I am pleased to provide you with this year’s annual report for SPOA. This report is required Annual Report Section 12.5 of our SPOA by-laws.

You are represented by 16 directors and alternates who represent the 16 geographical area (units) of Silverado. These directors and alternates are volunteers for SPOA.

First, I want to thank your officers, directors, alternates, committee chairs, and committee members for their leadership, hard work, volunteering and participation this past year. They were very supportive and helpful to me for the past three years as your President.

SPOA has five committees:
- Architectural Review Committee - Jim Wilson
- Election and Nominating - Joe Russoniello
- Landscaping - Mary Ellen Wilson
- Membership, Website, and Email - Tammy Smith
- Newsletter - Mary Sandbulte

Marlene Rosenberg, Secretary, and Mary Belli, Chair of the Membership, Website and Email Committee, who have served many outstanding years of service, are retiring as well as myself after three years. Your SPOA board has elected Andy Kirmse as President, Jim Wilson as Vice President, Jim Tidgewell as Treasurer and Cathy Enfield as Secretary. Also, Tammy Smith will be the Chair of the Membership, Website, and Email Committee. Please support these wonderful volunteers.

Some of the SPOA projects which were completed this year include:
1. The two islands on Hillcrest Drive as you enter Silverado off of Atlas Peak Road were refurbished. Also the two walls and the monument in the center of the island were painted.
Architecture Review Committee (ARC)

New Chair Appointed

I would like to announce that Jim Wilson will be taking over as Chair of the ARC effective January 1st, 2017, as I will be moving over to the position of SPOA Board President. Jim has been a committee member for the last three years and in addition to this new responsibility he has also been elected as Vice President on the SPOA Board. Bill Jovich will continue as an ARC member.

Most of our committee requests have involved the installation of solar panels. As a practical matter we encourage their use and the only caveat is that the homeowner check with their immediate neighbors regarding the visual impact.

I have enjoyed interacting with our members regarding architectural matters and am pleased to report that since revising our guidelines we have received very positive feedback on our mission to enhance while maintaining a cohesive look to our neighborhoods.

- Andy Kirmse, ARC Chair

continued from page 1

2. Continued maintenance on our 22 islands which are 30-50 years old and need to be refurbished.

3. Monitored the Jessel Galley permit because of the impact of traffic and the possible removal of the Atlas Peak Road beautiful islands to accommodate new left turn lanes.


5. Nine (9) trees with fire bright disease along Hillcrest Drive were removed.

6. Additional repair to the Hillcrest Drive asphalt sidewalk was necessary.

One of the on going problems we have is the light outages on our light poles. If you see one that is out, please note the pole # and street and contact Julie Kirk, our County District Manager, at 707-259-8603 or Julie.kirk@countyofnapa.org

We are fortunate to have Supervisor Alfredo Pedrazo as our District Supervisor to assist us with our many needs and requests. Supervisor Alfredo lives in the Springs and has a keen interest in our mission of beautification. Because of our landscaping projects which have been delayed and the old age of our islands we have not been able to keep the islands beautiful and attractive. As a result, your board voted unanimously to increase our annual assessment by $26,000. For those of you who belong to a home owners association, your increase will be approximately $13 annually. For those of you not in a HOA, such as myself, the annual increase will be approximately $26 annually. We need to begin to establish a maintenance reserve, which we presently do not have, to keep improving the landscaping of our 22 islands.

For the SPOA financial statements for the year 2016, please review the statements on Page 3 prepared by our Treasurer, Jim Tidgewell.

In speaking about our financial statements and this a friendly reminder, your SPOA annual dues of $20 are now due. If you own property in the following areas, you are asked to write a check for $20: B,C,D Cottages; Simmons Property; Silverado Oaks; The Silverdo Crest; Kaanapali Drive; St. Andrews area properties; Westgate area properties; The Springs and Silver Trail.

Please send your dues to: Tammy Smith at 237 St. Andrews Drive, Napa, Ca 94558. Thank you to all our members. We truly appreciate your support of SPOA.

It has been my privilege and honor to serve as your SPOA President for the past three years. I am sure that your new President Andy Kirmse will continue the mission of SPOA. SPOA mission is to maintain the beauty of our properties and improve where possible to enhance the values of our properties.

In closing, please use our SPOA website at www.silveradopropertyowners.org to get the latest information such as our board minutes.

Sincerely submitted,
Con Hewitt
President’s Report

Address from the outgoing President, Con Hewitt

At the October meeting of the SPOA Board, Andy Kirmse, was unanimously elected President of the Board. The Board also elected Cathy Enfield as Secretary, Jim Wilson as Vice President/Architectural Review Committee Chair and Tammy Smith as Chair of the Membership Committee. A special thanks goes out to Con Hewitt for the outstanding job he has done as SPOA President, to Marlene Rosenberg for her dedication as Secretary and to Mary Belli for her many unwavering and very productive years as Chair of the Membership Committee.

Andy Kirmse has an extensive hotel background and is retired from Intercontinental Hotels. He also has been a consultant with Priceline, Swiss Hotels and Synxis, a division of Sabre Reservations Systems. He most recently was a partner in developing, constructing and managing a Holiday Inn Express and Suites in American Canyon, CA. Andy has served on numerous boards, including the Silverado Country Club, The San Francisco Chamber of Commerce, The San Francisco Visitors and Convention Bureau, The University of San Francisco Hospitality Board, The San Francisco Hotel Council, and served as President of the San Francisco Rotary Club and the San Francisco Hearing and Speech Center.

With your assistance, Andy’s Goal is to oversee the continuing upgrade of our community landscaping beautification program, and respond to the needs of our members in order to insure that our quality of life is maintained.

Andy looks forward to working with our very talented and dedicated Board and is humbled by his election as your President.

- Con Hewitt
  outgoing SPOA President

We are now accepting your 2017 SPOA dues. You may choose to pay by check or credit card. Visit the MEMBERS section of our website www.silveradopropertyowners.org for more information.

**CALL FOR PHOTOGRAPHY**

We’d love to see our community through your eyes. Send in your “portraits” of the neighborhood to Andy Kirmse at wakirmse@flash.net and they may appear in the next newsletter or on the website.

**STATEMENT OF FINANCIAL POSITION 2016**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Cash, January 1, 2016</td>
<td>$59,900.00</td>
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<tr>
<td>Excess of Revenues Over Expenses</td>
<td>$8,057.00</td>
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<tr>
<td>Ending Cash, December 31, 2016</td>
<td>$57,857.00</td>
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**STATEMENT OF REVENUES AND EXPENSES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Revenues:</td>
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</tr>
<tr>
<td>DUES</td>
<td>$15,480.00</td>
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<tr>
<td>OTHER REVENUE</td>
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<td>TOTAL REVENUES</td>
<td>$15,535.00</td>
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<tr>
<td>Expenses:</td>
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<tr>
<td>DUES INKUITY INSURANCE</td>
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<td>NEWSLETTER</td>
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<td>WEBSITE, SUPPLIES, ETC</td>
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<tr>
<td>LANDSCAPE CONSULTANT</td>
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<tr>
<td>TOTAL EXPENSES</td>
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<tr>
<td>Excess of Revenues Over Expenses</td>
<td>$8,057.00</td>
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Prepared by James E. Tidgewell, Treasurer
Fellow members,

The Silverado market was once again strong in 2016. We experienced another uptick in prices. Inventory was low throughout the year, especially for the home and live-in properties. With low inventory comes a demand for new listings and buyers will pay more to get what they want. We are optimistic this trend will continue and hope to see new inventory. Currently, there are only 8 single family homes and 2 condos available for sale in all of Silverado!

SILVERADO PROPERTY SALES

<table>
<thead>
<tr>
<th></th>
<th>SOLD 2016</th>
<th>AVERAGE PRICE 2016</th>
<th>AVERAGE PRICE 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOMES - 26</td>
<td>$1,304,000</td>
<td>$1,262,000</td>
<td></td>
</tr>
<tr>
<td>CONDO - 30</td>
<td>$ 660,000</td>
<td>$ 534,000</td>
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</tr>
</tbody>
</table>

The volume of sales in Silverado was very similar to 2015, but prices increased. We believe the market will remain strong as there are still buyers waiting for new inventory. Also, income for the condo-tels dramatically improved and many condo owners chose to keep their condos. The ownership’s renovation plan is working! Buyers are waiting for condo inventory as well. We look forward to another good year in 2017 with the new and improved Safeway Open. Let’s hope Rory McIlroy, Phil Mickelson and Tiger Woods all play this year!

Visit www.silveradopropertyowners.org to discover what’s going on in our community

Live Where You Work
Quality of life is interconnected with homeownership

Thank you for giving me the opportunity to serve you as your District 4 County Supervisor and to serve the residents of the SPOA community. And I appreciate the opportunity to provide SPOA with an update on this year, in which I served as Chairman of the Board, and what to look forward to in the next few years.

Since day one my priorities have not changed. They continue to be housing, transportation and roads, and sustaining a fiscally responsible County government. This year we have made major progress in these areas, and I am excited for what is coming down the pipe, including new workforce housing projects and more funding for roads. While we make this progress, I am working hard to ensure that the County continues the vital work of upholding prudent financial management of your tax dollars.

The quality of life in Napa County is dependent on, and interconnected with, the ability for our workforce to have the opportunity to become a homeowner. When our workforce can live where they work, our economy grows, traffic congestion is reduced, and our roads deteriorate at a slower pace, benefiting our environment. One exciting project that aims at addressing workforce housing issues is the land on Old Sonoma Road, recently vacated by the former County’s Health and Human Services Agency. This project presents itself with a unique opportunity to work with the City and community to provide a vibrant development that maximizes workforce housing. We are currently hosting several community meetings to engage the public before determining how to move forward. The next meeting will be on February 8th in the evening. Location is still pending. Please feel free to contact me for more details.

Maintaining our 419 miles of roads is another critical issue for me. Thanks to you, the taxpayers, the passage of Measure T will provide critical funding starting in mid-2018 to prioritize the repair of roads across the County. The measure shifts the existing sales tax revenue from Measure A, a previous tax to pay for Napa’s flood protection project, and does not raise new taxes. I look forward to engaging with you to
ensure District 4 roads are prioritized - please contact me at Alfredo.Pedroza@countyofnapa.org.

Finally, Napa County continues to have a healthy, structural fund balance due to its prudent budgeting practices. The County’s budget policies aim at preserving a solid fiscal foundation and prepare for fluctuations in revenues. I am happy to report that the Fiscal Uncertainty reserve is currently fully funded, totaling $25 million. I am also happy to report that local property values continue to improve. During 2015-2016, value increased to $2 billion – a 6.39% increase over the previous year.

If you have any questions, or issues that you would like to discuss with me, please don’t hesitate to contact me at 707-253-8278 or Alfredo.Pedroza@countyofnapa.org.

Alfredo Pedroza
Chairman, Napa County Board of Supervisors

Silverado Resort Update

Happy New Year Silverado Neighbors!!

2016 was truly a great year for Silverado Resort & Spa in every way. I hope that you’ve noticed the general bustle, observed our full parking lots and sensed the very positive energy surrounding our facilities. We proudly accomplished our goals for 2016, making numerous improvements to both our vast infrastructure and to our service delivery model. Just some of these improvements include the opening of our, oh-so popular, Silverado Market & Bakery, followed by a large scale renovation of our Members’ Clubhouse plus physical and service enhancements to our golf practice facilities as we added a range attendant and lighted our putting green. Have you seen our new Rolex golf clock tower at the practice green? We’ve upgraded our tennis courts with new shade structures, initiated a weekend BBQ at our Main Pool and re-landscaped our Mansion Lawn to accommodate events and concerts.

Our signature golf courses are in fantastic shape, as the Pros were challenged by it during the Safeway Open tournament in October. Speaking of the Safeway Open, I certainly hope you enjoyed the event this year. Despite the rain we experienced, the Tournament was a big success from the standpoint of the Resort, the organizers, sponsors, players, spectators and volunteers. Silverado showed to great advantage in all the TV coverage seen around the world. We are eager to hosting the Safeway Open once again this year on October 2-8, 2017, putting our 2016 experience to work and making it an even greater win!

To those of you who are members of Silverado Country Club, thank you for your support and patronage throughout the year. For those neighbors who are not yet members, please remember that Silverado Resort and Spa is here for you to enjoy as well. I encourage you to come and join us to partake in all we have to offer right here in the convenience of your neighborhood including:

- The Silverado Market & Bakery
  Featuring Starbucks Coffee and all manner of artisan sandwiches, salads, baked goods, wine, beer and provisions
- Wednesday Kobe Burger Night in the Grill
- Thursday Dinner Specials in the Grill
- Drink Specials and Light Bites in our Mansion Main Bar
- Easter, Thanksgiving and Christmas Buffets in our Ballroom
- July 3rd BBQ and Fireworks Display
- Safeway Open 2017 : October 2-8

We value you, our members, friends and neighbors. Please know that, as Silverado Resort ownership and management, we are dedicated to making our long term goals for improvements a reality. In 2017 and beyond, we will continue to move forward with a keen understanding that what is good for Silverado Resort & Spa benefits everyone in the Silverado community, adding value to what is an already beautiful treasure in the heart of our renowned Napa Valley.

Warm Regards,

John Evans
General Manager, Silverado Resort & Spa