

**CERTIFIED FOR PUBLICATION**

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION EIGHT

VILLAGE NORTHRIDGE  
HOMEOWNERS ASSOCIATION,

Plaintiff and Appellant,

v.

STATE FARM FIRE AND CASUALTY  
COMPANY,

Defendant and Respondent.

B188718

(Los Angeles County  
Super. Ct. No. BC 265328)

**ORDER MODIFYING OPINION  
and  
DENYING PETITION FOR  
REHEARING  
[change in judgment]**

IT IS ORDERED that the opinion filed in the above-captioned matter on December 17, 2007, be modified as follows:

On page 15, the final sentence of the text is deleted and the following sentence is substituted: “Accordingly, the trial court erred in sustaining State Farm’s demurrer to the cause of action for fraud in the Association’s second amended complaint.”

On page 15, footnote 7 is modified by adding a new initial paragraph, so that the present text becomes the second paragraph of the footnote. The new first paragraph of footnote 7 reads as follows:

“Dismissal of the Association’s causes of action for breach of contract and breach of the implied covenant of good faith and fair dealing is proper. The Association has repeatedly stated, including

in response to the court's express inquiry, that it does not seek to rescind the settlement agreement and release, but rather seeks to affirm the settlement and recover damages for fraud."

On page 16, the first sentence of the disposition is deleted and the following sentence is substituted: "The judgment is reversed and the cause is remanded to the trial court with directions to vacate its order sustaining State Farm's demurrer and to enter a new order sustaining the demurrer as to the causes of action for breach of contract and breach of the implied covenant of good faith and fair dealing and overruling the demurrer as to the cause of action for fraud."

This modification effects a change in the judgment.

The petition for rehearing is denied.

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COOPER, P.J.

RUBIN, J.

FLIER, J.