Excluded values are the values of the variable that result in a denominator equal to 0. The excluded values here are the solutions to the equations $x^2 - 16 = 0$ and $x - 4 = 0$. The number 16 is not a solution to either of these equations. The number $-4$ is not a solution to $x - 4 = 0$, but it is a solution to $x^2 - 16 = 0$.