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February 27, 2015

To the Board of Directors of
Villa Rosario Homeowners' Association
158 E. Nandez Ave., VRHA #142
Dededo, Guam 96929

Dear Sir/Madam:

We have performed an audit of the financial statements of Villa Rosario Homeowners' Association (the "Association") as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") and have issued our report thereon dated February 27, 2015.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Association is responsible.

OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS

Our responsibility under generally accepted auditing standards has been described to you in the engagement letter dated May 6, 2013. As described in that letter, the objective of a financial statement audit conducted in accordance with generally accepted auditing standards is to express an opinion on the fairness of the presentation of the Association's financial statements for the year ended December 31, 2012 in conformity with the cash basis of accounting, in all material respects. Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements that have been prepared by us with the oversight of management and the Board of Directors are presented fairly, in all material respects, in conformity with the cash basis of accounting. The audit of the financial statements does not relieve management or the Board of Directors of their responsibilities.

We considered the Association's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and on assumptions about future events. During the year ended December 31, 2012, we are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates.

SIGNIFICANT ACCOUNTING POLICIES

The Association's significant accounting policies are set forth in note 1 to the Association's 2012 financial statements. During the year ended December 31, 2012, there were no significant changes in previously adopted accounting policies or their application.

OTHER INFORMATION IN THE ANNUAL REPORTS TO SHAREHOLDERS

The 2012 audited financial statements were not included in documents containing other information such as the Association's Annual Report to Shareholders.

DISAGREEMENTS WITH MANAGEMENT

We have not had any disagreements with management related to matters that are material to the Association's 2012 financial statements.

CONSULTATION WITH OTHER ACCOUNTANTS

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during 2012.

MANAGEMENT'S REPRESENTATION

We have made specific inquiries of the Association's management about the representations embodied in the financial statements. Additionally, we have requested that management provide to us the written representations the Association is required to provide to its independent auditors under generally accepted auditing standards. We have attached to this letter, as Appendix A, a copy of the representation letter we obtained from management.

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO OUR RETENTION

Throughout the year, routine discussions regarding the application of accounting principles or auditing standards were held with management in connection with transactions that have occurred, transactions that are contemplated, or reassessment of current circumstances. In our judgment, such discussions were not held in connection with our retention as auditors.

SIGNIFICANT DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

In our judgment, we received the full cooperation of the Association's management and staff and had unrestricted access to the Association's senior management in the performance of our audit.

OTHER MATERIAL WRITTEN COMMUNICATIONS

There were no other material written communications between management and us related to the audit of the financial statements for the year ended December 31, 2012.

CONTROL-RELATED MATTERS

No matters involving the Association's internal control over financial reporting that we consider to be material weaknesses under standards established by the American Institute of Certified Public Accountants.

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This report is intended solely for the information and use of management, the Board of Directors and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Deloitte & Touche LLP

February 27, 2015

Deloitte & Touche LLP
361 South Marine Drive
Tamuning, Guam 96913

We are providing this letter in connection with your audits of the financial statements of Villa Rosario Homeowners Association (the Association) as of December 31, 2012 and 2011 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position and results of operations of the Association in conformity with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

We confirm that we are responsible for the following:

a. The fair presentation in the financial statements of financial position and results of operations in conformity with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

b. The design and implementation of programs and controls to prevent and detect fraud.

c. Establishing and maintaining effective internal control over financial reporting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits.

1. The financial statements referred to above are fairly presented in conformity with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

2. The Association has provided to you all relevant information and access as agreed in the terms of the audit engagement letter, including:

    a. Financial records and related data.

    b. Minutes of meetings of Homeowners, Directors, and Committees of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

c. The following details the meeting dates:

- February 16, 2012
- March 8, 2012
- March 31, 2012
- June 20, 2012
- June 27, 2012
- July 26, 2012
- November 8, 2012
- December 6, 2012
- May 16, 2013

3. The Association has not performed a formal risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud. However, management has made available to you their understanding about the risks of fraud in the Association and do not believe that the financial statements are materially misstated as a result of fraud.

4. We have no knowledge of any fraud or suspected fraud affecting the Association involving (1) management, (2) employees who have significant roles in the Association's internal control over financial reporting, or (3) others, if the fraud could have a material effect on the financial statements.

5. We have no knowledge of any allegations of fraud or suspected fraud affecting the Association received in communications from employees, former employees or others that have not been fully investigated and found lacking in substance.

6. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

7. There are no unasserted claims or assessments that legal counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification (ASC) 450, *Contingencies*. While we have consulted an attorney on certain general matters and on specific collection matters, we have not consulted an attorney with respect to defense against unasserted claims or assessments against the Association. In all matters consulted, the Association is the protagonist and therefore, we are not aware of any pending unasserted claims or assessments and have not so consulted with an attorney concerning such matters where the Association may be exposed to a loss contingency during the years ended December 31, 2012 and 2011 and to the date of this letter.

Except where otherwise stated below, matters less than $3,300 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the financial statements.

8. There are no transactions that have not been properly recorded in the accounting records underlying the financial statements.

9. The following, to the extent applicable, have been appropriately identified, properly recorded, and disclosed in the financial statements:

   a. Related-party transactions and associated amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral).

b. Guarantees, whether written or oral, under which the Association is contingently liable.

10. The Association has no plans or intentions that may affect the carrying value or classification of assets and liabilities.

11. There are no:

    a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

    b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC 450, *Contingencies*, other than the matter set forth in Note 1 to the financial statements under Guam Income Taxes.

12. There are no transactions that have not been properly recorded in the accounting records underlying the financial statements.

13. The Association has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

14. The Association has complied with all aspects of contractual agreements that would have an effect on the financial statements in the event of noncompliance.

15. No events have occurred after December 31, 2012, but before March 20, 2014, the date the financial statements were available to be issued that require consideration as adjustments to, or disclosures in, the financial statements.

16. In preparing the financial statements in conformity with the cash basis of accounting, management uses estimates. The Association is required to disclose in the financial statements all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements. However, we are not aware of any estimates that may change in the near term and would therefore require such disclosure.

Laura Dacanay, President

Treasurer