

COMMUNITY FIRST, INC.
AUDIT COMMITTEE CHARTER

Purpose

There shall be a committee of the Company's Board of Directors (the "Board") to be known as the Audit Committee (the "Committee"). The Committee's purpose is to:

- a. Oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company; and
- b. Prepare the report required by the rules promulgated by the Securities and Exchange Commission (the "SEC") to be included in the Company's annual report to shareholders and filed with the SEC.

Composition

The Committee shall consist of at least three (3) members of the Board who meet the definitions of "independence" set forth by the Nasdaq Stock Market and Rule 10A-3 promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"). Members of the Committee must not have participated in the preparation of the financial statements of the Company or any subsidiary of the Company at any time during the past three years; and must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement.

The Board shall annually appoint the members of the Committee, determine that all such members meet the above described "independence" definitions, and determine whether the Committee has at least one member who is an "audit committee financial expert" as defined in Item 401 of Regulation S-K.

The Board shall elect or appoint a chairperson of the Committee. The chairperson will have authority to act on behalf of the Committee between meetings.

Specific Responsibilities and Authority

The specific responsibilities and authority of the Committee shall be as follows:

- a. Appointing, compensating, retaining and overseeing the work of the Company's independent accountants (including resolution of disagreements between management and the independent accountants regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The Company's independent accountants must report directly to the Committee.
- b. Establishing procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.
- c. Receiving appropriate funding from the Company, as determined by the Committee, for payment of: (i) compensation to the Company's independent accountants for work performed for the purpose of preparing or issuing an audit report or performing other audit, review or attest

services for the Company; and (ii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

- d. Ensuring its receipt from the Company's independent accountants of a formal written statement delineating all relationships between the independent accountants and the Company, consistent with the Public Company Accounting Oversight Board's applicable requirements, and actively engaging in a dialogue with the independent accountants with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent accountants and for taking, or recommending that the full Board take, appropriate action to oversee the independence of the independent accountants.
- e. Reporting to the Board on at least a quarterly basis.
- f. Reviewing and approving all related-party transactions as required by the rules of the Nasdaq Stock Market or other applicable legal or regulatory requirement.
- g. Reviewing and reassessing the adequacy of this Charter annually.
- h. Establishing procedures for the preapproval of audit and non-audit services performed by the independent accountants in order to assure that such services are consistent with the SEC's rules and do not impair auditor independence.
- i. Making such other recommendations to the Board on such matters, within the scope of its function, as may come to its attention and which, in its discretion, warrant consideration by the Board.
- j. Engaging independent counsel and other advisers as it determines necessary or appropriate to carry out its duties.

General Comments

While the fundamental responsibility for the Company's financial statements and disclosures rests with management and the independent accountants, the Committee will review (A) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (B) analyses prepared by management and/or the independent accountants setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of the implementation of any alternative generally accepted accounting principle ("GAAP") methods on the financial statements; and (C) the effect of any regulatory and accounting initiatives, as well as any off-balance sheet structures, on the financial statements of the Company.

Meetings

The Committee shall meet at least four times per year on a quarterly basis, or more frequently as circumstances require. One or more meetings may be conducted in whole or in part by telephone conference call or similar means if it is impracticable to obtain the personal presence of each Committee member. The Company shall make available to the Committee, at its meetings and otherwise, such individuals and entities as may be designated from time to time by the Committee, such as members of management including (but not limited to) the internal audit and accounting staff, the independent

accountants, outside counsel, and other individuals or entities (whether or not employed by the Company and including any individuals or entities performing internal audit services as independent contractors).

Delegation

Any duties and responsibilities of the Committee, including, but not limited to, the authority to preapprove all audit and permitted non-audit services, may be delegated to one or more members of the Committee or a subcommittee of the Committee.

Limitations

The Committee is responsible for the duties and responsibilities set forth in this charter, but its role is oversight and therefore it is not responsible for either the preparation of the Company's financial statements or the auditing of the Company's financial statements. The members of the Committee are not employees of the Company and may not be accountants or auditors by profession or experts in accounting or auditing. Management has the responsibility for preparing the financial statements and implementing internal controls and the independent accountants have the responsibility for auditing the financial statements and monitoring the effectiveness of the internal controls, subject, in each case, to the oversight of the Committee described in this charter. The review of the financial statements by the Committee is not of the same character or quality as the audit performed by the independent accountants. The oversight exercised by the Committee is not a guarantee that the financial statements will be free from mistake or fraud. In carrying out its responsibilities, the Committee believes its policies and procedures should remain flexible in order to best react to a changing environment.

Approved by the Board of Directors
February 17, 2009