Avista Corporation

Private Placement of First Mortgage Bonds

Summary of Proposed Terms

The securities being offered will be a new series of First Mortgage Bonds issued under the Mortgage and Deed of Trust, dated as of June 1, 1939, from Avista Corporation (the "Company") to Citibank, NA., successor trustee, as amended and supplemented (the "Mortgage"). The new series of bonds will be created, and the terms thereof will be set forth, in the Sixty-seventh Supplemental Indenture, to be dated as of March 1, 2023 (the "Supplemental Indenture"). The form of Supplemental Indenture, which has been prepared by Bracewell LLP, counsel to the Company, has been posted to the Intralinks site, together with a blackline showing changes from the Sixty-fifth Supplemental Indenture, which created the series of bonds issued in the Company's most recent private placement.

The new bonds will be sold pursuant to a Bond Purchase Agreement between Avista Corporation and the Purchasers. The form of Bond Purchase Agreement, which has been prepared by Choate, Hall & Stewart LLP, counsel to the Purchasers has also been posted to the Intralinks site, together with a blackline showing changes from the agreement used in the Company's last private placement of bonds. The Bond Purchase Agreement is based on the Model Form No. 2, except that the provisions relating to the new bonds, the terms thereof and the security therefor are found in the Mortgage including the Supplemental Indenture.

This summary does not cover all aspects of the transaction and is qualified in its entirety by the Mortgage. See the Description of Avista Mortgage which has also been posted on Intralinks.

Issuer	Avista Corporation
Issue(s)	First Mortgage Bonds (the "Bonds") to be issued under the Mortgage, which, at the election of the Company, may be issued in multiple series if there is more than one maturity.
Principal Amount	Aggregate of $200,000,000 which, at the option of the Company, may be increased or decreased.
Maturity	30-year bullet maturity (April 1, 2053).
Closing and Funding	March 30, 2023
Issue Price	Par.
Interest Rate	Margin will be determined via an auction process and added to the yield on the comparable Treasury Notes (will be priced off the 30 year US Treasury 3.625% due February 15, 2053). Interest will be payable semi-annually in arrears, computed on the basis of twelve 30-day months in a year of 360 days.
Ranking	The Bonds will be senior secured obligations of the Company, ranking pari passu in all respects with the Company's other First Mortgage Bonds outstanding under the Mortgage.
Security	The Bonds (but not the Bond Purchase Agreement) will be secured, pari passu with other bonds outstanding under the Mortgage, by a first lien on the Company's facilities for the generation, transmission and distribution of electric energy and the storage and distribution of natural gas, subject to "excepted encumbrances" (as defined in the Mortgage) and other encumbrances, defects or irregularities that are not material in the operation of the Company's business.

Use of Proceeds

Net proceeds from the sale of the Bonds will be used for the construction or improvement of utility facilities, to refinance existing indebtedness incurred for such purposes, or to reimburse the treasury for moneys expended for such purposes.

Optional Redemption

Prior to October 1, 2052, the Bonds shall be redeemable at any time, at the option of the Company, in whole or in part, at the Make-Whole Price. The “Make-Whole Price” will be defined as the greater of

(i) par or

(ii) (ii) the present value of the remaining principal and interest payments due on the Bonds discounted by the yield on the U.S. Treasury constant maturity corresponding to the remaining life of the Bonds (assuming for this purpose that the stated maturity date were October 1, 2052) plus 50 basis points, less accrued interest to the redemption date,

plus, in any case, accrued and unpaid interest.

On or after October 1, 2052, the Bonds may be redeemed at any time, in whole or in part, at the option of the Company, at a redemption price equal to one hundred percent of the principal amount of the series being redeemed, plus accrued and unpaid interest but without make-whole premium.

Covenants in Bond Purchase Agreement

- Quarterly and annual financial statements of the Company (satisfied by filing SEC reports);
- SEC and other reports and notices of defaults;
- Additional requested information and visitation and inspection rights;
- Compliance with law;
- Terrorism sanctions regulations; and
- Expenses

Covenants in Mortgage

- Delivery of financial statements, reports, officers’ certificates and other information set forth in the Mortgage (as required by the Trust Indenture Act of 1939);
- Possession and maintenance of mortgaged property free and clear of Liens (subject to certain exceptions);
- Maintenance of property and insurance;
- Payment of taxes and claims;
- Corporate existence;
- Maintenance of books and records;
- Merger and consolidation; and
- Limitations on release of collateral.

Additional Bonds

Additional bonds may be issued under the Mortgage on the basis of

- 66 2/3% of cost or fair value to the Company (whichever is less) of property additions which have not previously been made the basis of any application under the Mortgage;
- an equal principal amount of other bonds outstanding under the Mortgage which have been or are to be paid, redeemed or otherwise retired; or
- deposit of cash.

	In general, Avista may not issue additional bonds on the basis of property additions or cash unless net earnings for 12 consecutive months out of the preceding 18 calendar months (before income taxes, depreciation and amortization, property losses and interest on indebtedness and amortization of debt discount and expense) are at least twice the annual interest requirement on all bonds at the time outstanding under the Mortgage including the additional bonds. The Company is required to satisfy the net earning requirements prior to the issuance of additional bonds on the basis of retired bonds if • the annual interest requirements on such retired bonds have been excluded from a net earnings certificate delivered since the retirement of such bonds; or • the retired bonds mature more than two years after the issuance date of the bonds proposed to be issued and the new bonds will bear interest at a higher rate than the retired bonds.
Events of Default	Events of default under the Mortgage are • Failure to pay principal or premium when due at maturity or otherwise; • Failure to pay interest within 60 days of due date; • Failure to perform any of the covenants for 90 days after notice to the Company from the Trustee; • Failure to pay interest on, or principal of any qualified prior lien bonds beyond any grace period specified in the prior lien securing such prior lien bonds; or • Certain events of bankruptcy or insolvency of the Company. Events of Defaults do not include violations of the Bond Purchase Agreement. If an Event of Default has occurred and is continuing, the Trustee may, and upon the request of holders of a majority in principal amount of all bonds outstanding under the Mortgage shall, declare the principal of and accrued interest on all Mortgage bonds immediately due and payable. No premium on the Bonds, or any other series of Mortgage bonds, would be payable upon any such acceleration.
Conditions Precedent	Usual and customary for transactions of this type.
Amendment of Mortgage	The Mortgage may be amended with the consent of the holders of 60% in principal amount of the affected series of Mortgage bonds, considered as one class; provided, that the Mortgage may also be amended in certain limited respects without the consent of bondholders.
Definitions	Definitions will be as set forth in the Mortgage and the Bond Purchase Agreement.
Counsel to Bond Purchasers	Choate, Hall & Stewart LLP will represent the Purchasers in connection with their purchase of the Bonds.
Counsel to Company	Bracewell LLP, which regularly represents the Company in corporate and securities matters, will represent the Company in connection with the issuance and sale of the Bonds.
Joint Lead Agents	J.P. Morgan Securities LLC KeyBanc Capital Markets Inc.

Co Agent	Siebert Williams Shank & Co., LLC
Expenses	Company will pay all reasonable and documented out-of-pocket costs and expenses (including reasonable attorneys' fees of one special counsel for all holders) incurred by the Bond purchasers in connection with the transaction.