JANUARY 4, 2008

ADDENDUM
TO
OFFICIAL STATEMENT DATED DECEMBER 4, 2007

$10,440,000
STATE OF WASHINGTON
CERTIFICATES OF PARTICIPATION, SERIES 2007G
(QUARTERLY)

This addendum reflects amendments to disclosure information provided to the State of Washington by XL Capital Assurance Inc. since the date of the Official Statement. The attached information should replace the section in the Official Statement titled “Other Certificate Information—Insurance” and includes, but may not be limited to, changes to the subsections titled “Financial Strength and Financial Enhancement Ratings of XLCA” and “Recent Developments.”

This information has been provided by XL Capital Assurance Inc.; no representation is made by the State of Washington as to its accuracy or completeness.

Insurance

The following information has been supplied by XL Capital Assurance Inc. (the "Insurer" or "XLCA") for inclusion in this Official Statement. No representation is made by the state as to the accuracy or completeness of the information.

The Insurer accepts no responsibility for the accuracy or completeness of this Official Statement or any other information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Insurer and its affiliates set forth under this heading. In addition, the Insurer makes no representation regarding the Certificates or the advisability of investing in the Certificates.

General. XL Capital Assurance Inc. (the "Insurer" or "XLCA") is a monoline financial guaranty insurance company incorporated under the laws of the State of New York. The Insurer is currently licensed to do insurance business in, and is subject to the insurance regulation and supervision by, all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Singapore.

The Insurer is an indirect wholly owned subsidiary of Security Capital Assurance Ltd ("SCA"), a company organized under the laws of Bermuda. Through its subsidiaries, SCA provides credit enhancement and protection products to the public finance and structured finance markets throughout the United States and internationally. XL Capital Ltd currently beneficially owns approximately 46% of SCA's outstanding shares.

The common shares of SCA are publicly traded in the United States and listed on the New York Stock Exchange (NYSE: SCA). **SCA is not obligated to pay the debts of or claims against the Insurer.**

Financial Strength and Financial Enhancement Ratings of XLCA. The Insurer's insurance financial strength is rated "Aaa" (Under Review for Possible Downgrade) by Moody's, "AAA" (Negative Outlook) by Standard & Poor's and "AAA" (Rating Watch Negative) by Fitch, Inc. ("Fitch"). In addition, the Insurer has obtained a financial enhancement rating of "AAA" from Standard & Poor's. These ratings reflect Moody's, Standard & Poor's and Fitch's current assessment of the Insurer's creditworthiness and claims-paying ability as well as the reinsurance arrangement with XL Financial Assurance Ltd. ("XLFA") described under "Reinsurance" below.

The above ratings are not recommendations to buy, sell or hold securities, including the Bonds and are subject to revision or withdrawal at any time by Moody's, Standard & Poor's or Fitch. Any downward revision or withdrawal of these ratings may have an adverse effect on the market price of the Bonds. The Insurer does not guaranty the market price of the Bonds nor does it guaranty that the ratings on the Bonds will not be revised or withdrawn.

Reinsurance. The Insurer has entered into a facultative quota share reinsurance agreement with XLFA, an insurance company organized under the laws of Bermuda, and an affiliate of the Insurer. Pursuant to this reinsurance agreement, the Insurer expects to cede up to 75% of its business to XLFA. The Insurer may also cede reinsurance to third parties on a transaction-specific basis, which cessions may be any or a combination of quota share, first loss or excess of loss. Such reinsurance is used by the Insurer as a risk management device and to comply with statutory and rating agency requirements and does not alter or limit the Insurer's obligations under any financial guaranty insurance policy. With respect to any transaction insured by XLCA, the percentage of risk ceded to XLFA may be less than 75% depending on certain factors including, without limitation, whether XLCA has obtained third party reinsurance covering the risk. As a result, there can be no assurance as to the percentage reinsured by XLFA of any given financial guaranty insurance policy issued by XLCA, including the Policy.

Based on the audited financial statements of XLFA, as of December 31, 2006, XLFA had total assets, liabilities, redeemable preferred shares and shareholders' equity of $2,007,395,000, $874,028,000, $54,016,000 and $1,079,351,000, respectively, determined in accordance with generally accepted accounting principles in the United States ("US GAAP"). XLFA's insurance financial strength is rated "Aaa" (Under Review for Possible Downgrade) by Moody's, "AAA" (Negative Outlook) by S&P and "AAA" (Rating Watch Negative) by Fitch. In addition, XLFA has obtained a financial enhancement rating of "AAA" from S&P.

The ratings of XLFA or any other member of the SCA group of companies are not recommendations to buy, sell or hold securities, including the Bonds and are subject to revision or withdrawal at any time by Moody's, Standard & Poor's or Fitch.

Notwithstanding the capital support provided to the Insurer described in this section, the Bondholders will have direct recourse against the Insurer only, and XLFA will not be directly liable to the Bondholders.

Capitalization of the Insurer. Based on the audited financial statements of XLCA, as of December 31, 2006, XLCA had total assets, liabilities, and shareholder's equity of $1,224,735,000, $974,230,000, and $250,505,000, respectively, determined in accordance with U.S. GAAP.

Based on the audited statutory financial statements for XLCA as of December 31, 2006 filed with the State of New York Insurance Department, XLCA has total admitted assets of $429,073,000, total liabilities of $222,060,000, total capital and surplus of $207,013,000 and total contingency reserves of $20,876,000 determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities ("SAP").

Recent Developments. On December 19, 2007, S&P announced the results of the completion of its third in a continuing series of stress tests of monoline financial guarantors with respect to their domestic subprime mortgage exposure. S&P noted that for this review, following unprecedented deterioration in the domestic mortgage market, S&P updated its stress scenario, incorporating a broad vintage period and including a wide group of asset classes as well. S&P's research has led them to the conclusion that the potential for further mortgage market deterioration remains uncertain and will challenge the ability of the insurers to accurately gauge their ongoing additional capital needs in the near term. As a result, S&P has effectively adopted a negative outlook for those firms with significant exposure to domestic subprime mortgages and/or meaningful lower credit quality exposures. The assignment of a negative outlook also reflects S&P's assessment with regard to the strength of a company's capital position when weighed against projected stress case losses as well as the comprehensiveness and degree of completion of projected capitalization strengthening efforts underway.

As a result of the review, the outlook on the financial strength and debt ratings of XLCA, XLFA and SCA were revised to negative, while their respective ratings were affirmed. S&P commented that the outlook change was warranted because of the absolute size of stress scenario losses relative to the combined capital cushion of $645 million. There were no adjustments to XLCA and XLFA's December 31, 2006 combined capital cushion. The theoretic stress case scenario total after-tax net loss on RMBS and collateralized debt obligations CDO for XLCA and XLFA was estimated by S&P to be $884.1 million. S&P stated that for those insurers whose theoretic losses exceed their updated capital cushions, any rating action taken will reflect S&P's assessment of the comprehensiveness and degree of completion of projected capitalization strengthening efforts.

S&P noted that in order to address the strain on the companies' claims paying resources due to the current conditions in the RMBS and CDO markets, SCA's management has developed a capital plan that includes the following components: the commutation/restructuring of several CDO transactions; reshaping of the insured portfolio through reinsurance transactions with third parties; and capital infusions from third parties.

On November 26, 2007, S&P issued a press release indicating it is preparing another in its series of comments on bond insurers' subprime exposure. Among other things, the release generally described new and updated data that S&P is incorporating into its stress modeling in order to test bond insurers' ability to withstand further subprime stress.

On December 14, 2007, Moody's issued a comment that it has updated its evaluation of U.S. mortgage market stress on the ratings of financial guaranty companies. The announcement reflects the results of the updated analysis outlined most recently in Moody's December 5, 2007 report. The rating announcements result from Moody's reassessment of the financial guaranty insurers' capital adequacy in light of higher expected losses from credit enhancement provided to residential mortgage backed securities ("RMBS") and collateralized debt obligations of asset backed securities that include RMBS, and are also based on Moody's assessment of financial guaranty insurers' current capital positions, their plans for capital strengthening going forward, and other strategic and operational considerations. As a result of these reviews, the Aaa ratings of XLCA, XLFA and the Moody's-rated securities guaranteed by XLCA were placed on review for possible downgrade. As described in the comment, Moody's analysis suggests that the current capitalization of SCA's operating subsidiaries, XLCA and XLFA, is above the Aaa target level, but would fall below the Aaa minimum level under Moody's present stress scenario. The comment notes that Moody's review of SCA's ratings for possible downgrade will focus on the execution of SCA's capital remediation plan and, to the extent SCA is able to rebuild its capital position and adequately address its capital adequacy shortfall, Moody's would likely confirm SCA's ratings at their current levels. Moody's notes, however, that if SCA is unable to resolve the current stress on its capitalization over the period of the review, which Moody's would expect to conclude within the next few months, Moody's believes SCA's ratings would likely be downgraded. The magnitude of any potential downgrade would depend on a number of variables, including capital remediation measures enacted, as well as SCA's prospective strategic plan and business profile.

On December 12, 2007, following the completion of its capital adequacy analysis as described below, Fitch issued a press release indicating that it was placing XLCA and XLFA on "Rating Watch Negative" and that its review indicates that SCA's capital adequacy under Fitch's Matrix financial guaranty capital model currently falls below the guidelines for an "AAA" insurer financial strength ("IFS") rating by more than $2 billion due to sharp downgrades by Fitch in a number of SCA's insured structured finance collateralized debt obligation ("SF CDO") exposures. This press release also noted that if within the next four to six weeks, SCA is able to obtain firm capital commitments, and/or put in place reinsurance or other risk mitigation measures that enable SCA to meet capital guidelines, Fitch would expect to affirm SCA's ratings with a "Stable Rating Outlook". If SCA is unable to meet capital guidelines in the noted time frame, Fitch would expect to downgrade SCA's ratings. Assuming little change to SCA's current capital position, based on the results of Fitch's updated capital analysis, Fitch would expect the IFS rating to be downgraded to the "AA" category. On December 12, 2007 and December 13, 2007, SCA issued press releases indicating that it has a plan to address Fitch's additional capital requirements. This plan involves a range of options for increasing SCA's capital position within the time frame indicated by Fitch. Components of the plan include, but are not limited to, the following possible actions: the use of traditional and non-traditional reinsurance; the commutation and restructuring of certain CDO obligations with SCA's counterparties; the receipt of capital credit for certain contractual obligations in favor of SCA; and the raising of additional debt or equity capital from external sources. Although SCA and its subsidiaries are actively working to address such additional capital requirements, none of SCA, XLCA or XLFA can give any assurance as to whether this plan will be successful or whether one or more other rating agencies will require additional capital following the completion of their review of SCA and its subsidiaries.

On November 5, 2007, Fitch issued a press release indicating that it was updating its capital adequacy analysis for the financial guaranty industry in light of recent rating actions by the rating agencies with respect to SF CDOs with exposure to subprime mortgage-backed securities. Fitch's preliminary observation is that there is a "moderate probability" that SCA may experience pressure in its capital cushion under Fitch's updated stress analysis due to relatively high SF CDO exposures relative to its most recently measured capital cushion. Fitch noted that it would consider actions taken by a financial guarantor to mitigate risk or enhance its capital position while Fitch completes its review over the next four to six weeks.

Incorporation by Reference of Financials. For further information concerning XLCA and XLFA, see the financial statements of XLCA and XLFA, and the notes thereto, incorporated by reference in this Official Statement. The financial statements of XLCA and XLFA are included as exhibits to the periodic reports filed with the Securities and Exchange Commission (the "Commission") by SCA and may be reviewed at the EDGAR website maintained by the Commission.

The Annual Report of SCA on Form 10-K for the fiscal year ended December 31, 2006 and filed on March 15, 2007, the Quarterly Report of SCA on Form 10-Q for the period ended September 30, 2007 and filed on November 14, 2007, and all financial statements of XLCA and XLFA included in, or as exhibits to, documents filed by SCA pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 and all documents filed or furnished by SCA on Current Report on Form 8-K pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 on or prior to the date of this Official Statement, or after the date of this Official Statement but prior to termination of the offering of the Bonds, shall be deemed incorporated by reference in this Official Statement. Except for the financial statements of XLCA and XLFA, the Current Reports on Form 8-K of SCA, the Annual Report of Form 10-K of SCA, and the Quarterly Report on Form 10-Q of SCA, no other information contained in the reports filed with the Commission by SCA is incorporated by reference. Copies of the statutory quarterly and annual statements filed with the State of New York Insurance Department by XLCA are available upon request to the State of New York Insurance Department.

Regulation of the Insurer. The Insurer is regulated by the Superintendent of Insurance of the State of New York. In addition, the Insurer is subject to regulation by the insurance laws and regulations of the other jurisdictions in which it is licensed. As a financial guaranty insurance company licensed in the State of New York, the Insurer is subject to Article 69 of the New York Insurance Law, which, among other things, limits the business of each insurer to financial guaranty insurance and related lines, prescribes minimum standards of solvency, including minimum capital requirements, establishes contingency, loss and unearned premium reserve requirements, requires the maintenance of minimum surplus to policyholders and limits the aggregate amount of insurance which may be written and the maximum size of any single risk exposure which may be assumed. The Insurer is also required to file detailed annual financial statements with the New York Insurance Department and similar supervisory agencies in each of the other jurisdictions in which it is licensed.

The extent of state insurance regulation and supervision varies by jurisdiction, but New York and most other jurisdictions have laws and regulations prescribing permitted investments and governing the payment of dividends, transactions with affiliates, mergers, consolidations, acquisitions or sales of assets and incurrence of liabilities for borrowings.

The Financial Guaranty Insurance Policies issued by the Insurer, including the Insurance Policy, are not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

The principal executive offices of the Insurer are located at 1221 Avenue of the Americas, New York, New York 10020 and its telephone number at this address is (212) 478-3400.