall not have the right to assign this Guaranty or delegate its obligations without the prior written consent of ESDC, which may be withheld in ESDC's sole and absolute discretion, and any purported assignment in violation of the foregoing clause shall be null and void as against ESDC.

12. Guarantor's Right to Cure Defaults. Notwithstanding any other provision of this Guaranty or the Funding Agreement, in the event that ESDC issues a notice of Default under the Funding Agreement or an Event of Default occurs under the Funding Agreement, then ESDC shall give prompt notice of same to Guarantor hereunder, which notice shall include a copy of the notice of Default or otherwise specifying the nature of the Event of Default under the Funding Agreement. Guarantor shall have thirty (30) days to cure the condition specified in such notice. In the event that Guarantor cures the condition specified in such notice within such period, ESDC shall accept such cure by Guarantor as if ArenaCo and/or AYDC shall have performed same under the terms of the Funding Agreement, and following such cure ESDC shall continue to perform its obligations under the Funding Agreement.

13. Governing Law. This Guaranty shall be governed by, and construed in accordance with, the laws of the State of New York.

14. Jurisdiction. Any and all claims asserted by ESDC against Guarantor arising on, under, out of, or by reason of or relating, in any way, to this Guaranty shall be heard and determined either in the courts of the United States located in New York City or in the courts of the State of New York (**"New York State Courts"**) located in the City and County of New York. To this effect, Guarantor agrees as follows:

(a) With respect to any action brought by ESDC against Guarantor in a New York State Court located in New York County, Guarantor waives and relinquishes any rights it might otherwise have (i) to move to dismiss on grounds of forum non conveniens; (ii) to remove to Federal Court; and (iii) to move for a change of venue to a New York State Court outside New York County.