

COMMUNITIES FIRST FINANCIAL CORPORATION
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders of Communities First Financial Corporation:

NOTICE IS HEREBY GIVEN that, pursuant to its Bylaws and the call of its Board of Directors, the Annual Meeting of Shareholders of Communities First Financial Corporation (the “Company”) will be held at The Fort Washington Country Club – 10272 N. Millbrook, Fresno, California on Tuesday, May 16, 2017 at 5:30 p.m. for the following purposes:

1. To consider and vote upon a proposal to elect eleven (11) persons to the Board of Directors of the Company to serve until their successors have been elected and have qualified. The Board of Directors has nominated the following persons for election:

Sheila Frowsing
Robert Kubo
Jared Martin
David Price
Joel Slonski
Daniel Suchy

Jack Holt
Lorrie Lorenz
Steve Miller
Mark Saleh
Alvin Smith

2. To consider and vote upon a proposal to amend the Company’s Articles of Incorporation to increase the number of authorized common shares to fifty million (50,000,000) from five million (5,000,000).

3. To ratify the selection of Crowe Horwath LLP, as the independent public accountant for 2017.

4. Any other matters that may properly be brought before the meeting and any adjournment or adjournments thereof.

Only those shareholders of record at the close of business on April 4, 2017 are entitled to notice of, and to vote at, the meeting or any adjournments or postponements thereof.

The Bylaws of the Company provide for the nomination of directors in accordance with the following procedures:

2.14 Nominations of Directors. Nominations for election to the board of directors of the corporation may be made by the board of directors or by any shareholder of the corporation’s stock entitled to vote for the election of directors. Nominations, other than those made by or on behalf of the existing management of the corporation, shall be made in writing and shall be delivered or mailed to the president of the corporation not less than 14 days nor more than 50 days prior to any meeting of shareholders called for the election of directors; provided, however, that if less than 21 days’ notice of the meeting is given to shareholders, such nomination shall be mailed or delivered to the president of the corporation not later than the close of business on the seventh day following the day on which the notice of meeting was mailed. Such notification

shall contain the following information to the extent known by the notifying shareholder:

- (a) The name and address of each proposed nominee;
- (b) The principal occupation of each proposed nominee;
- (c) The total number of shares of common stock of the corporation that will be voted for each proposed nominee;
- (d) The name and residence address of the notifying shareholder; and
- (e) The number of shares of common stock of the corporation owned by the notifying shareholder.

Nominations not made in accordance herewith shall, in his/her discretion, be disregarded by the chairman of the meeting, and upon his/her instructions, the inspectors of election shall disregard all votes cast for each such nominee.

IT IS VERY IMPORTANT THAT EVERY SHAREHOLDER VOTE. WE URGE YOU TO SIGN AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE OR VOTE BY INTERNET, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON. IF YOU DO ATTEND THE MEETING AND YOU WISH TO CHANGE YOUR VOTE, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON AT THAT TIME. YOU MAY REVOKE YOUR PROXY AT ANY TIME PRIOR TO ITS EXERCISE.

PLEASE INDICATE ON THE PROXY CARD WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING SO WE CAN PROVIDE ADEQUATE ACCOMMODATIONS.

Alvin L. Smith
Secretary
April 10, 2017

Please vote promptly.

Mailed to Shareholders
on or about April 10, 2017

COMMUNITIES FIRST FINANCIAL CORPORATION

PROXY STATEMENT

INFORMATION CONCERNING THE SOLICITATION OF PROXIES

This Proxy Statement is being furnished to the shareholders of Communities First Financial Corporation, a California corporation (the “Company”), in connection with the solicitation of proxies by the Board of Directors for use at the Annual Meeting of Shareholders to be held at the Fort Washington Country Club, 10272 North Millbrook, Fresno, California on Tuesday, May 16, 2017 at 5:30 p.m. local time (the “Meeting”). Only shareholders of record on April 4, 2017 (the “Record Date”) will be entitled to notice of the Meeting and to vote at the Meeting. At the close of business on the Record Date, the Company had outstanding and entitled to be voted 2,813,134 shares of its no par value Common Stock (the “Common Stock”).

The 2017 Annual Meeting of Shareholders will be held for the purpose of considering and voting on the following matters:

1. ***Election of Directors.*** To consider and vote upon a proposal to elect eleven (11) persons to the Board of Directors of the Company to serve until the 2018 Annual Meeting of Shareholders and until their successors have been elected and have qualified.
2. ***Amendment of Articles of Incorporation.*** To consider and vote upon an amendment to the Company’s Articles of Incorporation to increase the authorized number of shares of common stock of the Company to fifty million (50,000,000) from five million (5,000,000).
3. ***Ratification of Independent Accountant.*** To ratify the selection of Crowe Horwath LLP as the independent public accountant for 2017.
4. ***Other Business.*** To transact such other business as may properly come before the Meeting and any adjournment or adjournments thereof.

If your common stock is held by a broker, bank, or other nominee, you will receive instructions from them that you must follow in order to have your shares voted. If you hold your shares in your own name as a holder of record, you may instruct the proxies how to vote your shares by using the internet voting site listed on the proxy card, or by signing, dating and mailing the proxy card in the postage paid envelope that we have provided to you. Specific instructions for using the internet voting system are on the proxy card. The proxies will vote your shares in accordance with the direction you give by internet voting. If you sign and return a proxy card without giving specific instructions, your shares will be voted in favor of the matters of business listed in this proxy statement.

Shareholders are entitled to one vote for each share held, except that for the election of directors each shareholder has cumulative voting rights and is entitled to as many votes as shall equal the number of shares held by such shareholder multiplied by the number of directors to be elected. Each shareholder may cast all of his or her votes for a single candidate or distribute such votes among any or all of the candidates as he or she chooses. However, no shareholder shall be entitled to cumulate votes for a particular candidate (in other words, cast for any candidate a number of votes greater than the number of shares of stock held by such shareholder) unless such candidate's name has been placed in nomination prior to the voting and the shareholder has given notice at the Meeting prior to the voting of the shareholder's intention to cumulate his or her votes. If any shareholder has given such notice, all shareholders may cumulate their votes for candidates in nomination. Prior to voting, an opportunity will be given for shareholders or their proxies at the Meeting to announce their intention to cumulate their votes. The proxy holders are given, under the terms of the proxy, discretionary authority to cumulate votes on shares for which they hold a proxy.

Any person giving a proxy in the form accompanying this Proxy Statement has the power to revoke that proxy prior to its exercise. The proxy may be revoked prior to the Meeting by delivering to the Secretary of the Company either a written instrument revoking the proxy or a duly executed proxy bearing a later date. The proxy may also be revoked by the shareholder by attending and voting at the Meeting. Unless you decide to attend the meeting and vote your shares in person after you have submitted voting instructions to the proxies, we recommend that you revoke or amend your prior instructions in the same way you initially gave them - that is, by internet or in writing. This will help to ensure that your shares are voted the way you have finally determined you wish them to be voted.

Votes cast by proxy or in person at the Meeting will be counted by the Inspector of Election for the Meeting. The Inspector will treat abstentions and "broker non-votes" (shares held by brokers or nominees as to which instructions have not been received from the beneficial owners or persons entitled to vote and the broker or nominee does not have discretionary voting power under applicable rules of the stock exchange or other self-regulatory organization of which the broker or nominee is a member) as shares that are present and entitled to vote for purposes of determining the presence of a quorum. Abstentions and "broker non-votes" will not be counted as shares voted for purposes of determining the outcome of any matter as may properly come before the Meeting.

Unless otherwise instructed, the Inspector of Election will vote each valid proxy, which is not revoked,

- "FOR" the Company's nominees for the Board of Directors;
- "FOR" amendment of the Company's Articles of Incorporation to increase the authorized common shares to fifty million (50,000,000);
- "FOR" ratification of the selection of Crowe Horwath LLP, as the independent public accountant for 2017;

And, in the proxy holders' judgment, on such other matters, if any, which may properly come before the Meeting.

The Company will bear the entire cost of preparing, assembling, printing and mailing proxy materials furnished by the Board of Directors to shareholders. Copies of proxy materials will be furnished to brokerage houses, fiduciaries and custodians to be forwarded to the beneficial owners of the Common Stock. In addition to the solicitation of proxies by use of the mail, some of the officers, directors and regular employees of the Company, may (without additional compensation) solicit proxies by telephone or personal interview, the costs of which will be borne by the Company.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners

As of April 4, 2017, no individual known to the Company owned or controlled more than five percent (5%) of the outstanding shares of its Common Stock except as set forth in the disclosure and table below.

Based solely on filings made with the Securities and Exchange Commission, Banc Funds Co. LLC., reported that as of December 31, 2016, it owned 224,567 shares, which represented 8.23% of the Company's common stock then outstanding.

Directors and Executive Officers

The following chart shows certain information about our directors and executive officers including the number and percentage of shares of common stock each of them owns:

Name, Address ¹ , and Relationship with the Company	Position held with the Company	Number of Shares ²	Percentage Ownership ³
Sheila Frowsing Director	Director	6,610	0.24%
Jack Holt Director	Director	73,355	2.69%
Robert Kubo Director	Director	86,078	3.16%
Lorrie Lorenz Director	Director	8,178	0.30%
Jared Martin Director	Director	8,580	0.31%
David Price Chairman	Chairman of the Board	130,241	4.77%
Mark Saleh Director	Director/Vice Chairman	134,656	4.94%
Joel Slonski Director	Director	120,606	4.42%
Al Smith Director	Director/Corporate Secretary	22,980	0.84%
Daniel Suchy Director	Director	72,141	2.64%
Steve Miller Director, President & CEO	President, CEO and Director	52,758	1.93%
Steve R. Canfield EVP / Chief Financial Officer	Executive Vice President/CFO	163,867	5.95%
Robert L. Reed EVP/Chief Credit Officer	Executive Vice President/CCO	49,989	1.81%
Total for Directors and Officers as a Group		826,398	29.54%

¹ Unless otherwise noted, the address for all persons listed is c/o Fresno First Bank, 7690 N. Palm Avenue, Suite 101, Fresno, California.

² Includes all shares beneficially owned, whether directly or indirectly, individually or together with associates, jointly or as community property with a spouse and shares to which each individual has the right to acquire beneficial ownership of within 60 days after the Record Date by exercise of stock options or otherwise. Unless otherwise footnoted, all shares disclosed in this table are held directly by the relevant individual officer or director.

³ For purposes of calculating the percentage ownership, the Company is using the current number of shares outstanding of 2,797,448 plus the shares individuals have the right to acquire beneficial ownership within 60 days after the Record Date.

The following discussion sets forth certain information as of April 4, 2017, regarding its directors and officers. The Company knows of no arrangements, including any pledge by any person of securities of the Company, the operation of which may, at a subsequent date result in a change in control of the Company. There is no family relationship between any of the directors or executive officers.

David Price, age 84, Chairman, Mr. Price is President/CEO of David N. Price and Associates, a pension administration organization. Mr. Price has previous experience as a life insurance executive and an officer in the United States Air Force. Mr. Price is a past director of Regency Bank, a Fresno-headquartered bank. He is a past member of the California Bankers Association and a current member of the Western Independent Bankers. Mr. Price is a member of the North Fresno Lions Club, Tehran Shriners, St. Columbia Church, Fresno Estate Planning Council, Brentwood Lake Club, The Bulldog Foundation, and a member of the National Association of Corporate Directors. Mr. Price also has a business degree from California State University Fresno.

Sheila Frowsing, age 34, Director, Mrs. Frowsing is the owner of a Farmers Insurance Agency in Fresno. She serves on the Farmers Insurance Agent Advisory council and holds both her insurance licenses along with her series 6 and 63 security licenses. Mrs. Frowsing is a graduate of Fresno Pacific University where she earned her Bachelor's degree in Business Administration and is currently serving as a member of the Board of Trustees. With her husband, she is the co-owner of Frowsing Farms and an active member at the Well Community Church, where they co-lead a small group.

Jack Holt, age 52, Director, Mr. Holt is the President of Fresno-based Holt Lumber Company, Inc., a building materials supplier where he is in charge of sales, purchasing and inventory management. He is partner in Fiberfab, a wood products manufacturer in Fresno. Mr. Holt is a graduate of California Polytechnic University San Luis Obispo with a degree in Business Administration.

Robert Kubo, age 60, Director, Dr. Kubo is an orthodontist and established Kubo Orthodontic Group in Fresno 33 years ago. Dr. Kubo is a current member of the Board of Trustees of Valley Children's Healthcare and Valley Children's Hospital Central California where he has served for the last 17 years and is past Chairman of the Board. Dr. Kubo is an active member of the American Association of Orthodontists, the Pacific Coast Society of Orthodontists, the American Dental Association, the Fresno-Madera Dental Association, and Omicron Kappa Epsilon, a dental honor society. Dr. Kubo has a BA degree in Zoology from California State University Fresno, a Doctor of Dental Surgery degree from University of California at Los Angeles and a Post Graduate Certificate in Orthodontics from University of California at San Francisco.

Lorrie Lorenz, age 59, Director, Ms. Lorenz is an interior designer in Fresno and a principal of Lorenz & Associates Commercial Interior Design. Ms. Lorenz has a Bachelor's degree in Interior Design and is a certified Interior Designer in the State of California. She is a professional member of International Interior Designers Association, the American Society of Interior Designers, and the California Legislative Council on Interior Design. She was a past Board

member of the Interior Design Advisory Board for California State University Fresno for 15 years.

Jared Martin, age 40, Director, Mr. Martin is a Central Valley real estate broker and an owner of a real estate franchise, Keller Williams Westland Realty in Fresno, California. As a third-generation realtor, he has worked with his family's business for nearly 15 years. In addition to serving his clients, Martin also is active with his local, state and national Associations of Realtors. He was past President of the Fresno Association of Realtors, served on its Executive Committee and as a Treasurer. At the state level, Martin currently serves as the Treasurer of the California Association of Realtors. He has served on numerous committees, including Taxation and Government Finance, Distressed Property Task Force, Strategic Planning and Finance, and Federal committees. Also active with the National Association of Realtors, Martin served on NAR's Commercial Leadership Forum, Commercial, Research, and Commercial Economic Issues and Trends. Active in his local community, he also serves as a director for the Foundation for Clovis Schools. Martin is an Alumni of California State University Fresno's, Sid Craig School of Business.

Mark Saleh, age 54, Director, Mr. Saleh is President of William B. Saleh Company which is headquartered in Fresno and is a major painting contracting organization with projects throughout California and the Fresno market. Mr. Saleh is a member of Peoples Church. He is a Vice President of the local Painters and Decorating Contractors of America. Mr. Saleh graduated from California State University Fresno with a degree in Business Administration.

Joel Slonski, age 57, Director, Mr. Slonski has practiced as a CPA in Fresno for the past 26 years. He is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. Mr. Slonski has a degree from California State University Fresno and a Master of Science degree in Income Taxation from Golden Gate University, San Francisco.

Al Smith, age 79, Director, Mr. Smith owns and operates a business consulting firm in Fresno that provides marketing expertise to small businesses. He is the past President/CEO of the Greater Fresno Area Chamber of Commerce. He is the former Senior Vice President and Marketing Manager of Infinity Broadcasting of Fresno, a local radio broadcasting company. Mr. Smith is a past Chair and current member of the Sid Craig School of Business Advisory Committee, Past President of the Fresno City and County Convention and Visitors Bureau, Past Chairman of the California Broadcasters Association and Past Director of the Rotary Club of Fresno. He currently serves on the Workforce Investment Board for Fresno County. He is an advisory member on the Mayor's Committee for Business Friendly Fresno, member of the Advisory Committee of the Fresno Fire Department, member of the Oversight Committee of the Fresno Convention Center and a Director of the Riverway Youth Camp/Wonder Valley Resort. Mr. Smith also hosts and narrates a very popular radio program called "Legends and Legacies," which chronicles the history of Fresno and the Central Valley.

Daniel Suchy, age 74, Director, Dr. Suchy, now retired, was a private practice physician in Fresno specializing in Pulmonary Disease from 1978 to 2001. He is originally from Minnesota, where he graduated from the University of Minnesota with B.S. and B.A. degrees. He

subsequently attended the University of Minnesota Medical School where he earned his medical degree. He did his internship, residency and fellowship at University Medical Center in Fresno, California. After completing training as a physician, and before entering private practice, he was a Flight Surgeon for the U.S. Coast Guard. He is a former director of Regency Bank, a locally headquartered bank in Fresno.

Steve Miller, age 43, Director, President & CEO - Mr. Miller was an international banker with over 21 years of commercial banking experience covering both consumer and business banking. He is a California native, born and raised in Orange County. Mr. Miller attended Columbia University in New York City. He was then employed with MBNA America for 12 years before an acquisition gave him an opportunity to make a career change. He and his wife moved overseas for assignments in Taiwan, Indonesia and Malaysia for 9+ years. It was in Asia where Miller began to focus on business banking and developed an expertise in the small business banking arena. While in Malaysia, he worked for a local bank where he and his team eventually built a small business franchise that was awarded the “Best Small Business Bank” in Asia, Africa and the Middle East in 2013 and 2015. In 2015, he and his family returned to the United States to be closer to family and he was asked to join Fresno First Bank as President & CEO.

Steve Canfield, age 57, EVP / Chief Financial Officer, Mr. Canfield brings over 33 years of commercial banking, retail banking, management and finance experience to the Bank. He is a graduate of CSUF’s Craig School of Business and BAI’s Bank Management Program at Duke University. Mr. Canfield began his banking career with Guarantee Savings & Loan and has held executive management positions with public and private companies including Regency Bank, Pacific Wireless Technologies and Fresno County Federal Credit Union.

Robert Lee Reed, age 52, EVP / Chief Credit Officer, Mr. Reed brings over 28 years commercial lending experience and credit management to the Company. He is a 1987 graduate of Virginia Tech and earned his MBA from George Mason University in 1991. He started his banking career in community banks in the Washington, DC metropolitan area before moving to Colorado in 2000 where he was Senior Lending Officer for The Gunnison Bank and Trust Company and then later moved to California in 2004 where he served as Chief Credit Officer for Community Banks of Northern California.

None of the Company’s directors is a director of any company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or subject to the requirements of Section 15(d) of such Act or any company registered as an investment company under the Investment Bank Act of 1940, whose common stock is registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended.

About The Board and Its Committees

The Board. The Company is governed by a Board of Directors and various committees of the Board that meet throughout the year. Directors discharge their responsibilities throughout the year at Board and committee meetings and also through telephone contact and other communications with the Chairman of the Board and the President/Chief Executive Officer and others regarding matters of concern and interest to the Company. During 2016, the Board met

twelve times. References to the “Board” throughout the following discussion relate to either the Company’s board of directors, the Bank’s board of directors, or both, as the case may be.

Director Independence. It is the Board’s objective that at least a majority of the Board should consist of independent directors. An objective criteria used by the Board for this determination is the definition of “independent director” found in the Nasdaq rules. For a director to be considered independent, a director must not have any material relationship with the Company, and otherwise be an “independent director” within the meaning of the Nasdaq rules. While Nasdaq listing requirements, which do not apply to the Company, mandate that a simple majority of a company’s board of directors be “independent” for all listed companies, the current membership of the Company’s Board is composed of ten (10) independent directors, with Mr. Miller being the only non-independent director on the Board.

Meetings and Attendance. Directors are expected to attend all Board meetings, all meetings of committees on which they serve, and the annual shareholders’ meeting. During 2016, each of the directors attended at least 75% of the meetings of the Board and of the committees upon which they served.

Shareholder Communications with the Board. There is currently no formal process for shareholders to send communications directly to the Board. However, if a shareholder desires to send a communication directly to the Board, a shareholder may do so by sending a letter addressed to the Board, c/o David Price, Chairman, at the Company’s headquarters at 7690 N. Palm Avenue, Fresno, California 93711.

Director Nomination Process. As discussed below, the Company’s Corporate Governance/Nominating Committee functions as the nominating committee. Among its other responsibilities, this committee is responsible for selecting nominees for election to the Board and for filling vacancies between annual meetings. The Board and the Corporate Governance/Nominating Committee screen all potential candidates in the same manner regardless of the source of recommendation. In considering potential candidates, the Board and the Committee consider such things as the potential nominee’s business experience, experience with community banks, prior service on boards of directors, ability to generate business for the Company, level of community involvement, and standing in the community, among other things, in making a determination of whether to include such potential nominee in any slate of proposed directors. The Board does not pay a fee to any third party source of proposed director nominees.

Committees of the Board of Directors of the Company

Audit Committee. The Company and Bank have an Audit Committee composed of four outside directors, each of whom is “independent” as defined by the Nasdaq rules. The members are Joel Slonski (Chairman), Jack Holt, Dr. Robert Kubo and Sheila Frowsing. The primary function of the Audit Committee is to assist the Board of Directors in overseeing the integrity of the Company’s financial statements, including internal controls, the Company’s compliance with legal and regulatory requirements, the independent auditors’ qualifications and independence,

and the selection and performance of the independent auditors. The Audit Committee met four times during 2016.

Bank Loan Committee. The Bank has a Director Loan Committee, whose members are Jack Holt (Chairman), Mark Saleh, Jared Martin and Steve Miller. All committee members, with the exception of Mr. Miller, are independent directors. The Loan Committee has responsibility for reviewing and recommending loan policies to the Board of Directors, implementing and monitoring adherence to these policies, approving certain loans, and reviewing the Company's loan portfolio performance, loan classifications and the adequacy of loan loss reserves. The Loan Committee met eleven times in 2016.

Bank ALCO/Investment Committee. The Bank has an ALCO/Investment Committee, whose members are Robert Kubo (Chairman), Joel Slonski, Al Smith, Steve Miller and Steve Canfield. All committee members, with the exception of Mr. Miller and Mr. Canfield, are independent directors. The ALCO/Investment Committee has responsibility for reviewing and recommending investment policies to the Board, implementing and monitoring adherence to these policies, and reviewing the adequacy of the Company's liquidity. The ALCO/Investment Committee also reviews issues relating to the duration, tenor, rates and gaps between maturing assets and maturing liabilities to attempt to "match" funds and therefore minimize the Company's interest rate risk. They also review and determine whether to approve transactions exceeding the investment authority of the Company's officers. The ALCO/Investment Committee met four times in 2016.

Executive Committee. The Company and Bank have an Executive Committee whose members are Dave Price (Chairman), Joel Slonski, Dan Suchy, Lorrie Lorenz, Mark Saleh and Steve Miller. All of the members of the committee are independent, with the exception of Mr. Miller. In its executive capacity, the Committee is responsible for assuring that the Company and Board function in accordance with their articles of incorporation, bylaws and other legal requirements. The Executive Committee also discusses significant strategic issues and potential significant transactions, such as capital raising, expansions, acquisitions, and possible strategic alternatives. The Committee is also authorized to act in areas permitted by law between board meetings. The Executive Committee met twelve times during 2016.

Compensation Committee. The Company and Bank have a Compensation Committee whose members are Joel Slonski (Chairman), Mark Saleh, Al Smith and Sheila Frowsing. All members of the Committee are independent. The Committee's responsibilities include determination of all employee compensation and bonus awards and oversight of the Company's equity based compensation plan. The committee seeks to maintain a compensation policy that a) will attract and retain qualified employees, b) provide compensation that is competitive with the Company's peer group, c) will motivate employees to attain high levels of performance and d) encourage stock ownership in the Company. The Compensation Committee met six times in 2016.

Corporate Governance/Nominating Committee. The Company and Bank have a Corporate Governance/Nominating Committee whose members are Mark Saleh (Chairman), David Price, Dan Suchy and Jared Martin. All members of the committee are independent. In

its corporate governance capacity, the Committee is responsible for establishing appropriate corporate governance guidelines for the Company and monitoring the Board's and Management's adherence to such guidelines. As the Nominating Committee, this Committee identifies individuals believed to be qualified to become Board members, consistent with criteria approved by the Board, and recommends to the Board the nominees to stand for election as directors at the annual meeting of shareholders. The Committee also identifies Board members qualified to fill vacancies on any committee of the Board and recommends that the Board appoint the identified member or members to the respective committee. The Corporate Governance/Nominating Committee met three times during 2016.

Compensation of Directors

The Board of Directors approved the following Board Compensation Plan effective February 17, 2016. In 2016, each independent director received \$600 per board and board committee meeting with the exception of the Bank Loan Committee, for which committee the independent directors received \$800 per meeting. Independent directors also receive an annual retainer of \$5,000 as compensation for board and committee attendance. The board's chairman received \$900 per board meeting and \$600 per board committee meeting, along with an annual retainer of \$51,200. Committee chairs received \$900 per committee meeting with the exception of the Audit Committee Chair who receives \$1,200 per Audit Committee meeting. From time to time, the Board members receive equity award grants from the Company's equity based compensation plans.

The following table sets forth non-employee director compensation for 2016:

Director Compensation

Name	Fees Earned or Paid in Cash (\$)	Option Awards (#)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation (\$) *	Total (\$)
Sheila Frowsing	18,600				-	18,600
Jack Holt	24,700				-	24,700
Robert Kubo	18,700				3,000	21,700
Lorrie Lorenz	19,200				345	19,545
Jared Martin	22,400				848	23,248
David Price	74,900				12,638	87,538
Mark Saleh	27,400				401	27,801
Joel Slonski	32,100				1,981	34,081
Al Smith	15,800				2,358	18,158
Daniel Suchy	17,580				-	17,580

**Includes reimbursements for conferences, director education and related travel expenses.*

Executive Compensation

Summary Compensation Table

The table below sets forth the compensation of our named executive officers for 2016:

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Restricted Stock Awards Fair Value at date of Grant (\$) ¹	All Other Compensation (\$)	Total (\$)
Steve Miller, CEO	2016	275,000	96,245	44,440	7,200	422,885
	2015	59,407	59,407	102,500	43,374 ²	264,688
Steve Canfield, CFO	2016	230,577 ³	66,000	48,480		345,057
	2015	211,541	64,858	51,250		327,649
	2014	182,974	59,832			242,806
Robert Reed, CCO	2016	161,000	48,300	36,360		245,660
	2015	157,500	48,289			205,789
	2014	148,700	48,624			197,324

¹Upon employment with the Company in October 2015, Mr. Miller received a grant of 10,000 shares of restricted stock from the Company's 2015 Equity Based Compensation Plan. In February 2016, Mr. Miller received an additional 4,400 shares of restricted stock. In October 2015, Mr. Canfield received 5,000 shares of restricted stock from the Company's 2015 Equity Based Compensation Plan and an additional 4,800 shares of restricted stock in February 2016. Mr. Reed received 3,600 shares of restricted stock in February 2016. Although there are conditions related to the executive(s) actually taking ownership of the restricted shares, including vesting of the grant over time, the value of the grant shown above assumes each executive will meet the conditions of the grant and remain in the Company's employment so that vesting will be satisfied.

² Includes \$40,665 in moving and relocation expenses.

³ Includes \$10,577 in accrued vacation time paid out in cash.

Fresno First Bank Equity Compensation Plan

In July 2015, the Company adopted the Communities First Financial Corporation 2015 Equity Based Compensation Plan to replace the expiring 2005 Plan. With the Company's adoption of the 2015 Equity Based Compensation Plan no further awards will be made from the 2005 Plan, and all shares available for grant will be transferred to the 2015 Equity Based Compensation Plan.

The purpose of the 2015 Equity Based Compensation Plan (the "Plan") is to promote the success of the Company by providing an additional means through the grant of Awards to attract, motivate, and retain key employees, including officers, and directors of the Company through the grant of stock-based compensation awards and incentives for high levels of individual performance and improved financial performance of the Company.

Outstanding Equity Awards at Fiscal Year-End

The following table shows outstanding stock option awards classified as exercisable and unexercisable as of December 31, 2016 for the persons named in the Summary Compensation Table above:

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
Steve Canfield, CFO	27,604		\$8.42	10/22/2017
	579		\$7.34	1/21/2020
Robert Reed, CCO	579		\$7.34	1/21/2020
	23,153		\$8.65	6/24/2020
	16,538		\$8.16	10/11/2022

The following table shows outstanding restricted stock grants not yet vested and the current value based on the Company's stock price at December 31, 2016.

Name	Number of Unvested Shares	Market Price at December 31, 2016	Market Value of Unvested Shares
Steve Miller, CEO	11,067	\$11.50	\$127,270
Steve Canfield, CFO	8,134	\$11.50	\$93,541
Robert Reed, CCO	3,600	\$11.50	\$41,400

Employment Contracts

The Bank has an employment agreement with Steve Miller, the President and Chief Executive Officer for a term of four (4) years, expiring December 31, 2019, providing for a current annual salary of \$300,000, which is to be reviewed at least annually. Mr. Miller is eligible for an annual performance bonus based on criteria set by the Company's Board of Directors as well as four weeks' vacation. Mr. Miller also receives a car allowance and a country club membership. Under the agreement, Mr. Miller is entitled to certain severance benefits if terminated without cause or after a change of control. Should Mr. Miller's employment be terminated without cause, Mr. Miller is entitled to receive a lump sum equal to twelve months base salary then in effect, less applicable state and federal withholdings. Should a change of control event occur, the agreement provides for the following benefits: If, within twelve months after a change in control of the Company, Mr. Miller's employment is terminated by the Bank other than for cause, disability or retirement, then Mr. Miller is entitled to a lump sum equal to two times his then annual base salary, plus an amount equal to the monthly payments for 12 months of COBRA coverage, if and as available, less applicable state and federal withholdings.

The Bank entered into an employment agreement with Steve R. Canfield, the Executive Vice President and Chief Financial Officer, that provides for a base salary of \$220,000 per year. In addition, Mr. Canfield is eligible for an annual performance bonus in an amount and based on criteria set by the Company's Board of Directors as well as four weeks' vacation. Under the agreement, Mr. Canfield is entitled to certain severance benefits if terminated without cause or after a change of control. Should Mr. Canfield's employment be terminated without cause, Mr. Canfield is entitled to receive a lump sum equal to twelve months base salary then in effect, less applicable state and federal withholdings. Should a change of control event occur, his arrangement provides for the following benefits. If, within twelve months after a change in control of the Company, Mr. Canfield's employment by the Bank is terminated other than for cause, disability or retirement, then Mr. Canfield is entitled to a lump sum equal to two times his then annual base salary, plus an amount equal to the monthly payments for 12 months of COBRA coverage, if and as available, less applicable state and federal withholdings.

The Bank also entered into an employment agreement with Robert Lee Reed, the Executive Vice President and Chief Credit Officer, that provides for a base salary of \$161,000 per year. In addition, Mr. Reed is eligible for an annual performance bonus in an amount and based on criteria set by the Company's Board of Directors as well as four weeks' vacation. Under the agreement, Mr. Reed is entitled to certain severance benefits if terminated without cause or after a change of control. Should Mr. Reed's employment be terminated without cause, Mr. Reed is entitled to receive a lump sum equal to twelve months base salary then in effect, less applicable state and federal withholdings. Should a change of control event occur, his arrangement provides for the following benefits. If, within twelve months after a change in control of the Company, Mr. Reed's employment by the Bank is terminated other than for cause, disability or retirement, then Mr. Reed is entitled to a lump sum equal to two times his then annual base salary, plus an amount equal to the monthly payments for 12 months of COBRA coverage, if and as available, less applicable state and federal withholdings.

In addition to the compensation set forth above, it is anticipated that each senior officer will participate in any other compensation programs that may be adopted by the Board of Directors. Their employment will also provide for participation in group insurance benefits, including medical, dental, disability and life insurance, as well as participation in other group benefits.

Transactions with Related Persons, Promoters and Certain Control Persons

Except as set forth below under “Indebtedness of Management” there have been no transactions, or series of similar transactions during 2016, or any currently proposed transaction, or series of similar transactions, to which the Company was or is to be a party, in which the amount involved, exceeded or will exceed \$120,000, or 1% of the Company’s average assets at year-end since the Company’s inception, and in which any director (or nominee for director) of the Company, executive officer of the Company, any shareholder owning of record or beneficially 5% or more of the Company’s Common Stock, or any member of the immediate family of any of the foregoing persons, had, or will have, a direct or indirect material interest.

Indebtedness of Management

The Company has had, and expects in the future to have, banking transactions in the ordinary course of its business with many of the Company’s directors and officers and their associates, including transactions with corporations of which such persons are directors, officers or controlling shareholders, on substantially the same terms (including interest rates and collateral) as those prevailing for comparable transactions with others. Management believes that in 2016 such transactions comprising of loans did not involve more than the normal risk of collectability or present other unfavorable features. Loans to executive officers of the Company are subject to limitations as to amount and purposes prescribed in part by the Federal Reserve Act, as amended, the regulations of the Federal Deposit Insurance Corporation and the California Financial Code.

PROPOSAL NO. 1

ELECTION OF DIRECTORS OF THE COMPANY

The number of directors authorized for election at the Meeting is eleven (11). Management has nominated eleven (11) incumbent directors to continue to serve as the Company's directors. Each director will hold office until the next Annual Meeting of Shareholders and until his or her successor is elected and qualified.

All proxies will be voted for the election of the eleven (11) nominees listed below recommended by the Board of Directors unless authority to vote for the election of any directors is withheld. The nominees receiving the highest number of affirmative votes of the shares entitled to be voted for them shall be elected as directors. Abstentions and votes cast against nominees have no effect on the election of directors. If any of the nominees should unexpectedly decline or be unable to act as a director, their proxies may be voted for a substitute nominee to be designated by the Board of Directors. The Board of Directors has no reason to believe that any nominee will become unavailable and has no present intention to nominate persons in addition to or in lieu of those named below.

The Board's nominees are:

**Sheila Frowsing
Robert Kubo
Steve Miller
David Price
Joel Slonski
Daniel Suchy**

**Jack Holt
Lorrie Lorenz
Jared Martin
Mark Saleh
Alvin Smith**

PROPOSAL NO. 2

**AMENDMENT OF THE
ARTICLES OF INCORPORATION
OF
COMMUNITIES FIRST FINANCIAL CORPORATION**

Description of Proposal

The Company's Board of Directors continually reviews strategic alternatives, and believes it is prudent to maintain a sufficient number of authorized but unissued shares of common stock to allow for appropriate levels of capital to be raised through the issuance of additional common stock, for use in equity compensation for employees and directors, or for issuance in connection with strategic transactions. The company presently has common stock outstanding totaling greater than one-half of the total shares of common stock authorized in its Articles of Incorporation. Although the Company has no present plans or agreements to issue additional common stock (other than shares reserved for issuance under the Company's 2015 Equity Compensation Plan), the Board of Directors has determined the current number of authorized shares is inadequate to appropriately prepare for future capital raising activities or other strategic alternatives. Accordingly, the Board approved an amendment to the Company's Articles of Incorporation to increase the number of shares authorized to fifty million (50,000,000) from the presently authorized five million (5,000,000), a number it believes will be adequate for the foreseeable future. Through this proposal, the Board seeks shareholder approval for this amendment.

Proposed Amendment to Articles of Incorporation

The first paragraph of the existing provision of our Articles of Incorporation regarding authorized stock currently provides as follows:

"FOUR: This Corporation is authorized to issue two classes of stock, designated "Common Stock" and "Preferred Stock." The number of shares of Common Stock the corporation is authorized to issue is 5,000,000. The number of shares of Preferred Stock the corporation is authorized to issue is 5,000,000. The Common Stock and the Preferred Stock shall have no par value."

As amended, this paragraph would read in full as follows:

"FOUR: This Corporation is authorized to issue two classes of stock, designated "Common Stock" and "Preferred Stock." The number of shares of Common Stock the corporation is authorized to issue is 50,000,000. The number of shares of Preferred Stock the corporation is authorized to issue is 5,000,000. The Common Stock and the Preferred Stock shall have no par value."

Board of Directors' Recommendation and Required Vote

Approval of this proposal requires the affirmative vote of a majority of the shares of the Company's common stock represented and voting at the Annual Meeting with respect to this proposal.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR"
THIS PROPOSAL.**

PROPOSAL NO. 3

RATIFICATION OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors of the Company has selected Crowe Horwath LLP (“Crowe”) to serve as the independent public accountants for the 2017 fiscal year and recommends that the shareholders vote “FOR” ratification of the selection of Crowe as the Company’s independent public accountants for the 2017 fiscal year.

Crowe provides audit services, consultation in connection with various accounting matters and preparation of corporation income tax returns and has no interest, financial or otherwise, in the Company, and prior to their engagement, had provided no services to the Company.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” THE RATIFICATION OF CROWE AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2017.

Fees Paid to the Independent Auditors in 2016.

During the fiscal year ended December 31, 2016, Crowe was the Company’s independent auditor. The Board considered and deemed the services provided by Crowe compatible with maintaining the principle accountant’s independence. The Audit Committee approved all services described above in the discussion of fees paid to Crowe which are consistent with the fees paid by the Company in prior years for services of a similar nature. Less than half the total hours expended on Crowe’s engagement to audit our financial statements for the 2016 fiscal year were attributed to work performed by persons other than Crowe’s full-time permanent employees. Fees paid to Crowe consisted of the following:

Audit Fees. Aggregate audit fees billed to the Company by Crowe during the 2016 fiscal year for audit of our annual financial statements totaled \$49,500.

Tax Fees. Aggregate tax fees billed to the Company by Crowe during the 2016 fiscal year for tax compliance, tax advice, or tax planning totaled \$12,550.

OTHER MATTERS

The Board of Directors knows of no other matters that will be brought before the Meeting, but if such matters are properly presented at the Meeting, proxies solicited hereby will be voted in accordance with the discretion of the persons holding such proxies. All shares represented by duly executed proxies will be voted at the Meeting in accordance with the terms of such proxies.

COMMUNITIES FIRST FINANCIAL CORPORATION

Fresno, California

April 10, 2017

By: Steve Miller
President & CEO