

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No.)***

CytoDyn Inc.
(Name of Issuer)

Common Stock, No Par Value
(Title of Class of Securities)

23283M101
(CUSIP Number)

Jordan Naydenov
20533 S.E. Evergreen Highway
Camas, Washington 98607
Telephone: (360) 798-1616
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

Copy to:
Mary Ann Frantz
Miller Nash LLP
111 S.W. Fifth Avenue, Suite 3400
Portland, Oregon 97204
Telephone: (503) 224-5858

September 28, 2009
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1.	Names of reporting persons I.R.S. Identification Nos. of Above Persons (Entities Only) Jordan Naydenov	
2.	Check the appropriate box if a member of a group (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC use only	
4.	Source of funds PF	
5.	Check box if disclosure of legal proceedings is required pursuant to Item 2(d) or 2(e) <input type="checkbox"/>	
6.	Citizenship or place of organization United States	
Number of shares beneficially owned by each reporting person with:	7.	Sole voting power 4,412,942
	8.	Shared voting power 0
	9.	Sole dispositive power 4,412,942
	10.	Shared dispositive power 0
11.	Aggregate amount beneficially owned by each reporting person 4,412,942	
12.	Check box if the aggregate amount in Row 11 excludes certain shares <input type="checkbox"/>	
13.	Percent of class represented by amount in Row 11 13.0 percent	
14.	Type of reporting person IN	

Item 1. Security and Issuer.

The title of the class of equity securities to which this Schedule 13D (the "Statement") relates is common stock, no par value ("Common Stock"), of CytoDyn Inc., a Colorado corporation (the "Company"). The address of the Company's principal executive offices is 5 Centerpointe Drive, Suite 400, Lake Oswego, Oregon 97035.

Item 2. Identity and Background.

(a)-(c), (f) This Statement is filed by Jordan Naydenov (the "Reporting Person"), whose business address is 20533 S.E. Evergreen Highway, Camas, Washington 98607. Mr. Naydenov is a member of the Board of Directors of the Company. Mr. Naydenov also is Vice President and a Director of Milara, Inc., and a Director of Milara International. The Reporting Person is a citizen of the United States.

(d)-(e) During the last five years, the Reporting Person has not (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

The source of funds used by the Reporting Person to purchase securities issued by the Company is the Reporting Person's personal funds. During the period from March through June 2009, the Reporting Person acquired a total of 606,400 shares of Common Stock, together with warrants to purchase an additional 303,200 shares of Common Stock, for a total purchase price of \$303,200 in cash. Later in 2009 and early 2010, the Reporting Person purchased a total of 60,000 shares of the Company's Series B Convertible Preferred Stock, no par value ("Series B Stock"), for \$300,000 in cash, which were converted into 600,000 shares of Common Stock on February 7, 2012, together with 60,000 shares of Common Stock in lieu of accrued cash dividends. On October 16, 2012, the Reporting Person paid \$1,000,000 in cash in exchange for the Note and Warrant (in each case, as defined in Item 5(c) below). The Reporting Person has also been granted a total of 14,176 shares of Common Stock and stock options to purchase a total of 200,000 shares of Common Stock as compensation for his services as a member of the Company's Board of Directors.

Item 4. Purpose of Transaction.

The Reporting Person may acquire or dispose of shares of Common Stock or securities convertible into or exercisable for shares of Common Stock from time to time for personal reasons. The Reporting Person may also, in the ordinary course of acting in his capacity as a member of the Board of Directors of the Company, engage in activities which relate to or would result in any or all of the items listed in Item 4(a)-(j).

Except as set forth above, the Reporting Person, as of the date of this Statement, does not have any present plans or proposals which relate to or would result in:

- (a) The acquisition by any person of additional securities of the Company, or the disposition of securities of the Company;

- (b) An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries;
- (c) A sale or transfer of a material amount of assets of the Company or any of its subsidiaries;
- (d) Any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;
- (e) Any material change in the present capitalization or dividend policy of the Company;
- (f) Any other material change in the Company's business or corporate structure;
- (g) Changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person;
- (h) Causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;
- (i) A class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934; or
- (j) Any action similar to any of those enumerated above.

Item 5. Interest in Securities of the Issuer.

(a)-(b) As of the date of this report, the Reporting Person beneficially owns 4,412,942 shares of Common Stock, or 13.0% (based on 30,765,663 shares of Common Stock outstanding as of May 31, 2013). The Reporting Person has the sole power to direct the vote and to dispose of 4,412,942 shares of Common Stock. Of these shares, 1,280,576 shares are presently outstanding, 303,200 shares are issuable upon the exercise of warrants issued in 2009 at an exercise price of \$1.00 per share, 162,500 shares are covered by outstanding stock options that are now, or within 60 days will become, exercisable with exercise prices ranging from \$.80 to \$2.00 per share, and 2,666,666 shares are issuable upon the exercise or conversion of the Note and Warrant described in subsection (c) below.

(c) On September 28, 2009, the Reporting Person purchased 40,000 shares of the Company's Series B Stock from the Company for a purchase price of \$5.00 per share, or a total purchase price of \$200,000. On January 13, 2010, the Reporting Person purchased an additional 20,000 shares of Series B Stock from the Company for a purchase price of \$5.00 per share, or a total purchase price of \$100,000. The 60,000 shares of Series B Stock were converted into 600,000 shares of Common Stock on February 7, 2012, at a conversion price of \$.50 per share, together with 60,000 shares of Common Stock issued in satisfaction of accrued dividends on the Series B Stock at a deemed price of \$.50 per share.

On October 16, 2012, the Company issued a convertible promissory note (the "Note") with a three-year term in the principal amount of \$1,000,000 to the Reporting Person in exchange for \$1,000,000 in cash in connection with its private placement of debt securities. The principal amount of the Note is convertible in whole or in part into shares of Common Stock at a conversion price of \$.75 per share, or a total of 1,333,333 shares. Accrued but unpaid interest at the rate per annum of 5% may also be satisfied through the issuance of additional shares of Common Stock at the time of any such conversion.

In connection with issuance of the Note, on October 16, 2012, the Company also issued to the Reporting Person a Warrant to purchase 1,333,333 shares of Common Stock at a purchase price of \$2.00 per share, exercisable at any time through October 15, 2014.

The Company has granted stock options to the Reporting Person to purchase shares of Common Stock, as compensation for services as a member of the Company's Board of Directors, as follows:

Grant Date	Number of Option Shares	Per Share Exercise Price
1/13/2010	75,000	\$ 1.95
8/9/2011	50,000	\$ 2.00
6/1/2012	25,000	\$ 1.55
6/1/2013	50,000	\$ 0.80

The Company has also issued to the Reporting Person shares of Common Stock, as compensation for services as a member of the Company's Board of Directors, as follows:

<u>Date of Issuance</u>	<u>Number of Shares</u>
5/31/2012	3,743
8/31/2012	3,246
11/30/2012	1,562
2/28/2013	2,500
5/31/2013	3,125

(d)-(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Except as described in Item 5 above and in this Item, there are no contracts, arrangements, understandings or relationships (legal or otherwise) between the Reporting Person or between the Reporting Person and any other person with respect to any securities of the Company, including but not limited to transfer or voting of any of the securities, finders' fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

On April 11, 2013, Mr. Naydenov was issued a one-year promissory note by the Company with a principal amount of \$500,000 in exchange for cash in an equal amount. The principal is payable in cash in a single payment at maturity and bears simple interest at the rate of 15% per annum. The interest is payable in the form of Common Stock at a rate of \$0.50 per share and is payable semiannually in arrears.

Item 7. Material to be Filed as Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Form of 2009 Common Stock Warrant Agreement.
99.2	Stock Option Award Agreement dated January 13, 2010.
99.3	Stock Option Award Agreement dated August 9, 2011.
99.4	Stock Option Award Agreement dated June 1, 2012.
99.5	Stock Option Award Agreement dated June 1, 2013.
99.6	Convertible Promissory Note dated October 16, 2012. Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2013.
99.7	Warrant to Purchase Common Stock dated October 16, 2012.
99.8	Promissory Note dated April 11, 2013.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Dated: July 23, 2013

/s/ Jordan Naydenov

Jordan Naydenov

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations. (See 18 U.S.C. 1001.)

FORM OF 2009 COMMON STOCK WARRANT AGREEMENT

THE WARRANT A REPRESENTED BY THIS CERTIFICATE AND THE SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") NOR QUALIFIED UNDER THE CALIFORNIA CORPORATE SECURITIES LAW OF 1968, AS AMENDED, (THE "CALIFORNIA SECURITIES LAW"). THIS WARRANT A HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR FOR SALE IN CONNECTION WITH, ANY DISTRIBUTION THEREOF WITHIN THE MEANING OF THE SECURITIES ACT AND THE SECURITIES LAW. THIS WARRANT A AND THE SHARES ISSUABLE UPON EXERCISE THEREOF MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND COMPLIANCE WITH THE CALIFORNIA SECURITIES LAW OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY TO THE EFFECT THAT SUCH REGISTRATION AND COMPLIANCE ARE NOT REQUIRED.

Warrant A to Purchase
Shares of
Common Stock
As Herein Described

WARRANT A TO PURCHASE COMMON STOCK OF

CYTODYN, INC.

This is to certify that, for value received, Jordan Naydenov, or a proper assignee (in case, the "Holder"), is entitled to purchase, subject to the provisions of this Warrant A, from CytoDyn, Inc ("CytoDyn"), at any time after 180 days from the date of the execution of the (Promissory Note) (the "Commencement Date") to 5:00 p.m., California time, on the next business day five (5) years from the Commencement Date, (the "Expiration Date") at which time this Warrant A shall expire and become void, one (1) share for each \$1.00 invested, ("Warrant A Shares") of Common Stock (the "Common Stock") of CytoDyn, Inc., a Colorado corporation (the "Company"). This Warrant A shall be exercisable at One Dollar (\$1.00) per share (the "Exercise Price"). The number of shares of Common Stock to be received upon exercise of this Warrant A and the Exercise price shall be adjusted from time to time as set forth below. This Warrant A also is subject to the following terms and conditions:

1. Exercise and Payment; Exchange.

(a) This Warrant A may be exercised in whole or in part at any time from and after the date hereof and before the Expiration Date, but if such date is a day on which federal or state chartered banking institutions located in the State of California are authorized to close, then on the next succeeding day which shall not be such a day. Exercise shall be by presentation and surrender to CytoDyn, or at the office of any transfer agent designated by the Company, of (i) this Warrant A, (ii) the attached exercise form properly executed, and (iii) a

certified or official bank check for the Exercise Price for the number of Warrant A Shares specified in the exercise form. If this Warrant A is exercised in part only, CytoDyn or the Company's transfer agent shall, upon surrender of the Warrant A, execute and deliver a new Warrant A evidencing the rights of the Holder to purchase the remaining number of Warrant A Shares purchasable hereunder. Upon receipt by CytoDyn of this Warrant A in proper form for exercise, accompanied by payment as aforesaid, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such Warrant A Shares shall not then be actually delivered by the Holder.

(b) Conditions to Exercise or Exchange. The restrictions in Section 7 shall apply, to the extent applicable by their terms, to any exercise or exchange of this Warrant A permitted by this Section 1.

2. Reservation of Shares. CytoDyn shall, at all times until the expiration of this Warrant A, reserve for issuance and delivery upon exercise of this Warrant A the number of Warrant A Shares which shall be required for issuance and delivery upon exercise of this Warrant A.

3. Fractional Interests. CytoDyn shall not issue any fractional shares or script representing fractional shares upon the exercise or exchange of this Warrant A. With respect to any fraction of a share resulting from the exercise or exchange hereof, CytoDyn shall pay to the Holder an amount in cash equal to such fraction multiplied by the current fair market value per share of Common Stock, determined as follows:

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such an exchange or is listed on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), the current fair market value shall be the last reported sale price of the Common Stock on such exchange or NASDAQ on the last business day prior to the date of exercise of this Warrant A or if no such sale is made on such day, the mean of the closing bid and asked prices for such day on such exchange or NASDAQ;

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges or quoted on NASDAQ, the current fair market value shall be the mean of the last bid and asked prices reported on the last business day prior to the date of the exercise of this Warrant A (i) by NASDAQ, or (ii) if reports are unavailable under clause (i) above, by the National Quotation Bureau Incorporated; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current fair market value shall be an amount, not less than book value, determined in such reasonable manner as may be prescribed by CytoDyn in good faith.

4. No Rights as Shareholders. This Warrant A shall not entitle the Holder to any rights as a shareholder of the Company, either at law or in equity. The rights of the Holder are limited to those expressed in this Warrant A and are not enforceable against the Company except to the extent set forth herein.

5. Adjustments in Number and Exercise Prices of Warrant A Shares.

5.1 The number of shares of Common Stock for which this Warrant A may be exercised and the Exercise Prices therefor shall be subject to adjustments as follows:

(a) If the Company is recapitalized through the subdivision or combination of its outstanding shares of Common Stock into a larger or smaller number of shares, the number of shares of Common Stock for which this Warrant A may be exercised shall be increased or reduced, as of the record date for such recapitalization in the same proportion as the increase or decrease in the outstanding shares of Common Stock, and the exercise price shall be adjusted so that the aggregate amount payable for the purchase of all of the Warrant A Shares issuable hereunder immediately after the record date for such recapitalization shall equal the aggregate amount so payable immediately before such record date.

(b) If the Company declares a dividend on Common Stock payable in Common Stock or securities convertible into Common Stock, the number of shares of Common Stock for which this Warrant A may be exercised shall be increased as of the record date for determining which holders of Common Stock shall be entitled to receive such dividend, in proportion to the increase in the number of outstanding shares (and shares of Common Stock issuable upon conversion of all such securities convertible into Common Stock) of Common Stock as a result of such dividend, and the Exercise Price shall be adjusted so that the aggregate amount payable for the purchase of all the Warrant A Shares issuable hereunder immediately after the record date for such dividend shall equal the aggregate amount so payable immediately before such record date.

(c) If the Company distributes to holders of its Common Stock, other than as part of its dissolution or liquidation or the winding up of its affairs, any shares of its Common Stock, any evidence of indebtedness or any of its assets (other than cash, Common Stock or securities convertible into Common Stock), the Company shall give written notice to the Holder of any such distribution at least fifteen days prior to the proposed record date in order to permit the Holder to exercise this Warrant A on or before the record date. There shall be no adjustment in the number of shares of Common Stock for which this Warrant A may be exercised, or in the Exercise Price, by virtue of any such distribution.

(d) If the Company offers rights or warrants to the holders of Common Stock which entitle them to subscribe to or purchase additional Common Stock or securities convertible into Common Stock, the Company shall give written notice of any such proposed offering to the Holder at least fifteen days prior to the proposed record date in order to permit the Holder to exercise this Warrant A on or before such record date. There shall be no adjustment in the number of shares of Common Stock for which this Warrant A may be exercised, or in the Exercise Price, by virtue of any such distribution.

(e) If the event, as a result of which an adjustment is made under paragraph (a), (b), (c) or (d) above, does not occur, then any adjustments in the Exercise Price or

number of shares issuable that were made in accordance with such paragraph (a), (b), (c) or (d) shall be adjusted to the Exercise Price and number of shares as were in effect immediately prior to the record date for such event.

5.2 In the event of any reorganization or reclassification of the outstanding shares of Common Stock (other than a change in par value or from no par value to par value, or from par value to no par value, or as a result of a subdivision or combination) or in the event of any consolidation or merger of the Company with another entity after which the Company is not the surviving entity, at any time prior to the expiration of this Warrant A, upon subsequent exercise of this Warrant A the Holder shall have the right to receive the same kind and number of shares of Common Stock and other securities, cash or other property as would have been distributed to the Holder upon such reorganization, reclassification, consolidation or merger had the Holder exercised this Warrant A immediately prior to such reorganization, reclassification, consolidation or merger, appropriately adjusted for any subsequent event described in this Section 5. The Holder shall pay upon such exercise the Exercise Price that otherwise would have been payable pursuant to the terms of this Warrant A. If any such reorganization, reclassification, consolidation or merger results in a cash distribution in excess of the then applicable Exercise Price, the holder may, at the Holder's option exercise this Warrant A without making payment of the Exercise Price, and in such case the Company shall, upon distribution to the Holder, consider the Exercise Price to have been paid in full, and in making settlement to the Holder, shall deduct an amount equal to the Exercise Price from the amount payable to the Holder. In the event of any such reorganization, merger or consolidation, the corporation formed by such consolidation or merger or the corporation which shall have acquired the assets of the Company shall execute and deliver a supplement hereto to the foregoing effect, which supplement shall also provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Warrant A.

5.3 If the Company shall, at any time before the expiration of this Warrant A, dissolve, liquidate or wind up its affairs, the Holder shall have the right to receive upon exercise of this Warrant A, in lieu of the shares of Common Stock of the Company that the Holder otherwise would have been entitled to receive, the same kind and amount of assets as would have been issued, distributed or paid to the Holder upon any such dissolution, liquidation or winding up with respect to such Common Stock receivable upon exercise of this Warrant A on the date for determining those entitled to receive any such distribution. If any such dissolution, liquidation or winding up results in any cash distribution in excess of the Exercise Price provided by this Warrant A, the Holder may, at the Holder's option, exercise this Warrant A without making payment of the Exercise Price and, in such case, the Company shall, upon distribution to the Holder, consider the Exercise Price to have been paid in full and, in making settlement to the Holder, shall deduct an amount equal to the Exercise Price from the amount payable to the Holder.

6. Notices to Holder. So long as this Warrant A shall be outstanding (a) if the Company shall pay any dividends or make any distribution upon the Common Stock otherwise than in cash or (b) if the Company shall offer generally to the holders of Common Stock the right to subscribe to or purchase any shares of any class of Common Stock or securities convertible into Common Stock or any similar rights or (c) if there shall be any capital reorganization of the Company in which the Company is not the surviving entity, recapitalization of the capital stock

of the Company, consolidation or merger of the Company with or into another corporation, sale, lease or other transfer of all or substantially all of the property and assets of the Company, or voluntary or involuntary dissolution, liquidation or winding up of the Company, then in such event, CytoDyn shall cause to be mailed to the Holder, at least thirty days prior to the relevant date described below (or such shorter period as is reasonably possible if thirty days is not reasonably possible), a notice containing a description of the proposed action and stating the date or expected date on which a record of the Company's shareholders is to be taken for the purpose of any such dividend, distribution of rights, or such reclassification, reorganization, consolidation, merger, conveyance, lease or transfer, dissolution, liquidation or winding up is to take place and the date or expected date, if any is to be fixed, as of which the holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such event.

7. Transfer, Exercise, Exchange, Assignment or Loss of Warrant A, Warrant A Shares or Other Securities.

7.1 This Warrant A may be transferred, exercised, exchanged or assigned ("transferred"), in whole or in part, subject to the following restrictions. This Warrant A and the Warrant A Shares or any other securities ("Other Securities") received upon exercise of this Warrant A shall be subject to restrictions on transferability until registered under the Securities Act of 1933, as amended (the "Securities Act"), unless an exemption from registration is available. Until this Warrant A and the Warrant A Shares or Other Securities are so registered, this Warrant A and any certificate for Warrant A Shares or Other Securities issued or issuable upon exercise of this Warrant A shall contain a legend on the fact thereof, in form and substance satisfactory to counsel for the Company, stating that this Warrant A, the Warrant A Shares or Other Securities may not be sold, transferred or otherwise disposed of unless, in the opinion of counsel satisfactory to the Company, which may be counsel to the Company, that the Warrant A, the Warrant A Shares or Other Securities may be transferred without such registration. This Warrant A and the Warrant A Shares or Other Securities may also be subject to restrictions on transferability under applicable state securities or blue sky laws. Until the Warrant A and the Warrant A Shares or Other Securities are registered under the Securities Act, the Holder shall reimburse the Company for its expenses, including attorneys' fees, incurred in connection with any transfer or assignment, in whole or in part, of this Warrant A or any Warrant A Shares or Other Securities.

7.2 Until this Warrant A, the Warrant A Shares or other Securities are registered under the Securities Act, the Company may require, as a condition of transfer of this Warrant A, the Warrant A Shares or other Securities that the transferee (who may be the Holder in the case of an exercise or exchange) represent that the securities being transferred are being acquired for investment purposes and for the transferee's own account and not with a view to or for sale in connection with any distribution of the security.

7.3 Any transfer permitted hereunder shall be made by surrender of this Warrant A to CytoDyn or to the Transfer Agent at its offices with a duly executed request to transfer the Warrant A, which shall provide adequate information to effect such transfer and shall be accompanied by funds sufficient to pay any transfer taxes applicable. Upon satisfaction of all transfer conditions, CytoDyn or Transfer Agent shall, without charge, execute and deliver a new Warrant A in the name of the transferee named in such transfer request, and this Warrant A promptly shall be cancelled.

7.4 Upon receipt by CytoDyn of evidence satisfactory to it of loss, theft, destruction or mutilation of this Warrant A and, in the case of loss, theft or destruction, of reasonable satisfactory indemnification, or, in the case of mutilation, upon surrender of this Warrant A, CytoDyn will execute and deliver, or instruct the Transfer Agent to execute and deliver, a new Warrant A of like tenor and date, any such lost, stolen or destroyed Warrant A thereupon shall become void.

8. Notices. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given, if delivered in person or mailed, certified, return-receipt requested, postage prepaid to the address set forth on the signature page below. Any party hereto may from time to time, by written notice to the other parties, designate a different address, which shall be substituted for the one specified below for such party. If any notice or other document is sent by certified or registered mail, return receipt requested, postage prepaid, properly addressed as aforementioned, the same shall be deemed served or delivered seventy-two (72) hours after mailing thereof. If any notice is sent by fax or email to a party, it will be deemed to have been delivered on the date the fax or email thereof is actually received, provided the original thereof is sent by certified mail, in the manner set forth above, within twenty-four (24) hours after the fax or email is sent.

9. Amendment. Any provision of this Warrant A may be amended or the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Holder.

10. Governing Law. This Warrant A shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the CytoDyn and the Holder have executed this Warrant A as of _____, 2009.

HOLDER

/s/ Jordan Naydenov

Jordan Naydenov

CYTODYN

/s/ Allen D. Allen

Allen D. Allen, President & CEO
1511 3rd Street
Santa Fe, NM 87505

[FORM OF EXERCISE]

(To be executed upon exercise of Warrant A)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant A Certificate, to purchase () shares of Common Stock and herewith tenders payment for such shares of Common Stock to the order of CytoDyn, Inc. the amount of \$1.00 per share in accordance with the terms hereof. The undersigned requests that a certificate for such shares of Common Stock be registered in the name of whose address is . If said number of shares of Common Stock is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant A Certificate representing the remaining balance of the shares of Common Stock be registered in the name of whose address is and that such Warrant A Certificate be delivered to , whose address is .

Dated:

Signature: _____
(Signature must conform in all respects to name of holders as specified on the face of the Warrant A Certificate.)

(Insert Social Security or Taxpayer Identification Number of Holder.)

CYTODYN INC.

2004 STOCK INCENTIVE PLAN

NOTICE OF STOCK OPTION AWARD

Grant Date January 13, 2010

Grantee's Name and Address:

Jordan Naydenov

You (the "Grantee") have been granted an option to purchase shares of Common Stock, subject to the terms and conditions of this Notice of Stock Option Award (the "Notice"), the CytoDyn Inc. 2004 Stock Incentive Plan, as amended from time to time (the "Plan") and the Stock Option Award Agreement (the "Option Agreement") attached hereto, as follows. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Notice.

Award Number 1

Vesting Commencement Date: Vesting commences one month after the Grant date. Options that are vested may be exercised when the Company's shareholders approve an increase in the number of shares of authorized common stock to at least 75,000,000 shares.

Exercise Price per Share	\$1.95
Total Number of Shares Subject to the Option (the "Shares")	75,000
Total Exercise Price	\$146,250
Type of Option:	Non-Qualified Stock Option
Expiration Date:	January 13, 2014
Post-Termination Exercise Period:	3 months

Vesting Schedule:

Subject to the limitations set forth in this Notice, the Plan and the Option Agreement, the Option may be exercised, in whole or in part, in accordance with the following schedule:

Vesting commences one month after the Grant date. Options that are vested may be exercised when the Company's shareholders approve an increase in the number of shares of authorized common stock to at least 75,000,000 shares. They will then vest monthly over 36 months.


During any authorized leave of absence, the vesting of the Option as provided in this schedule shall be suspended. Vesting of the Option shall resume upon the Grantee's termination of the leave of absence and return to service to the Company or a Related Entity. The Vesting Schedule of the Option shall be extended by the length of the suspension.

In the event of the Grantee's change in status from Employee to Consultant or from an Employee whose customary employment is 20 hours or more per week to an Employee whose customary employment is fewer than 20 hours per week, vesting of the Option shall continue only to the extent determined by the Administrator as of such change in status consistent with any minimum vesting requirements set forth in the Plan.

In the event of termination of the Grantee's Continuous Service for Cause, the Grantee's right to exercise the Option shall terminate concurrently with the termination of the Grantee's Continuous Service, except as otherwise determined by the Administrator.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Option is to be governed by the terms and conditions of this Notice, the Plan, and the Option Agreement.

CytoDyn Inc.,
a Colorado corporation

By: 

Title: Chairman and CEO

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE SHARES SUBJECT TO THE OPTION SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE OPTION AGREEMENT, OR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE RIGHT OF THE COMPANY OR RELATED ENTITY TO WHICH THE GRANTEE PROVIDES SERVICES TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

[Intentionally Blank]

The Grantee acknowledges receipt of a copy of the Plan and the Option Agreement, and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Option subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Plan, and the Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice, and fully understands all provisions of this Notice, the Plan and the Option Agreement. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Option Agreement shall be resolved by the Administrator in accordance with Section 13 of the Option Agreement. The Grantee further agrees to the venue selection and waiver of a jury trial in accordance with Section 14 of the Option Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

Dated: 1/13/2010

Signed: /s/ Jordan Naydenov, Grantee

CYTODYN INC. 2004 STOCK INCENTIVE PLAN

STOCK OPTION AWARD AGREEMENT

1. Grant of Option. CytoDyn Inc., a Colorado corporation (the "Company"), hereby grants to the Grantee (the "Grantee") named in the Notice of Stock Option Award (the "Notice"), an option (the "Option") to purchase the Total Number of Shares of Common Stock subject to the Option (the "Shares") set forth in the Notice, at the Exercise Price per Share set forth in the Notice (the "Exercise Price") subject to the terms and provisions of the Notice, this Stock Option Award Agreement (the "Option Agreement") and the Company's 2004 Stock Incentive Plan, as amended from time to time (the "Plan"), which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Option Agreement.

If designated in the Notice as an Incentive Stock Option, the Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of Shares subject to Options designated as Incentive Stock Options which become exercisable for the first time by the Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company) exceeds \$100,000, such excess Options, to the extent of the Shares covered thereby in excess of the foregoing limitation, shall be treated as Non-Qualified Stock Options. For this purpose, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the date the Option with respect to such Shares is awarded.

2. Exercise of Option.

(a) Right to Exercise. The Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice and with the applicable provisions of the Plan and this Option Agreement. The Option shall be subject to the provisions of Section 11 of the Plan relating to the exercisability or termination of the Option in the event of a Corporate Transaction or Change in Control. The Grantee shall be subject to reasonable limitations on the number of requested exercises during any monthly or weekly period as determined by the Administrator. In no event shall the Company issue fractional Shares.

(b) Method of Exercise. The Option shall be exercisable by delivery of an exercise notice (a form of which is attached as Exhibit A) or by such other procedure as specified from time to time by the Administrator which shall state the election to exercise the Option, the whole number of Shares in respect of which the Option is being exercised, and such other provisions as may be required by the Administrator. The exercise notice shall be delivered in person, by certified mail, or by such other method (including electronic transmission) as determined from time to time by the Administrator to the Company accompanied by payment of the Exercise Price. The Option shall be deemed to be exercised upon receipt by the Company of such notice accompanied by the Exercise Price, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 3(d), below.

(c) Taxes. No Shares will be delivered to the Grantee or other person pursuant to the exercise of the Option until the Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of applicable income tax and employment tax withholding obligations, including, without limitation, such other tax obligations of the Grantee incident to the receipt of Shares or the disqualifying disposition of Shares received on exercise of an Incentive Stock Option. Upon exercise of the Option, the Company or the Grantee's employer may offset or withhold (from any amount owed by the Company or the Grantee's employer to the Grantee) or collect from the Grantee or other person an amount sufficient to satisfy such tax withholding obligations.

3. Method of Payment. Payment of the Exercise Price shall be made by any of the following, or a combination thereof, at the election of the Grantee; provided, however, that such exercise method does not then violate any Applicable Law:

(a) cash;

(b) check;

(c) surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate Exercise Price of the Shares as to which the Option is being exercised, provided, however, that Shares acquired under the Plan or any other equity compensation plan or agreement of the Company must have been held by the Grantee for a period of more than six months (and not used for another Award exercise by attestation during such period);

(d) payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (i) shall provide written instructions to a Company-designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (ii) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction;

4. Restrictions on Exercise. The Option may not be exercised if the issuance of the Shares subject to the Option upon such exercise would constitute a violation of any Applicable Laws. In addition, the Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company. If the exercise of the Option within the applicable time periods set forth in Section 5, 6 and 7 of this Option Agreement is prevented by the provisions of this Section 4, the Option shall remain exercisable until one month after the date the Grantee is notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date set forth in the Notice.

5. Termination or Change of Continuous Service. In the event the Grantee's Continuous Service terminates, other than for Cause, the Grantee may, but only during the Post-Termination Exercise Period, exercise the portion of the Option that was vested at the date of

such termination (the "Termination Date"). The Post-Termination Exercise Period shall commence on the Termination Date. In the event of termination of the Grantee's Continuous Service for Cause, the Grantee's right to exercise the Option shall, except as otherwise determined by the Administrator, terminate concurrently with the termination of the Grantee's Continuous Service (also the "Termination Date"). In no event, however, shall the Option be exercised later than the Expiration Date set forth in the Notice. In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Option shall remain in effect. In the event of the Grantee's change in status from Employee to Director or Consultant, vesting of the Option shall continue only to the extent determined by the Administrator as of such change in status consistent with any minimum vesting requirements set forth in the Plan; provided, however, that with respect to any Incentive Stock Option that shall remain in effect after a change in status from Employee to Director or Consultant, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three months and one day following such change in status. Except as provided in Sections 6 and 7 below, to the extent that the Option was unvested on the Termination Date, or if the Grantee does not exercise the vested portion of the Option within the Post-Termination Exercise Period, the Option shall terminate.

6. Disability of Grantee. In the event the Grantee's Continuous Service terminates as a result of his or her Disability, the Grantee may, but only within 12 months commencing on the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date; provided, however, that if such Disability is not a "disability" as such term is defined in Section 22(e)(3) of the Code and the Option is an Incentive Stock Option, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three months and one day following the Termination Date. To the extent that the Option was unvested on the Termination Date, or if the Grantee does not exercise the vested portion of the Option within the time specified herein, the Option shall terminate. Section 22(e)(3) of the Code provides that an individual is permanently and totally disabled if he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

7. Death of Grantee. In the event of the termination of the Grantee's Continuous Service as a result of his or her death, or in the event of the Grantee's death during the Post-Termination Exercise Period or during the 12 month period following the Grantee's termination of Continuous Service as a result of his or her Disability, the person who acquired the right to exercise the Option pursuant to Section 8 may exercise the portion of the Option that was vested at the date of termination within 12 months commencing on the date of death (but in no event later than the Expiration Date). To the extent that the Option was unvested on the date of death, or if the vested portion of the Option is not exercised within the time specified herein, the Option shall terminate.

8. Transferability of Option. The Option, if an Incentive Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution and may be exercised during the lifetime of the Grantee only by the Grantee. The Option, if a Non-Qualified Stock Option, may not be transferred in any manner other than by will or by the laws

of descent and distribution, provided, however, that a Non-Qualified Stock Option may be transferred during the lifetime of the Grantee by gift or pursuant to a domestic relations order to members of the Grantee's Immediate Family to the extent and in the manner determined by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Incentive Stock Option or Non-Qualified Stock Option in the event of the Grantee's death on a beneficiary designation form provided by the Administrator. Following the death of the Grantee, the Option, to the extent provided in Section 7, may be exercised (a) by the person or persons designated under the deceased Grantee's beneficiary designation or (b) in the absence of an effectively designated beneficiary, by the Grantee's legal representative or by any person empowered to do so under the deceased Grantee's will or under the then applicable laws of descent and distribution. The terms of the Option shall be binding upon the executors, administrators, heirs, successors and transferees of the Grantee.

9. Term of Option. The Option must be exercised no later than the Expiration Date set forth in the Notice or such earlier date as otherwise provided herein. After the Expiration Date or such earlier date, the Option shall be of no further force or effect and may not be exercised.

10. Tax Consequences. Set forth below is a brief summary as of the date of this Option Agreement of some of the federal tax consequences of exercise of the Option and disposition of the Shares. **THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. THE GRANTEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.**

(a) Exercise of Incentive Stock Option. If the Option qualifies as an Incentive Stock Option, there will be no regular federal income tax liability upon the exercise of the Option, although the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price will be treated as income for purposes of the alternative minimum tax for federal tax purposes and may subject the Grantee to the alternative minimum tax in the year of exercise. However, the Internal Revenue Service issued proposed regulations which would subject the Grantee to withholding at the time the Grantee exercises an Incentive Stock Option for Social Security and Medicare based upon the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. These proposed regulations are subject to further modification by the Internal Revenue Service and, if adopted, would be effective only for the exercise of an Incentive Stock Option that occurs two years after the regulations are issued in final form.

(b) Exercise of Incentive Stock Option Following Disability. If the Grantee's Continuous Service terminates as a result of Disability that is not permanent and total disability as such term is defined in Section 22(e)(3) of the Code, to the extent permitted on the date of termination, the Grantee must exercise an Incentive Stock Option within three months of such termination for the Incentive Stock Option to be qualified as an Incentive Stock Option. Section 22(e)(3) of the Code provides that an individual is permanently and totally disabled if he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(c) Exercise of Non-Qualified Stock Option. On exercise of a Non-Qualified Stock Option, the Grantee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. If the Grantee is an Employee or a former Employee, the Company will be required to withhold from the Grantee's compensation or collect from the Grantee and pay to the applicable taxing authorities an amount in cash equal to a percentage of this compensation income at the time of exercise, and may refuse to honor the exercise and refuse to deliver Shares if such withholding amounts are not delivered at the time of exercise.

(d) Disposition of Shares. In the case of a Non-Qualified Stock Option, if Shares are held for more than one year, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal income tax purposes. In the case of an Incentive Stock Option, if Shares transferred pursuant to the Option are held for more than one year after receipt of the Shares and are disposed more than two years after the Date of Award, any gain realized on disposition of the Shares also will be treated as capital gain for federal income tax purposes and subject to the same tax rates and holding periods that apply to Shares acquired upon exercise of a Non-Qualified Stock Option. If Shares purchased under an Incentive Stock Option are disposed of prior to the expiration of such one-year or two-year periods, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates) to the extent of the difference between the Exercise Price and the lesser of (i) the Fair Market Value of the Shares on the date of exercise, or (ii) the sale price of the Shares.

11. Entire Agreement: Governing Law. The Notice, the Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan and this Option Agreement (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties. The Notice, the Plan and this Option Agreement are to be construed in accordance with and governed by the internal laws of the State of Colorado without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Colorado to the rights and duties of the parties. Should any provision of the Notice, the Plan or this Option Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

12. Construction. The captions used in the Notice and this Option Agreement are inserted for convenience and shall not be deemed a part of the Option for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

13. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Option Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

14. Venue and Waiver of Jury Trial. The Company, the Grantee, and the Grantee's assignees pursuant to Section 8 (the "parties") agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Option Agreement shall be brought in the United States District Court for New Mexico (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Colorado state court in the County of Santa Fe) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. **THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING.** If any one or more provisions of this Section 14 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

15. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

16. Confidentiality. The Company shall provide to the Grantee, during the period the Option is outstanding, copies of financial statements of the Company at least annually. The Grantee understands and agrees that such financial statements are confidential and shall not be disclosed by the Grantee, to any entity or person, for any reason, at any time, without the prior written consent of the Company, unless required by law. If disclosure of such financial statements is required by law, whether through subpoena, request for production, deposition, or otherwise, the Grantee promptly shall provide written notice to Company, including copies of the subpoena, request for production, deposition, or otherwise, within five (5) business days of their receipt by the Grantee and prior to any disclosure so as to provide Company an opportunity to move to quash or otherwise to oppose the disclosure. Notwithstanding the foregoing, the Grantee may disclose the terms of such financial statements to his or her spouse or domestic partner, and for legitimate business reasons, to legal, financial, and tax advisors.

END OF AGREEMENT

EXHIBIT A

CYTODYN INC. 2004 STOCK INCENTIVE PLAN

EXERCISE NOTICE

1511 Third Street
Santa Fe, NM 87505
Attention: Secretary

1. **Exercise of Option.** Effective as of today, _____, the undersigned (the "Grantee") hereby elects to exercise the Grantee's option to purchase _____ shares of the Common Stock (the "Shares") of CytoDyn Inc. (the "Company") under and pursuant to the Company's 2004 Stock Incentive Plan, as amended from time to time (the "Plan") and the [] Incentive [] Non-Qualified Stock Option Award Agreement (the "Option Agreement") and Notice of Stock Option Award (the "Notice") dated _____, _____. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Exercise Notice.

2. **Representations of the Grantee.** The Grantee acknowledges that the Grantee has received, read and understood the Notice, the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

3. **Rights as Stockholder.** Until the stock certificate evidencing such Shares is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 10 of the Plan.

4. **Delivery of Payment.** The Grantee herewith delivers to the Company the full Exercise Price for the Shares, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 3(d) of the Option Agreement.

5. **Tax Consultation.** The Grantee understands that the Grantee may suffer adverse tax consequences as a result of the Grantee's purchase or disposition of the Shares. The Grantee represents that the Grantee has consulted with any tax consultants the Grantee deems advisable in connection with the purchase or disposition of the Shares and that the Grantee is not relying on the Company for any tax advice.

6. **Taxes.** The Grantee agrees to satisfy all applicable foreign, federal, state and local income and employment tax withholding obligations and herewith delivers to the Company the full amount of such obligations or has made arrangements acceptable to the Company to satisfy such obligations. In the case of an Incentive Stock Option, the Grantee also agrees, as partial consideration for the designation of the Option as an Incentive Stock Option, to notify the Company in writing within 30 days of any disposition of any shares acquired by exercise of the

Option if such disposition occurs within two years from the Date of Award or within one year from the date the Shares were transferred to the Grantee. If the Company is required to satisfy any foreign, federal, state or local income or employment tax withholding obligations as a result of such an early disposition, the Grantee agrees to satisfy the amount of such withholding in a manner that the Administrator prescribes.

7. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this agreement shall inure to the benefit of the successors and assigns of the Company. This Exercise Notice shall be binding upon the Grantee and his or her heirs, executors, administrators, successors and assigns.

8. Construction. The captions used in this Exercise Notice are inserted for convenience and shall not be deemed a part of this agreement for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

9. Administration and Interpretation. The Grantee hereby agrees that any question or dispute regarding the administration or interpretation of this Exercise Notice shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10. Governing Law; Severability. This Exercise Notice is to be construed in accordance with and governed by the internal laws of the State of Colorado without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Colorado to the rights and duties of the parties. Should any provision of this Exercise Notice be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

11. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown below beneath its signature, or to such other address as such party may designate in writing from time to time to the other party.

12. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this agreement.

13. Entire Agreement. The Notice, the Plan and the Option Agreement are incorporated herein by reference and together with this Exercise Notice constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan, the Option Agreement and this Exercise Notice (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties.

Submitted by:

Accepted by:

GRANTEE:

CytoDyn Inc.

By: _____

Title: _____

(Signature)

Address:

Address:

1511 3rd Street

Santa Fe, NM 87505

THIS STOCK OPTION AND THE COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR APPLICABLE STATE SECURITIES LAWS. NEITHER THIS STOCK OPTION NOR THE COMMON STOCK ISSUABLE UPON EXERCISE HEREOF MAY BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE APPLICABLE SECURITIES UNDER SUCH ACT OR LAWS OR AN OPINION OF COUNSEL FOR THE HOLDER REASONABLY SATISFACTORY TO THE ISSUER STATING THAT SUCH REGISTRATION IS NOT REQUIRED.

CYTODYN INC.

STOCK OPTION AWARD AGREEMENT

This STOCK OPTION AWARD AGREEMENT (this "Option Agreement") is made August 9, 2011, by and between CytoDyn Inc., a Colorado corporation (the "Company"), and Jordan Naydenov (the "Grantee").

1. Grant of Option.

The Company hereby grants to the Grantee an option (the "Option") to purchase 50,000 shares of Common Stock (the "Shares") as of August 9, 2011 (the "Date of Grant") at the exercise price per Share of \$2.00 (the "Exercise Price") subject to the terms and conditions of this Option Agreement.

2. Application of Plan Terms.

Unless otherwise defined herein, the capitalized terms in this Option Agreement will have the same defined meanings as set forth in the Company's 2004 Stock Incentive Plan ("Plan"); provided, however, that the Option is not issued pursuant to the Plan and only certain provisions of the Plan, as specifically provided in this Option Agreement, apply to the Option and Shares.

3. Term.

The Option will automatically terminate on August 8, 2016 (the "Expiration Date"), to the extent not exercised, unless terminated earlier in accordance with this Option Agreement. After the Expiration Date or such earlier date, the Option shall be of no further force or effect and may not be exercised.

4. Exercise of Option.

(a) Right to Exercise. The Option will become vested and exercisable cumulatively according to the following Vesting Schedule:

<u>Percentage of Option Vested and Exercisable</u>	<u>Vesting Date</u>
25%	November 8, 2011
25%	February 8, 2012
25%	May 8, 2012
25%	August 8, 2012

The Option shall be subject to the provisions of Section 11 of the Plan relating to the exercisability or termination of the Option in the event of a Corporate Transaction or Change in Control. The Grantee shall be subject to reasonable limitations on the number of requested exercises during any monthly or weekly period as determined by the Administrator. In no event shall the Company issue fractional Shares.

(b) Method of Exercise. The Option shall be exercisable by delivery of an exercise notice (a form of which is attached as Exhibit A), or by such other procedure as specified from time to time by the Administrator, which shall state the election to exercise the Option, the number of whole Shares in respect of which the Option is being exercised, and such other provisions as may be required by the Administrator. The exercise notice shall be delivered to the Company in person, by certified mail, or by such other method (including electronic transmission) as determined from time to time by the Administrator accompanied by payment of the Exercise Price. The Option shall be deemed to be exercised upon receipt by the Company of such notice accompanied by the Exercise Price.

(c) Taxes. The Grantee understands that the Grantee may suffer adverse tax consequences as a result of the Grantee's purchase or disposition of the Shares. The Grantee represents that the Grantee has consulted with any tax consultants the Grantee deems advisable in connection with the purchase or disposition of the Shares and that the Grantee is not relying on the Company for any tax advice.

5. Method of Payment.

Payment of the Exercise Price shall be made by wire transfer or by delivering a certified or cashier's check in the amount of the Aggregate Purchase Price as specified in the exercise notice to the Company. Alternatively, subject to the prior approval of the Administrator, payment of the Exercise Price may be made by delivery of previously owned Shares having a Fair Market Value equal to the Exercise Price in accordance with the instructions in the exercise notice.

6. Restrictions on Exercise.

The Option may not be exercised if the issuance of the Shares subject to the Option upon such exercise would constitute a violation of any Applicable Laws. If the exercise of the Option within the time period set forth in Section 8 or 8 of this Option Agreement is prevented by the provisions of this Section 6, the Option shall remain exercisable until one month after the date the Grantee or the Grantee's successor is notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date.

7. Termination or Change of Continuous Service.

In the event the Grantee's Continuous Service terminates, other than for Cause, the Grantee may, but only during the Post-Termination Exercise Period, exercise the portion of the Option that was vested at the date of such termination (the "Termination Date"). The Post-Termination Exercise Period shall commence on the Termination Date and continue for three months thereafter other than in the case of death, in which case the Post-Termination Exercise Period shall expire 12 months following the Termination Date. In the event of termination of the Grantee's Continuous Service for Cause, the Grantee's right to exercise the Option shall, except as otherwise determined by the Administrator, terminate concurrently with the termination of the Grantee's Continuous Service (also the "Termination Date"). In no event, however, shall the Option be exercised later than the Expiration Date. In the event of the Grantee's change in status from Director to any other status of Employee or Consultant, the Option shall remain in effect. In the event of the Grantee's change in status from Director to Employee or Consultant, vesting of the Option shall continue only to the extent determined by the Administrator as of such change in status.

8. Death of Grantee.

In the event of the Grantee's death, the person who acquires the right to exercise the Option pursuant to will or the laws of descent and distribution may exercise the portion of the Option that was vested on the date of death within 12 months commencing on the date of death (but in no event later than the Expiration Date). To the extent that the Option was unvested on the date of death, or if the vested portion of the Option is not exercised within the time specified herein, the Option shall terminate.

9. Transferability of Option.

The Option may not be transferred in any manner other than by will or by the laws of descent and distribution; provided, however, that the Option may be transferred during the lifetime of the Grantee pursuant to a domestic relations order or by gift to the Grantee's Immediate Family to the extent and in the manner determined by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee. The terms of the Option shall be binding upon the executors, administrators, heirs, successors and transferees of the Grantee.

10. Securities Act Compliance.

Unless the Shares are no longer subject to Rule 144 under the Securities Act, the Company may place conspicuously upon each certificate representing the Shares a legend substantially in the following form, the terms of which are agreed to by the Holder:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES ACT OF ANY STATE. THE SHARES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD, TRANSFERRED FOR VALUE, PLEDGED, HYPOTHECATED, OR OTHERWISE ENCUMBERED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OF THEM UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES ACT OF ANY STATE OR AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER SUCH ACT OR ACTS.

11. Entire Agreement: Governing Law.

This Option Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in this Option Agreement (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties. This Option Agreement is to be construed in accordance with and governed by the internal laws of the State of Oregon without giving effect to choice of law rules. Should any provision of this Option Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

12. Rights as Shareholder.

Until the stock certificate representing the Shares is issued, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 10 of the Plan.

13. Adjustments upon Changes in Capitalization.

The Option shall be subject to the provisions of Section 10 of the Plan relating to adjustments upon changes in capitalization and similar corporate events.

14. Administration and Interpretation.

Any question or dispute regarding the administration or interpretation of this Option Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

15. Venue and Waiver of Jury Trial.

The Company, the Grantee, and the Grantee's assignees pursuant to Section 9 (the "parties") agree that any suit, action, or proceeding arising out of or relating to the Notice or this Option Agreement shall be brought in the United States District Court for the District of Oregon (or should such court lack jurisdiction to hear such action, suit or proceeding, in an Oregon state

court in the County of Multnomah) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 14 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

16. Notices.

Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (a) upon personal delivery, (b) one business day after deposit for delivery by a nationally recognized air courier service, (c) three business days after deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, or (d) on the date of facsimile transmission, with confirmed transmission, addressed to the party to be notified as follows:

If to the Company:

CytoDyn Inc.
5 Centerpointe Drive, Suite 400
Lake Oswego, Oregon 97035
Telephone (971) 204-0382
Facsimile: (971) 204-0386
Attn: Secretary

If to the Grantee:

Jordan Naydenov
20533 SE Evergreen Hwy
Camas, WA 98607
Fax:

or such other address as such party may designate by 10 days' advance written notice to the other party.

CYTODYN INC.

GRANTEE

By: /s/ Nader Z. Pourhassan
Name: Nader Z. Pourhassan
Title: President and Chief Executive Officer

/s/ Jordan Naydenov
Jordan Naydenov
Taxpayer ID No.: _____
E-mail address: _____
Telephone: _____

EXHIBIT A

**CYTODYN INC.
EXERCISE NOTICE**

CytoDyn Inc.
5 Centerpointe Drive, Suite 400
Lake Oswego, Oregon 97035
Telephone (971) 204-0382
Facsimile: (971) 204-0386
Attention: Secretary

Grantee: _____
Print Name

Mailing Address: _____

Telephone Number: _____

Option: The option evidenced by a Stock Option Award Agreement dated _____, _____.

OPTION EXERCISE

I hereby elect to exercise the Option to purchase shares ("Shares") of common stock of CytoDyn Inc. covered by the Option as follows:

Number of Shares Purchased (a)	
Per-Share Option Price (b)	\$
Aggregate Purchase Price (a times b)	\$
Closing Date of Purchase	

Form of Payment [Check One]:

- My check in the full amount of the Aggregate Purchase Price. See "Instructions" below.
- Delivery of previously owned shares of CytoDyn common stock with a fair market value equal to the Aggregate Purchase Price. See "Instructions" below.

Instructions:

(1) A certified or cashier's check in the amount of the Aggregate Purchase Price payable to CytoDyn Inc. should be submitted with this Notice. If you wish to pay by wire transfer, please contact CytoDyn Inc. for instructions.

(2) If payment is to be by surrender of previously owned shares or by attestation of ownership (see Attestation Form below), either a certificate for the shares accompanied by a stock power endorsed in blank or the completed Attestation Form should be submitted with this Notice. If applicable, a certificate for any shares in excess of those needed to satisfy the Aggregate Purchase Price will be returned to you with the certificate for your option shares. Any change in registration between the payment shares and the new shares will require a properly executed stock power that is guaranteed by an institution participating in a recognized medallion signature guarantee program.

INVESTMENT REPRESENTATIONS

- a. In connection with the exercise of the Option, I hereby represent and warrant to CytoDyn Inc. as follows:
- i. Purchase Entirely for Own Account. I am acquiring the Shares for my own account for investment and not with a view to the distribution or resale thereof.
 - ii. Restricted Securities. I understand the Shares may not be sold, transferred, or otherwise disposed of without registration under the Securities Act of 1933 or an exemption therefrom and, in the absence of an effective registration statement covering the Shares or an available exemption from registration under the Securities Act of 1933, the Shares must be held indefinitely.
 - iii. Investment Experience. I am experienced in evaluating and investing in companies in the development stage, can bear the economic risk of an investment in the Shares, and have enough knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Shares.
 - iv. Investor Qualifications. I am an Accredited Investor as defined in Rule 501 promulgated under the Securities Act of 1933 or have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of investing in the Shares.
 - v. Opportunity to Review Documents and Ask Questions. CytoDyn Inc. has made available all documents and information that I have requested relating to an investment in the Shares. In addition, I have had adequate opportunity to ask questions and to receive answers from management regarding CytoDyn's business, management, and financial affairs.
- b. I understand, agree, and recognize that:
- i. No federal or state agency has made any finding or determination as to the fairness of the investment or any recommendation or endorsement of the Shares.
 - ii. All certificates evidencing the Shares will bear a legend substantially similar to the legend set forth in Section 9 of the Option Agreement regarding resale restrictions.
- c. I am a resident of the state of _____ .

ISSUANCE INSTRUCTIONS FOR STOCK CERTIFICATES

Please register the stock certificate(s) in the following name(s):

If applicable, please check one: JT TEN TEN COM Other

Please deliver the stock certificate(s) to (check one):

My brokerage account

Attn: _____

Account No.: _____ ; or

My mailing address set forth above.

Date

Signature of Grantee

ATTESTATION FORM

As indicated above, I have elected to use shares of CytoDyn common stock that I already own to pay the Aggregate Purchase Price of the Option.

I attest to the ownership of the shares represented by the certificate(s) listed below or to the beneficial ownership of the shares held in the name of my broker, as indicated in the attached copy of my brokerage statement. I will be deemed to have delivered such shares to CytoDyn in connection with the exercise of my Option.

I understand that, because I (and any joint owner) will retain ownership of the shares (the "Payment Shares") deemed delivered to pay the Aggregate Purchase Price, the number of shares to be issued to me upon exercise of my Option will be reduced by the number of Payment Shares. I represent that I have full power to deliver and convey certificates representing the Payment Shares to CytoDyn and by such delivery and conveyance could have caused CytoDyn to become sole owner of the Payment Shares. The joint owner of the Payment Shares, if any, by signing this Form, consents to these representations and to the exercise of the Option by this attestation.

I certify that any Payment Shares originally issued to me as restricted shares are now fully vested.

List certificate(s) and number of shares covered, or attach a copy of your brokerage statement:

<u>Common Stock Certificate Number</u>	<u>Number of Shares Covered</u>

Date: _____

Print Name of Optionholder: _____

Signature of Optionholder: _____

Print Name of Joint Owner: _____

Signature of Joint Owner: _____

If you are attaching a copy of your brokerage statement, you must have your securities broker complete the following:

The undersigned hereby certifies that the foregoing attestation is correct.

Name of Brokerage Firm

By: _____

Print Name of Signing Broker

Date: _____

Telephone No.: _____

THIS STOCK OPTION AND THE COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR APPLICABLE STATE SECURITIES LAWS. NEITHER THIS STOCK OPTION NOR THE COMMON STOCK ISSUABLE UPON EXERCISE HEREOF MAY BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE APPLICABLE SECURITIES UNDER SUCH ACT OR LAWS OR AN OPINION OF COUNSEL FOR THE HOLDER REASONABLY SATISFACTORY TO THE ISSUER STATING THAT SUCH REGISTRATION IS NOT REQUIRED.

CYTODYN INC.

STOCK OPTION AWARD AGREEMENT

This STOCK OPTION AWARD AGREEMENT (this "Option Agreement") is made June 1, 2012, by and between CytoDyn Inc., a Colorado corporation (the "Company"), and Jordan Naydenov (the "Grantee").

1. Grant of Option.

The Company hereby grants to the Grantee an option (the "Option") to purchase 25,000 shares of Common Stock (the "Shares") as of June 1, 2012 (the "Date of Grant") at the exercise price per Share of \$1.55 (the "Exercise Price") subject to the terms and conditions of this Option Agreement.

2. Application of Plan Terms.

Unless otherwise defined herein, the capitalized terms in this Option Agreement will have the same defined meanings as set forth in the Company's 2004 Stock Incentive Plan ("Plan"); provided, however, that the Option is not issued pursuant to the Plan and only certain provisions of the Plan, as specifically provided in this Option Agreement, apply to the Option and Shares.

3. Term.

The Option will automatically terminate on June 1, 2017 (the "Expiration Date"), to the extent not exercised, unless terminated earlier in accordance with this Option Agreement. After the Expiration Date or such earlier date, the Option shall be of no further force or effect and may not be exercised.

4. Exercise of Option.

(a) Right to Exercise. The Option will become vested and exercisable cumulatively according to the following Vesting Schedule:

<u>Percentage of Option Vested and Exercisable</u>	<u>Vesting Date</u>
25%	September 1, 2012
25%	December 1, 2012
25%	March 1, 2013
25%	June 1, 2013

The Option shall be subject to the provisions of Section 11 of the Plan relating to the exercisability or termination of the Option in the event of a Corporate Transaction or Change in Control. The Grantee shall be subject to reasonable limitations on the number of requested exercises during any monthly or weekly period as determined by the Administrator. In no event shall the Company issue fractional Shares.

(b) Method of Exercise. The Option shall be exercisable by delivery of an exercise notice (a form of which is attached as Exhibit A), or by such other procedure as specified from time to time by the Administrator, which shall state the election to exercise the Option, the number of whole Shares in respect of which the Option is being exercised, and such other provisions as may be required by the Administrator. The exercise notice shall be delivered to the Company in person, by certified mail, or by such other method (including electronic transmission) as determined from time to time by the Administrator accompanied by payment of the Exercise Price. The Option shall be deemed to be exercised upon receipt by the Company of such notice accompanied by the Exercise Price.

(c) Taxes. The Grantee understands that the Grantee may suffer adverse tax consequences as a result of the Grantee's purchase or disposition of the Shares. The Grantee represents that the Grantee has consulted with any tax consultants the Grantee deems advisable in connection with the purchase or disposition of the Shares and that the Grantee is not relying on the Company for any tax advice.

5. Method of Payment.

Payment of the Exercise Price shall be made by wire transfer or by delivering a certified or cashier's check in the amount of the Aggregate Purchase Price as specified in the exercise notice to the Company. Alternatively, subject to the prior approval of the Administrator, payment of the Exercise Price may be made by delivery of previously owned Shares having a Fair Market Value equal to the Exercise Price in accordance with the instructions in the exercise notice.

6. Restrictions on Exercise.

The Option may not be exercised if the issuance of the Shares subject to the Option upon such exercise would constitute a violation of any Applicable Laws. If the exercise of the Option

within the time period set forth in Section 8 or 8 of this Option Agreement is prevented by the provisions of this Section 6, the Option shall remain exercisable until one month after the date the Grantee or the Grantee's successor is notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date.

7. Termination or Change of Continuous Service.

In the event the Grantee's Continuous Service terminates, other than for Cause, the Grantee may, but only during the Post-Termination Exercise Period, exercise the portion of the Option that was vested at the date of such termination (the "Termination Date"). The Post-Termination Exercise Period shall commence on the Termination Date and continue for three months thereafter other than in the case of death, in which case the Post-Termination Exercise Period shall expire 12 months following the Termination Date. In the event of termination of the Grantee's Continuous Service for Cause, the Grantee's right to exercise the Option shall, except as otherwise determined by the Administrator, terminate concurrently with the termination of the Grantee's Continuous Service (also the "Termination Date"). In no event, however, shall the Option be exercised later than the Expiration Date. In the event of the Grantee's change in status from Director to any other status of Employee or Consultant, the Option shall remain in effect. In the event of the Grantee's change in status from Director to Employee or Consultant, vesting of the Option shall continue only to the extent determined by the Administrator as of such change in status.

8. Death of Grantee.

In the event of the Grantee's death, the person who acquires the right to exercise the Option pursuant to will or the laws of descent and distribution may exercise the portion of the Option that was vested on the date of death within 12 months commencing on the date of death (but in no event later than the Expiration Date). To the extent that the Option was unvested on the date of death, or if the vested portion of the Option is not exercised within the time specified herein, the Option shall terminate.

9. Transferability of Option.

The Option may not be transferred in any manner other than by will or by the laws of descent and distribution; provided, however, that the Option may be transferred during the lifetime of the Grantee pursuant to a domestic relations order or by gift to the Grantee's Immediate Family to the extent and in the manner determined by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee. The terms of the Option shall be binding upon the executors, administrators, heirs, successors and transferees of the Grantee.

10. Securities Act Compliance.

Unless the Shares are no longer subject to Rule 144 under the Securities Act, the Company may place conspicuously upon each certificate representing the Shares a legend substantially in the following form, the terms of which are agreed to by the Holder:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES ACT OF ANY STATE. THE SHARES HAVE BEEN ACQUIRED FOR INVESTMENT

AND MAY NOT BE SOLD, TRANSFERRED FOR VALUE, PLEDGED, HYPOTHECATED, OR OTHERWISE ENCUMBERED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OF THEM UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES ACT OF ANY STATE OR AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER SUCH ACT OR ACTS.

11. Entire Agreement: Governing Law.

This Option Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in this Option Agreement (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties. This Option Agreement is to be construed in accordance with and governed by the internal laws of the State of Oregon without giving effect to choice of law rules. Should any provision of this Option Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

12. Rights as Shareholder.

Until the stock certificate representing the Shares is issued, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 10 of the Plan.

13. Adjustments upon Changes in Capitalization.

The Option shall be subject to the provisions of Section 10 of the Plan relating to adjustments upon changes in capitalization and similar corporate events.

14. Administration and Interpretation.

Any question or dispute regarding the administration or interpretation of this Option Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

15. Venue and Waiver of Jury Trial.

The Company, the Grantee, and the Grantee's assignees pursuant to Section 9 (the "parties") agree that any suit, action, or proceeding arising out of or relating to the Notice or this Option Agreement shall be brought in the United States District Court for the District of Oregon (or should such court lack jurisdiction to hear such action, suit or proceeding, in an Oregon state court in the County of Multnomah) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such

court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 14 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

16. Notices.

Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (a) upon personal delivery, (b) one business day after deposit for delivery by a nationally recognized air courier service, (c) three business days after deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, or (d) on the date of facsimile transmission, with confirmed transmission, addressed to the party to be notified as follows:

If to the Company:

CytoDyn Inc.
5 Centerpointe Drive, Suite 400
Lake Oswego, Oregon 97035
Telephone (971) 204-0382
Facsimile: (971) 204-0386
Attn: Secretary

If to the Grantee:

Jordan Naydenov
20533 SE Evergreen Hwy
Camas, WA 98607
Fax:

or such other address as such party may designate by 10 days' advance written notice to the other party.

CYTODYN INC.

GRANTEE

By: /s/ Nader Z. Pourhassan
Name: Nader Z. Pourhassan
Title: President and Chief Executive Officer

/s/ Jordan Naydenov
Jordan Naydenov
Taxpayer ID No.: _____
E-mail address: _____
Telephone: _____

EXHIBIT A

**CYTODYN INC.
EXERCISE NOTICE**

CytoDyn Inc.
5 Centerpointe Drive, Suite 400
Lake Oswego, Oregon 97035
Telephone (971) 204-0382
Facsimile: (971) 204-0386
Attention: Secretary

Grantee: _____
Print Name

Mailing Address: _____

Telephone Number: _____

Option: The option evidenced by a Stock Option Award Agreement dated _____, .

OPTION EXERCISE

I hereby elect to exercise the Option to purchase shares ("Shares") of common stock of CytoDyn Inc. covered by the Option as follows:

Number of Shares Purchased (a)	_____
Per-Share Option Price (b)	_____ \$
Aggregate Purchase Price (a times b)	_____ \$
Closing Date of Purchase	_____

Form of Payment [Check One]:

My check in the full amount of the Aggregate Purchase Price. See "Instructions" below.

Delivery of previously owned shares of CytoDyn common stock with a fair market value equal to the Aggregate Purchase Price. See "Instructions" below.

Instructions:

(1) A certified or cashier's check in the amount of the Aggregate Purchase Price payable to CytoDyn Inc. should be submitted with this Notice. If you wish to pay by wire transfer, please contact CytoDyn Inc. for instructions.

(2) If payment is to be by surrender of previously owned shares or by attestation of ownership (see Attestation Form below), either a certificate for the shares accompanied by a stock power endorsed in blank or the completed Attestation Form should be submitted with this Notice. If applicable, a certificate for any shares in excess of those needed to satisfy the Aggregate Purchase Price will be returned to you with the certificate for your option shares. Any change in registration between the payment shares and the new shares will require a properly executed stock power that is guaranteed by an institution participating in a recognized medallion signature guarantee program.

INVESTMENT REPRESENTATIONS

- a. In connection with the exercise of the Option, I hereby represent and warrant to CytoDyn Inc. as follows:
- i. Purchase Entirely for Own Account. I am acquiring the Shares for my own account for investment and not with a view to the distribution or resale thereof.
 - ii. Restricted Securities. I understand the Shares may not be sold, transferred, or otherwise disposed of without registration under the Securities Act of 1933 or an exemption therefrom and, in the absence of an effective registration statement covering the Shares or an available exemption from registration under the Securities Act of 1933, the Shares must be held indefinitely.
 - iii. Investment Experience. I am experienced in evaluating and investing in companies in the development stage, can bear the economic risk of an investment in the Shares, and have enough knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Shares.
 - iv. Investor Qualifications. I am an Accredited Investor as defined in Rule 501 promulgated under the Securities Act of 1933 or have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of investing in the Shares.
 - v. Opportunity to Review Documents and Ask Questions. CytoDyn Inc. has made available all documents and information that I have requested relating to an investment in the Shares. In addition, I have had adequate opportunity to ask questions and to receive answers from management regarding CytoDyn's business, management, and financial affairs.
- b. I understand, agree, and recognize that:
- i. No federal or state agency has made any finding or determination as to the fairness of the investment or any recommendation or endorsement of the Shares.
 - ii. All certificates evidencing the Shares will bear a legend substantially similar to the legend set forth in Section 9 of the Option Agreement regarding resale restrictions.
- c. I am a resident of the state of _____ .

ISSUANCE INSTRUCTIONS FOR STOCK CERTIFICATES

Please register the stock certificate(s) in the following name(s):

If applicable, please check one: JT TEN TEN COM Other

Please deliver the stock certificate(s) to (check one):

My brokerage account

Attn: _____

Account No.: _____ ; or

My mailing address set forth above.

Date

Signature of Grantee

ATTESTATION FORM

As indicated above, I have elected to use shares of CytoDyn common stock that I already own to pay the Aggregate Purchase Price of the Option.

I attest to the ownership of the shares represented by the certificate(s) listed below or to the beneficial ownership of the shares held in the name of my broker, as indicated in the attached copy of my brokerage statement. I will be deemed to have delivered such shares to CytoDyn in connection with the exercise of my Option.

I understand that, because I (and any joint owner) will retain ownership of the shares (the "Payment Shares") deemed delivered to pay the Aggregate Purchase Price, the number of shares to be issued to me upon exercise of my Option will be reduced by the number of Payment Shares. I represent that I have full power to deliver and convey certificates representing the Payment Shares to CytoDyn and by such delivery and conveyance could have caused CytoDyn to become sole owner of the Payment Shares. The joint owner of the Payment Shares, if any, by signing this Form, consents to these representations and to the exercise of the Option by this attestation.

I certify that any Payment Shares originally issued to me as restricted shares are now fully vested.

List certificate(s) and number of shares covered, or attach a copy of your brokerage statement:

<u>Common Stock Certificate Number</u>	<u>Number of Shares Covered</u>

Date: _____

Print Name of Optionholder: _____

Signature of Optionholder: _____

Print Name of Joint Owner: _____

Signature of Joint Owner: _____

If you are attaching a copy of your brokerage statement, you must have your securities broker complete the following:

The undersigned hereby certifies that the foregoing attestation is correct.

Name of Brokerage Firm

By: _____

Print Name of Signing Broker

Date: _____

Telephone No.: _____

CYTODYN INC.
2012 EQUITY INCENTIVE PLAN
STOCK OPTION AWARD AGREEMENT
(FOR NON-EMPLOYEE DIRECTORS)

This STOCK OPTION AWARD AGREEMENT (this “Option Agreement”) is made effective as of June 1, 2013, by and between CytoDyn Inc., a Colorado corporation (the “Corporation”), and Jordan Naydenov (the “Participant”).

1. Grant of Option.

The Corporation hereby grants to the Participant an option (the “Option”) to purchase 50,000 shares of Common Stock (the “Shares”) as of June 1, 2013 (the “Date of Grant”) at the exercise price per Share of \$0.80 (the “Exercise Price”) subject to the terms and conditions of this Option Agreement.

2. Application of Plan Terms.

Unless otherwise defined herein, the capitalized terms in this Option Agreement will have the same defined meanings as set forth in the Corporation’s 2012 Equity Incentive Plan (the “Plan”).

3. Term.

The Option will automatically terminate on June 1, 2018 (the “Expiration Date”), to the extent not exercised, unless terminated earlier in accordance with this Option Agreement. After the Expiration Date or such earlier date, the Option shall be of no further force or effect and may not be exercised.

4. Exercise of Option.

(a) Right to Exercise. The Option will become Vested and exercisable cumulatively according to the following Vesting Schedule:

<u>Percentage of Option Vested and Exercisable</u>	<u>Vesting Date</u>
25%	September 1, 2013
25%	December 1, 2013
25%	March 1, 2014
25%	June 1, 2014

(b) Acceleration of Exercisability. Notwithstanding the schedule provided in subsection (a), the Option will become fully Vested (unless the Participant chooses to decline accelerated Vesting of all or any portion of the Option) upon the occurrence of a Change in Control Date.

(c) Method of Exercise. The Option shall be exercisable by delivery of an exercise notice (a form of which is attached as Exhibit A), stating the election to exercise the Option, the number of whole Shares in respect of which the Option is being exercised, the form of payment, and such other provisions as may be required by the Committee. The exercise notice shall be delivered to the Corporation in accordance with Section 15 below accompanied by full payment of the Exercise Price, which must be made by one or a combination of the following:

(1) Payment in cash;

(2) Delivery of previously owned Shares having a Fair Market Value equal to the exercise price; or

(3) Delivery of an irrevocable direction to a securities broker acceptable to the Committee (subject to the provisions of the Sarbanes-Oxley Act of 2002 and any other applicable statute or rule) to sell Shares subject to the Option and to pay a sufficient portion of the net proceeds of the sale to the Corporation in satisfaction of the Exercise Price.

The Option shall be deemed to be exercised upon receipt by the Corporation of such notice accompanied by the Exercise Price and Tax Payment (defined below), if required.

(d) Taxes. No portion of the Option may be exercised and no Shares will be delivered to the Participant or other person pursuant to the exercise of the Option until the Participant or other person has made arrangements acceptable to the Committee for the satisfaction of applicable income tax and tax withholding obligations, if any, including, without limitation, such other tax obligations of the Participant incident to the receipt of Shares (the "Tax Payment"). Upon exercise of the Option, the Corporation may offset or withhold (from any amount owed by the Corporation to the Participant) or collect from the Participant or other person an amount sufficient to satisfy such Tax Payment obligation, if any.

The Participant understands that the Participant may suffer adverse tax consequences as a result of the Participant's purchase or disposition of the Shares. The Participant represents that the Participant has consulted with any tax consultants the Participant deems advisable in connection with the purchase or disposition of the Shares and that the Participant is not relying on the Corporation for any tax advice.

5. Restrictions on Exercise.

The Option may not be exercised if the issuance of the Shares subject to the Option upon such exercise would constitute a violation of any applicable federal or state securities law. If the exercise of the Option within the time periods set forth in Sections 6, 7, or 8 of this Option Agreement is prevented by the provisions of this Section 5, the Option shall remain exercisable until one month after the date the Participant is notified by the Corporation that the Option is exercisable, but in any event no later than the Expiration Date.

6. Termination or Change of Continuous Service.

In the event the Participant's Continuous Service terminates, other than "for cause" (as defined in the Plan), the Participant may, but only during the Post-Termination Exercise Period, exercise the portion of the Option that was Vested at the date of such termination (the "Termination Date"). The "Post-Termination Exercise Period" is the period commencing on the Termination Date and continuing for three months thereafter. In the event of termination of the Participant's Continuous Service for cause, the Participant's right to exercise the Option shall, except as otherwise determined by the Committee, terminate concurrently with the termination of the Participant's Continuous Service (also the "Termination Date"). In no event, however, shall the Option be exercised later than the Expiration Date.

In the event of the Participant's change in status from Non-Employee Director, employee or Consultant to any other status of Non-Employee Director, employee or Consultant, the Option shall remain in effect. In the event of the Participant's change in status from Non-Employee Director to employee or Consultant, Vesting of the Option shall continue only to the extent determined by the Committee as of such change in status. Except as provided in Sections 7 and 8 below, to the extent that the Option was unvested on the Termination Date, or if the Participant does not exercise the Vested portion of the Option within the Post-Termination Exercise Period, the Option shall terminate.

7. Death of Participant.

In the event of the Participant's death, the person who acquires the right to exercise the Option pursuant to will or the laws of descent and distribution may exercise the portion of the Option that was Vested on the date of death within 12 months commencing on the date of death (but in no event later than the Expiration Date). To the extent that the Option was unvested on the date of death, or if the Vested portion of the Option is not exercised within the time specified herein, the Option shall terminate.

8. Disability of Participant.

If the Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise the portion of the Option that was Vested on the date of such termination of Continuous Service within three months commencing on the date of termination of Continuous Service (but in no event later than the Expiration Date). To the extent that the Option was unvested on the date of termination of Continuous Service, or if the Vested portion of the Option is not exercised within the time specified herein, the Option shall terminate.

9. Transferability of Option.

Subject to restrictions on transferability set forth in the Plan, this Option Agreement will be binding upon and benefit the parties, their successors and assigns.

10. Engaging in Competition With the Corporation.

If the Participant terminates Continuous Service with the Corporation or an Affiliate for any reason whatsoever, and within 12 months after the date thereof accepts employment with any competitor of (or otherwise engages in competition with) the Corporation, the Committee, in its sole discretion, may require such Participant to return to the Corporation the economic value of any Award that is realized or obtained (measured at the date of exercise, Vesting, or payment) by such Participant at any time during the period beginning on the date that is one year prior to the date of such Participant's termination of Continuous Service with the Corporation.

11. Governing Law.

This Option Agreement will be administered, interpreted and enforced in accordance with the laws of the State of Oregon, without regard to principles of conflicts of laws.

12. Rights as Shareholder.

Until the stock certificate representing the Shares is issued, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Corporation shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Article 10 of the Plan.

13. Adjustments upon Changes in Capitalization.

The Option shall be subject to the provisions of Article 11 of the Plan relating to adjustments upon changes in capitalization and similar corporate events.

14. Venue and Waiver of Jury Trial.

The Corporation, the Participant, and the Participant's assignees pursuant to Section 9 (the "parties") agree that any suit, action, or proceeding arising out of or relating to the Notice or this Option Agreement shall be brought in the United States District Court for the District of Oregon (or should such court lack jurisdiction to hear such action, suit or proceeding, in an Oregon state court in the County of Multnomah) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. **THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING.** If any one or more provisions of this Section 14 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

15. Notices.

Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (a) upon personal delivery, (b) one business day after deposit for overnight

delivery by a nationally recognized air courier service, (c) five business days after deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, (d) on the date of facsimile transmission, with confirmed transmission, or (e) by email transmission, addressed to the party to be notified as follows:

If to the Corporation:

CytoDyn Inc.
5 Centerpointe Drive, Suite 400
Lake Oswego, Oregon 97035
Facsimile: (971) 204-0386
Attn: Secretary

If to the Participant:

Jordan Naydenov
20533 S.E. Evergreen Highway
Camas, Washington 98607
Fax:

or such other address as such party may designate by 10 days' advance written notice to the other party.

CYTODYN INC.

PARTICIPANT

By: /s/ Nader Pourhassan
Name: Nader Pourhassan
Title: President and Chief Executive Officer

/s/ Jordan Naydenov
Jordan Naydenov

EXHIBIT A

**CYTODYN INC.
2012 EQUITY INCENTIVE PLAN**

EXERCISE NOTICE

CytoDyn Inc.
5 Centerpointe Drive, Suite 400
Lake Oswego, Oregon 97035
Telephone: (971) 204-0382
Facsimile: (971) 204-0386
Attention: Secretary

Participant: _____
Print Name

Mailing Address: _____

Telephone Number: _____

Option: The option evidenced by a Stock Option Award Agreement dated _____, . . .

OPTION EXERCISE

I hereby elect to exercise the Option to purchase shares ("Shares") of common stock of CytoDyn Inc. covered by the Option as follows:

Number of Shares Purchased (a)	_____
Per-Share Option Price (b)	\$ _____
Aggregate Purchase Price (a times b)	\$ _____
Closing Date of Purchase	_____

Form of Payment [Check One]:

- My check in the full amount of the Aggregate Purchase Price (as well as a check for any withholding taxes, if this box is checked). See "Instructions" below.

-
- Delivery of previously owned shares of CytoDyn common stock with a fair market value equal to the Aggregate Purchase Price. See “Instructions” below. Note that restricted shares acquired from CytoDyn under one of its stock plans may be used for this purpose only if such shares have become vested.
 - My irrevocable direction to my securities broker (see below) to sell Shares subject to the Option and deliver a portion of the sales proceeds to CytoDyn Inc., in full payment of the Aggregate Purchase Price (as well as any withholding taxes, if this box is checked). See “Instructions” below. I hereby confirm that any sale of Shares will be in compliance with CytoDyn’s policies on insider trading and Rule 144, if applicable. I HEREBY IRREVOCABLY AUTHORIZE [name of broker _____] to transfer funds to CytoDyn Inc., from my account in payment of the Aggregate Purchase Price (and withholding taxes, if applicable) and CytoDyn Inc., is hereby directed to issue the Shares for my account with such broker and to transmit the Shares to the broker indicated above.

Instructions:

(1) If payment is to be by check, a certified or cashier’s check for the amount of the Aggregate Purchase Price payable to CytoDyn Inc., should be submitted with this Notice. If you wish to pay by wire transfer, please contact CytoDyn Inc. for instructions.

(2) If payment is to be by surrender of previously owned shares or by attestation of ownership (see Attestation Form below), either a certificate for the shares accompanied by a stock power endorsed in blank or the completed Attestation Form should be submitted with this Notice. If applicable, a certificate for any shares in excess of those needed to satisfy the Aggregate Purchase Price will be returned to you with the certificate for your option shares. Any change in registration between the payment shares and the new shares will require a properly executed stock power that is guaranteed by an institution participating in a recognized medallion signature guarantee program.

(3) Withholding tax is due immediately upon exercise of a nonqualified stock option by an employee or former employee. Non-employee directors are not currently subject to withholding. If withholding tax is due at the time of exercise, you will be notified of the amount and satisfactory arrangements must be made for payment before a stock certificate for your option shares will be delivered to you (or your broker, if applicable).

ISSUANCE INSTRUCTIONS FOR STOCK CERTIFICATES

Please register the stock certificate(s) in the following name(s):

If applicable, please check one: JT TEN TEN COM Other

Please deliver the stock certificate(s) to (check one):

My brokerage account

Attn: _____

Account No.: _____ ; or

My mailing address set forth above.

Date

Signature of Participant

ATTESTATION FORM

As indicated above, I have elected to use shares of CytoDyn common stock that I already own to pay the Aggregate Purchase Price of the Option.

I attest to the ownership of the shares represented by the certificate(s) listed below or to the beneficial ownership of the shares held in the name of my broker, as indicated in the attached copy of my brokerage statement. I will be deemed to have delivered such shares to CytoDyn in connection with the exercise of my Option.

I understand that, because I (and any joint owner) will retain ownership of the shares (the "Payment Shares") deemed delivered to pay the Aggregate Purchase Price, the number of shares to be issued to me upon exercise of my Option will be reduced by the number of Payment Shares. I represent that I have full power to deliver and convey certificates representing the Payment Shares to CytoDyn and by such delivery and conveyance could have caused CytoDyn to become sole owner of the Payment Shares. The joint owner of the Payment Shares, if any, by signing this Form, consents to these representations and to the exercise of the Option by this attestation.

I certify that any Payment Shares originally issued to me as restricted shares are now fully vested.

List certificate(s) and number of shares covered, or attach a copy of your brokerage statement:

<u>Common Stock Certificate Number</u>	<u>Number of Shares Covered</u>
_____	_____
_____	_____

Date: _____

Print Name of Optionholder: _____

Signature of Optionholder: _____

Print Name of Joint Owner: _____

Signature of Joint Owner: _____

If you are attaching a copy of your brokerage statement, you must have your securities broker complete the following:

The undersigned hereby certifies that the foregoing attestation is correct.

Name of Brokerage Firm

By: _____

Print Name of Signing Broker

Date: _____

Telephone No.: _____

THE WARRANT REPRESENTED BY THIS CERTIFICATE AND THE SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAW ("APPLICABLE STATE SECURITIES LAW"). THIS WARRANT HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR FOR SALE IN CONNECTION WITH, ANY DISTRIBUTION THEREOF WITHIN THE MEANING OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAW. THIS WARRANT AND THE SHARES ISSUABLE UPON EXERCISE THEREOF MAY NOT BE PLEDGED, SOLD, ASSIGNED OR TRANSFERRED UNLESS A REGISTRATION STATEMENT WITH RESPECT THERETO UNDER THE SECURITIES ACT IS EFFECTIVE, AND ANY APPLICABLE STATE SECURITIES LAW REQUIREMENTS HAVE BEEN MET OR EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT AND THE REGISTRATION OR QUALIFICATION REQUIREMENTS OF APPLICABLE STATE SECURITIES LAW ARE AVAILABLE. NO TRANSFER OF ANY INTEREST IN THIS WARRANT OR THE SECURITIES PURCHASABLE UPON EXERCISE MAY BE EFFECTED WITHOUT FIRST SURRENDERING THIS WARRANT OR SUCH SECURITIES, AS THE CASE MAY BE, TO THE COMPANY OR ITS TRANSFER AGENT, IF ANY.

Warrant to Purchase
Shares of
Common Stock
As Herein Described

October 16, 2012

**WARRANT TO PURCHASE COMMON STOCK OF
CYTODYN INC.**

This is to certify that, for value received, Jordan Naydenov, or a proper assignee (the "Holder"), is entitled to purchase up to 1,333,333 shares ("Warrant Shares") of common stock, no par value per share (the "Common Stock"), of CytoDyn Inc., a Colorado corporation (the "Company"), subject to the provisions of this Warrant Number N-14, from the Company. This Warrant shall be exercisable at Two Dollars (\$2.00) per share (the "Exercise Price"). This Warrant also is subject to the following terms and conditions:

1. Exercise and Payment; Exchange.

(a) This Warrant may be exercised in whole or in part at any time from and after the date hereof (the "Commencement Date") through 5:00 p.m., Pacific time, on October 15, 2014 (the "Expiration Date"), at which time this Warrant shall expire and become void, but if such date is a day on which federal or state chartered banking institutions located in

the State of Oregon are authorized to close, then on the next succeeding day which shall not be such a day. Exercise shall be by presentation and surrender to the Company, or at the office of any transfer agent designated by the Company (the "Transfer Agent"), of (i) this Warrant, (ii) the attached exercise form properly executed, and (iii) a certified or official bank check for the Exercise Price for the number of Warrant Shares specified in the exercise form. If this Warrant is exercised in part only, the Transfer Agent shall, upon surrender of the Warrant, execute and deliver a new Warrant evidencing the rights of the Holder to purchase the remaining number of Warrant Shares purchasable hereunder. Upon receipt by the Company of this Warrant in proper form for exercise, accompanied by payment as aforesaid, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such Warrant Shares shall not then be actually delivered by the Holder.

(b) Conditions to Exercise or Exchange. The restrictions in Section 7 shall apply, to the extent applicable by their terms, to any exercise or exchange of this Warrant permitted by this Section 1.

2. Reservation of Shares. The Company shall, at all times until the expiration of this Warrant, reserve for issuance and delivery upon exercise of this Warrant the number of Warrant Shares which shall be required for issuance and delivery upon exercise of this Warrant.

3. Fractional Interests. The Company shall not issue any fractional shares or scrip representing fractional shares upon the exercise or exchange of this Warrant. With respect to any fraction of a share resulting from the exercise or exchange hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the current fair market value per share of Common Stock, determined as follows:

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such an exchange, the current fair market value shall be the last reported sale price of the Common Stock on such exchange on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the mean of the closing bid and asked prices for such day on such exchange;

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges or quoted on a national securities exchange, the current fair market value shall be the mean of the last bid and asked prices reported on the last business day prior to the date of the exercise of this Warrant by the OTC Markets Group, Inc.; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current fair market value shall be an amount, not less than book value, determined in such reasonable manner as may be prescribed by the Company in good faith.

4. No Rights as Shareholder. This Warrant shall not entitle the Holder to any rights as a shareholder of the Company, either at law or in equity. The rights of the Holder are limited to those expressed in this Warrant and are not enforceable against the Company except to the extent set forth herein.

5. Adjustments in Number and Exercise Price of Warrant Shares.

5.1 The number of shares of Common Stock for which this Warrant may be exercised and the Exercise Price therefor shall be subject to adjustment as follows:

(a) If the Company is recapitalized through the subdivision or combination of its outstanding shares of Common Stock into a larger or smaller number of shares, the number of shares of Common Stock for which this Warrant may be exercised shall be increased or reduced, as of the record date for such recapitalization, in the same proportion as the increase or decrease in the outstanding shares of Common Stock, and the Exercise Price shall be adjusted so that the aggregate amount payable for the purchase of all of the Warrant Shares issuable hereunder immediately after the record date for such recapitalization shall equal the aggregate amount so payable immediately before such record date.

(b) If the Company declares a dividend on Common Stock payable in Common Stock or securities convertible into Common Stock, the number of shares of Common Stock for which this Warrant may be exercised shall be increased as of the record date for determining which holders of Common Stock shall be entitled to receive such dividend, in proportion to the increase in the number of outstanding shares (and shares of Common Stock issuable upon conversion of all such securities convertible into Common Stock) of Common Stock as a result of such dividend, and the Exercise Price shall be adjusted so that the aggregate amount payable for the purchase of all the Warrant Shares issuable hereunder immediately after the record date for such dividend shall equal the aggregate amount so payable immediately before such record date.

(c) If the Company distributes to holders of its Common Stock, other than as part of its dissolution or liquidation or the winding up of its affairs, any shares of its Common Stock, any evidence of indebtedness or any of its assets (other than cash, Common Stock or securities convertible into Common Stock), the Company shall give written notice to the Holder of any such distribution at least fifteen (15) days prior to the proposed record date in order to permit the Holder to exercise this Warrant on or before the record date. There shall be no adjustment in the number of shares of Common Stock for which this Warrant may be exercised, or in the Exercise Price, by virtue of any such distribution.

(d) If the Company offers rights or warrants to the holders of Common Stock which entitle them to subscribe to or purchase additional Common Stock or securities convertible into Common Stock, the Company shall give written notice of any such proposed offering to the Holder at least fifteen (15) days prior to the proposed record date in order to permit the Holder to exercise this Warrant on or before such record date. There shall be no adjustment in the number of shares of Common Stock for which this Warrant may be exercised, or in the Exercise Price, by virtue of any such distribution.

(e) If the event, as a result of which an adjustment is made under paragraph (a) or (b) above, does not occur, then any adjustments in the Exercise Price or number of shares issuable that were made in accordance with such paragraph (a) or (b) shall be adjusted to the Exercise Price and number of shares as were in effect immediately prior to the record date for such event.

5.2 In the event of any reorganization or reclassification of the outstanding shares of Common Stock (other than a change in par value or from no par value to par value, or

from par value to no par value, or as a result of a subdivision or combination) or in the event of any consolidation or merger of the Company with another entity after which the Company is not the surviving entity, at any time prior to the expiration of this Warrant, upon subsequent exercise of this Warrant the Holder shall have the right to receive the same kind and number of shares of common stock and other securities, cash or other property as would have been distributed to the Holder upon such reorganization, reclassification, consolidation or merger had the Holder exercised this Warrant immediately prior to such reorganization, reclassification, consolidation or merger, appropriately adjusted for any subsequent event described in this Section 5. The Holder shall pay upon such exercise the Exercise Price that otherwise would have been payable pursuant to the terms of this Warrant. If any such reorganization, reclassification, consolidation or merger results in a cash distribution in excess of the then applicable Exercise Price, the holder may, at the Holder's option, exercise this Warrant without making payment of the Exercise Price, and in such case the Company shall, upon distribution to the Holder, consider the Exercise Price to have been paid in full, and in making settlement to the Holder, shall deduct an amount equal to the Exercise Price from the amount payable to the Holder. In the event of any such reorganization, merger or consolidation, the corporation formed by such consolidation or merger or the corporation which shall have acquired the assets of the Company shall execute and deliver a supplement hereto to the foregoing effect, which supplement shall also provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Warrant.

5.3 If the Company shall, at any time before the expiration of this Warrant, dissolve, liquidate or wind up its affairs, the Holder shall have the right to receive upon exercise of this Warrant, in lieu of the shares of Common Stock of the Company that the Holder otherwise would have been entitled to receive, the same kind and amount of assets as would have been issued, distributed or paid to the Holder upon any such dissolution, liquidation or winding up with respect to such Common Stock receivable upon exercise of this Warrant on the date for determining those entitled to receive any such distribution. If any such dissolution, liquidation or winding up results in any cash distribution in excess of the Exercise Price provided by this Warrant, the Holder may, at the Holder's option, exercise this Warrant without making payment of the Exercise Price and, in such case, the Company shall, upon distribution to the Holder, consider the Exercise Price to have been paid in full and, in making settlement to the Holder, shall deduct an amount equal to the Exercise Price from the amount payable to the Holder.

6. Notices to Holder. So long as this Warrant shall be outstanding (a) if the Company shall pay any dividends or make any distribution upon the Common Stock otherwise than in cash or (b) if the Company shall offer generally to the holders of Common Stock the right to subscribe to or purchase any shares of any class of Common Stock or securities convertible into Common Stock or any similar rights or (c) if there shall be any capital reorganization of the Company in which the Company is not the surviving entity, recapitalization of the capital stock of the Company, consolidation or merger of the Company with or into another corporation, sale, lease or other transfer of all or substantially all of the property and assets of the Company, or voluntary or involuntary dissolution, liquidation or winding up of the Company, then in such event, the Company shall cause to be mailed to the Holder, at least thirty (30) days prior to the relevant date described below (or such shorter period as is reasonably possible if thirty (30) days is not reasonably possible), a notice containing a description of the proposed action and stating the date or expected date on which a record of the Company's shareholders is to be taken for the purpose of any such dividend, distribution of

rights, or such reclassification, reorganization, consolidation, merger, conveyance, lease or transfer, dissolution, liquidation or winding up is to take place and the date or expected date, if any is to be fixed, as of which the holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such event.

7. Transfer, Exercise, Exchange, Assignment or Loss of Warrant, Warrant Shares or Other Securities.

7.1 This Warrant may be transferred, exercised, exchanged or assigned (“transferred”), in whole or in part, subject to the following restrictions. This Warrant and the Warrant Shares or any other securities (“Other Securities”) received upon exercise of this Warrant shall be subject to restrictions on transferability until registered under the Securities Act of 1933, as amended (the “Securities Act”), unless an exemption from registration is available. Until this Warrant and the Warrant Shares or Other Securities are so registered, this Warrant and any certificate for Warrant Shares or Other Securities issued or issuable upon exercise of this Warrant shall contain a legend on the face thereof, in form and substance satisfactory to counsel for the Company, stating that this Warrant the Warrant Shares or Other Securities may not be sold, transferred or otherwise disposed of unless, in the opinion of counsel satisfactory to the Company, which may be counsel to the Company, that this Warrant, the Warrant Shares or Other Securities may be transferred without such registration. This Warrant and the Warrant Shares or Other Securities may also be subject to restrictions on transferability under applicable state securities or blue sky laws. Until this Warrant and the Warrant Shares or Other Securities are registered under the Securities Act, the Holder shall reimburse the Company for its expenses, including attorneys’ fees, incurred in connection with any transfer or assignment, in whole or in part, of this Warrant or any Warrant Shares or Other Securities.

7.2 Until this Warrant, the Warrant Shares or other Securities are registered under the Securities Act, the Company may require, as a condition of transfer of this Warrant, the Warrant Shares, or Other Securities, that the transferee (who may be the Holder in the case of an exercise or exchange) represent that the securities being transferred are being acquired for investment purposes and for the transferee’s own account and not with a view to or for sale in connection with any distribution of the security.

7.3 Any transfer permitted hereunder shall be made by surrender of this Warrant to the Company or to the Transfer Agent at its offices with a duly executed request to transfer the Warrant, which shall provide adequate information to effect such transfer and shall be accompanied by funds sufficient to pay any transfer taxes applicable. Upon satisfaction of all transfer conditions, the Company or Transfer Agent shall, without charge, execute and deliver a new Warrant in the name of the transferee named in such transfer request, and this Warrant promptly shall be cancelled.

7.4 Upon receipt by the Company of evidence satisfactory to it of loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, of reasonable satisfactory indemnification, or, in the case of mutilation, upon surrender of this Warrant, the Company will execute and deliver, or instruct the Transfer Agent to execute and deliver, a new Warrant of like tenor and date, any such lost, stolen or destroyed Warrant thereupon shall become void.

8. Representations and Warranties of the Holder. The Holder hereby represents and warrants to the Company with respect to the issuance of the Warrant as follows:

8.1 Experience. The Holder has substantial experience in evaluating and investing in securities in companies similar to the Company so that such Holder is capable of evaluating the merits and risks of such Holder's investment in the Company and has the capacity to protect such Holder's own interests.

8.2 Investment. The Holder is acquiring this Warrant (and the Warrant Shares issuable upon exercise of this Warrant) for investment for such Holder's own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof. The Holder understands that this Warrant (and the Warrant Shares issuable upon exercise of the Warrant) have not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of such Holder's representations as expressed herein.

8.3 Held Indefinitely. The Holder acknowledges that this Warrant (and the Warrant Shares issuable upon exercise of this Warrant) must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available.

8.4 Accredited Holder. The Holder is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act.

8.5 Legends. The Holder understands and acknowledges that the certificate(s) evidencing the securities issued by the Company will be imprinted with a restrictive legend as referenced in Section 7.1 above.

8.6 Access to Data. The Holder has had an opportunity to discuss the Company's business, management, and financial affairs with the Company's management and the opportunity to review the Company's facilities and business plans. The Holder has also had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction.

8.7 Authorization. This Warrant and the agreements contemplated hereby, when executed and delivered by the Holder, will constitute a valid and legally binding obligation of the Holder, enforceable in accordance with their respective terms.

8.8 Brokers or Finders. The Company has not incurred, and will not incur, directly or indirectly, as a result of any action taken by such Holder, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Warrant or any transaction contemplated hereby.

9. Notices. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given, if delivered in person or mailed, certified, return-receipt requested, postage prepaid to the address set forth on the signature page below. Any party hereto may from time to time, by written notice to the other parties, designate a different address, which shall be substituted for the one specified below for such party. If any notice or other document is sent by certified or registered mail, return receipt requested, postage

prepaid, properly addressed as aforementioned, the same shall be deemed served or delivered seventy-two (72) hours after mailing thereof. If any notice is sent by fax or email to a party, it will be deemed to have been delivered on the date the fax or email thereof is actually received, provided the original thereof is sent by certified mail, in the manner set forth above, within twenty-four (24) hours after the fax or email is sent.

10. Amendment. Any provision of this Warrant may be amended or the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Holder.

11. Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Oregon.

IN WITNESS WHEREOF, the Company and the Holder have executed this Warrant on the respective dates set forth below.

HOLDER

JORDAN NAYDENOV

Date: 10/16/2012

/s/ Jordan Naydenov

CYTODYN INC.

Date: 10/16/2012

By: /s/ Nader Pourhassan

Name: Nader Pourhassan

Title: Interim President and Chief Executive Officer

FORM OF EXERCISE

**To be executed upon exercise of Warrant
(please print)**

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Number N-14 certificate, to purchase 1,333,333 shares of common stock, no par value per share ("Common Stock") of CytoDyn Inc. (the "Company") and herewith tenders payment for such shares of Common Stock to the order of the Company the amount of \$2.00 per share in accordance with the terms hereof. The undersigned requests that a certificate for such shares of Common Stock be registered in the name of _____ whose address is _____. If said number of shares of Common Stock is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of the shares of Common Stock be registered in the name of _____, whose address is _____, and that such Warrant Certificate be delivered to _____, whose address is _____.

Representations of the undersigned.

a) The undersigned acknowledges that the undersigned has received, read and understood the Warrant and agrees to abide by and be bound by its terms and conditions.

b) (i) The undersigned has such knowledge and experience in business and financial matters that the undersigned is capable of evaluating the Company and the proposed activities thereof, and the risks and merits of this prospective investment.

[] YES [] NO

(ii) If "No", the undersigned is represented by a "purchaser representative," as that term is defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act").

[] YES [] NO

c) (i) The undersigned is an "accredited investor," as that term is defined in the Securities Act.

[] YES [] NO

(ii) If "Yes," the undersigned comes within the following category of that definition (check one and complete the blanks as applicable):

- [] 1. The undersigned is a natural person whose present net worth (or whose joint net worth with his or her spouse), excluding the value of the undersigned's primary residence, exceeds \$1,000,000. For purposes of calculating the undersigned's present net worth, the undersigned has included the following as liabilities: (i) any indebtedness that is secured by the undersigned's primary residence in excess of the estimated fair market value of the undersigned's primary residence at the time of the sale of the

shares, and (ii) any incremental debt secured by the undersigned's primary residence that was incurred in the 60 days before the sale of the shares, other than as a result of the acquisition of the undersigned's primary residence.

- 2. The undersigned is a natural person who had individual income in excess of \$200,000 in each of the last two years or joint income with the undersigned's spouse in excess of \$300,000 during such two years, and the undersigned reasonably expects to have the same income level in the current year.
- 3. The undersigned is an officer or director of the Company.
- 4. The undersigned is a corporation or partnership not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000.
- 5. The undersigned is a trust with total assets in excess of \$5,000,000 whose purchase is directed by a person with such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment.
- 6. The undersigned is an entity, all of whose equity owners are accredited investors under paragraphs 1, 2, 3, 4 or 5, above.

- d) The undersigned understands that the shares purchased hereunder have not been registered under the Securities Act, in reliance upon the exemption from the registration requirements under the Securities Act pursuant to Section 4(2) of the Securities Act and Rule 506 promulgated thereunder; and, therefore, that the undersigned must bear the economic risk of the investment for an indefinite period of time since the securities cannot be sold, transferred or assigned to any person or entity without compliance with the provisions of the Securities Act.

Submitted by:

Accepted by CytoDyn Inc.:

By: _____
Date: _____
SS/Tax ID: _____
Telephone: _____
Email: _____

By: _____
Date: _____
Tax ID: _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

THIS PROMISSORY NOTE AND THE SECURITIES TO BE DELIVERED IN CONNECTION HERewith HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER ANY STATE SECURITIES LAW. NO SALE, ASSIGNMENT, PLEDGE OR OTHER TRANSFER OF EITHER THIS PROMISSORY NOTE OR ANY SUCH SECURITIES MAY BE MADE EXCEPT PURSUANT TO THE PROVISIONS OF THE ACT AND APPLICABLE STATE SECURITIES LAWS OR UNLESS AN OPINION OF COUNSEL, SATISFACTORY TO MAKER, IS OBTAINED STATING THAT SUCH SALE, ASSIGNMENT, PLEDGE OR TRANSFER IS IN COMPLIANCE WITH AN AVAILABLE EXEMPTION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

PROMISSORY NOTE

\$500,000.00

April 11, 2013

FOR VALUE RECEIVED, CYTODYN INC., a Colorado corporation ("Maker"), hereby promises to pay to Jordan Naydenov ("Holder") the principal amount of Five Hundred Thousand and 00/100 Dollars (\$500,000.00), together with interest payable as set forth below.

Principal outstanding under this Promissory Note (this "Note") shall be due and payable in cash in a single payment on April 11, 2014 (the "Due Date").

The outstanding principal amount of this Note shall bear fixed simple interest, for each day from the date of this Note until its principal amount is paid in full, at a rate of 15% per annum (the "Interest"). The Interest shall be payable in the form of shares of common stock of Maker (the "Shares") at a rate of \$0.50 per Share. The Interest shall be payable semiannually in arrears on October 11, 2013 and the Due Date. Maker shall not issue any fractional Shares, and Maker shall issue to Holder a number of Shares rounded down to the nearest whole Share.

Default in the payment of the principal of or Interest on this Note when the same becomes due and payable shall constitute an event of default hereunder.

Upon the occurrence of an event of default, or at any time thereafter during the continuance of any such event, Holder may, with or without notice to Maker, declare this Note to be forthwith due and payable, whereupon this Note and the indebtedness evidenced hereby shall forthwith be due and payable, both as to principal and interest, without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in any other instrument executed in connection with or securing this Note to the contrary notwithstanding.

If this Note or any interest hereon becomes due and payable on Saturday, Sunday or other day on which commercial banks are authorized or permitted to close under the laws of the State of Oregon, the maturity of this Note or such Interest payment shall be extended to the next succeeding business day.

Maker may elect to prepay this Note or any portion of the principal thereof on or before the Due Date without penalty.

If the payment of principal or any payment of Interest or both is more than five (5) days late, Maker agrees to pay the Holder a late charge equal to three percent (3%) of the payment (the "Late Fee"). The provisions of this Promissory Note establishing a Late Fee shall not be deemed to extend the time for any payment due or to constitute a "grace period" giving Maker a right to cure such default.

This Note and the Shares to be issued in connection herewith may not be offered, sold or otherwise disposed of except under circumstances which will not result in a violation of the Securities Act of 1933, as amended (the "Securities Act"). Upon issuance of Shares as payment of Interest, Holder hereof will be required to confirm in writing, by executing the form attached as Schedule 1 hereto, that the Shares are being acquired for investment and not with a view toward distribution or resale. This Note and all Shares issued as payment of Interest (unless registered under the Securities Act) shall be stamped or imprinted with a legend in substantially the following form:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES ACT OF ANY STATE. THE SHARES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD, TRANSFERRED FOR VALUE, PLEDGED, HYPOTHECATED, OR OTHERWISE ENCUMBERED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OF THEM UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES ACT OF ANY STATE OR AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER SUCH ACT OR ACTS."

With respect to any offer, sale, transfer or other disposition of this Note or any Shares to be issued in connection herewith prior to registration of such Note or Shares, Holder hereof and each subsequent Holder of this Note will be required to give written notice to Maker prior thereto, describing briefly the manner thereof, together with a written opinion of such Holder's counsel reasonably acceptable to Maker's counsel, if such opinion is reasonably requested by Maker, to the effect that such offer, sale, transfer or other disposition may be effected without registration or qualification (under the Securities Act as then in effect or any federal or state law then in effect) of this Note or such Shares and indicating whether or not under the Securities Act this Note or certificates for such Shares to be sold or otherwise disposed of require any restrictive legend as to applicable restrictions on transferability in order to ensure compliance with applicable law. Promptly upon receiving such written notice and reasonably satisfactory opinion, if so requested, Maker, as promptly as practicable, shall notify such Holder that such Holder may sell, transfer or otherwise dispose of this Note or such Shares, all in accordance with the terms of the notice delivered to Maker. If a determination has been made pursuant to this paragraph that the opinion of counsel for Holder is not reasonably satisfactory to Maker, Maker shall so notify Holder promptly after such determination has been made and neither this Note nor any Shares shall be sold, transferred or otherwise disposed of until such disagreement has been resolved. The foregoing

notwithstanding, this Note or such Shares may as to such federal laws, be offered, sold or otherwise disposed of in accordance with Rule 144 under the Securities Act, provided that Maker shall have been furnished with such information as Maker may reasonably request to provide a reasonable assurance that the provisions of Rule 144 have been satisfied. This Note and each certificate representing the Shares thus transferred (except a transfer pursuant to Rule 144) shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with such laws, unless in the aforesaid opinion of counsel for Holder, reasonably acceptable to Maker, such legend is not required in order to ensure compliance with such laws. Maker may issue stop transfer instructions to its transfer agent or, if acting as its own transfer agent, Maker may stop transfer on its corporate books, in connection with such restrictions.

If from any circumstances whatsoever, by reason of acceleration or otherwise, the fulfillment of any provision of this Note involves transcending the limit of validity prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount, then the obligations to be fulfilled will be reduced to the limit of such validity as provided in such statute or law, so that in no event shall any exaction be possible under this Note in excess of the limit of such validity.

Any provision of this Note that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

This Note is not transferable or assignable by Maker without the consent of Holder. If this Note is collected by law or through an attorney at law, or under advice therefrom, Maker agrees to pay all costs of collection, including reasonable attorneys' fees. Reasonable attorneys' fees are defined to include, but not be limited to, all fees incurred in all matters of collection and enforcement, trial proceedings and appeals, as well as appearances in and connected with any bankruptcy proceedings or creditors' reorganization or similar proceedings and any post judgment collection efforts.

Any failure to exercise any right, remedy or recourse hereunder shall not be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to a subsequent event.

In no event shall the amount of interest due or payments in the nature of interest payable hereunder exceed the maximum rate of interest allowed by applicable law, as amended from time to time, and in the event any such payment is paid by Maker or received by Holder, then such excess sum shall be credited as a payment of principal, unless Maker shall notify Holder, in writing, that Maker elects to have such excess sum returned to Maker forthwith.

Maker hereby waives all and every exemption secured to it by the laws and constitution of the State of Oregon, and of any other state. Maker hereby waives demand, presentment, protest, notice of nonpayment or dishonor, and any other notice required by law and agrees that its obligation hereunder shall not be affected by any renewal or extension of the time of payment hereof, or by any indulgences.

This Note shall be governed by and construed in accordance with the laws of the State of Oregon applicable to debts and obligations incurred and to be paid solely in such jurisdiction. This Note may not be modified or amended and no provision hereof may be waived except by a written instrument executed by the parties to be bound thereby.

CYTODYN INC.

By: /s/ Nader Pourhassan

Nader Pourhassan, President & Chief Executive
Officer

SCHEDULE 1

INVESTMENT REPRESENTATION STATEMENT

Purchaser: Jordan Naydenov
Company: CYTODYN INC.
Security: Common Stock
Amount: \$500,000.00
Date: April 11, 2013

In connection with the purchase of the above-listed securities (the "Shares") pursuant to that certain Promissory Note issued by CYTODYN INC. to Jordan Naydenov on April 11, 2013 (the "Note"), the undersigned (the "Purchaser") represents to Maker as follows

- (a) The Purchaser is aware of Maker's business affairs and financial condition, and has acquired information about Maker sufficient to reach an informed and knowledgeable decision to acquire the Shares. The Purchaser is acquiring the Shares for his own account for investment purposes only and not with a view to, or for the resale in connection with, any "distribution" thereof for purposes of the Securities Act. The Purchaser is an "accredited investor" as that term is defined in Securities and Exchange Commission Rule 501(a) of Regulation D.
- (b) The Purchaser understands that the Shares have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Purchaser's investment intent as expressed herein.
- (c) The Purchaser further understands that the Shares must be held indefinitely unless subsequently registered under the Securities Act and any applicable state securities laws, or unless exemptions from registration are otherwise available.
- (d) The Purchaser is aware of the provisions of Rule 144, promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired by non-affiliates of the issuer thereof, directly or indirectly, from the issuer (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions, if applicable, including, among other things, the availability of certain public information about Maker and the resale occurring not less than six (6) months after the party has purchased and paid for the securities to be sold.
- (e) The Purchaser further understands that at the time Purchaser wishes to sell the Shares there may be no public market upon which to make such a sale, and that, even if such a public market then exists, Maker may not have filed all reports and other materials required under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, other than Form 8-K reports, during the preceding 12 months, and that, in such event, because Maker used to be a "shell company" as contemplated under Rule 144(i), Rule 144 will not be available to the Purchaser.

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- (f) The Purchaser further understands that in the event all of the requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 is not exclusive, the staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Note.

Purchaser: _____

Date: