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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 30, 2018

POSITIVEID CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**001-33297**	**06-1637809**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

1690 South Congress Avenue, Suite 201
Delray Beach, Florida 33445
(Address of principal executive offices) (zip code)

(561) 805-8000
(Registrant's telephone number, including area code)

(Former Name or Former Address if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Cautionary Note on Forward-Looking Statements

This Current Report on Form 8-K (this "Report") and any related statements of representatives and partners of the Company contain, or may contain, among other things, certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such forward-looking statements involve significant risks and uncertainties. Such statements may include, without limitation, statements with respect to the Company's plans, objectives, projections, expectations and intentions and other statements identified by words such as "projects," "may," "will," "could," "would," "should," "believes," "expects," "anticipates," "estimates," "intends," "plans," or similar expressions. These statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties, including those detailed in the Company's filings with the Securities and Exchange Commission (the "SEC"). Actual results may differ significantly from those set forth in the forward-looking statements. These forward-looking statements involve certain risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company's control). The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Item 1.01 Entry into a Material Definitive Agreement.

M2B Funding Convertible Promissory Note

On February 2, 2018, PositiveID Corporation (the "Company") issued a Convertible Promissory Note in the aggregate principal amount of $100,000 (the "Note") to M2B Funding Corp. (the "Investor"). The Note bears an interest rate of 12% and is due and payable on February 2, 2019. The Note may be converted by the Investor at any time into shares of the Company's common stock (as determined in the Note) at a 37.5% discount to the lowest price of the common stock as reported on the OTC Link ATS owned by OTC Markets Group for the 15 prior trading days including the day upon which a notice of conversion is received by the Company. The Note also contains a demand right whereby the Holder, beginning 90 days after issuance may demand payment, for 115% of outstanding principal.

The Note is a long-term debt obligation that is material to the Company. The Note may be prepaid in accordance with the terms set forth in the Note. The Note also contains certain representations, warranties, covenants and events of default including if the Company is delinquent in its periodic report filings with the SEC, and increases in the amount of the principal and interest rates under the Note in the event of such defaults. In the event of default, at the option of the Investor and in the Investor's sole discretion, the Investor may consider the Note immediately due and payable.

ENG Funding and Dilution

On June 12, 2017, the Company entered into a Stock Purchase Agreement ("SPA I") with E-N-G Mobile Systems, Inc., a California corporation and the Company's wholly-owned subsidiary ("ENG"), and Holdings ENG, LLC, a Florida limited liability company and an affiliate of East West Resources Corporation (the "Purchaser"), pursuant to which, among other things, the Company sold 49%, or two hundred ninety nine (299) shares of Series A Convertible Preferred Stock (the "Purchased Shares"), of ENG. The Company received one million four hundred ninety-five thousand dollars ($1,495,000.00) in exchange for the Purchased Shares. The terms of SPA I were disclosed in that certain Current Report on Form 8-K filed by the Company on June 14, 2017.

On January 30, 2018, the Company entered into a Stock Purchase Agreement ("SPA II") with ENG and the Purchaser, pursuant to which (i) ENG sold six hundred forty one (641) shares (the "Shares") of Series A Convertible Preferred Stock of ENG for a purchase price of approximately $312 per share, for an aggregate purchase price of $200,000; and (ii) the Company declined to exercise its right to purchase a pro rata portion of the Shares and has approved the issuance and sale of the Shares by ENG to the Purchaser, and waived all rights it may have with respect to ENG's purchase of the Shares. In connection with the transaction, the Company also committed to issue a promissory note in the amount of $54,000 to ENG for settlement of past and current intercompany transactions and liabilities. As a result of this transaction the Company's equity interest in ENG has decreased to 24% and prospectively the Company will deconsolidate the balance sheet, results of operations and cash flows of ENG in its consolidated financial statements. While the Company owned 51% of ENG it controlled ENG's assets. These assets represented between 50% and 55% of the Company's overall assets. The Company now owning 24% of ENG and no longer controlling ENG's assets resulted in the deconsolidation of a significant amount of the Company's assets.

The foregoing description of the terms of the Note and SPA II does not purport to be complete and is qualified in its entirety by the complete text of the documents attached as Exhibit 4.1 and 10.1, respectively, to this Current Report on Form 8-K.

Item 2.01 Completion of Acquisition or Disposition of Assets

The information provided in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 2.03 Creation of Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities

The descriptions in Item 1.01 of the Note issued by the Company that are convertible into the Company's equity securities at the option of the holder of the note are incorporated herein. The issuance of the securities set forth herein was made in reliance on the exemption provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act") for the offer and sale of securities not involving a public offering, and Regulation D promulgated under the Securities Act. The Company's reliance upon Section 4(a)(2) of the Securities Act in issuing the securities was based upon the following factors: (a) the issuance of the securities was an isolated private transaction by us which did not involve a public offering; (b) there was only one recipient; (c) there were no subsequent or contemporaneous public offerings of the securities by the Company; (d) the securities were not broken down into smaller denominations; (e) the negotiations for the issuance of the securities took place directly between the individual and the Company; and (f) the recipient of the securities is an accredited investor. Since January 12, 2018, the Company has issued, in reliance upon Section 4(a)(2) of the Securities Act, 219,926,941 shares of common stock pursuant to conversion notices of convertible redeemable notes outstanding totaling $237,381.95. The issuance of such convertible notes was previously disclosed in the Company's periodic reports filed with the SEC.

Item 9.01 Financial Statements and Exhibits

Exhibit Number	Description
4.1	Form of Convertible Promissory Note, dated February 2, 2018, with M2B Funding Corp.
10.1	Form of Stock Purchase Agreement, dated January 30, 2018, between PositiveID Corporation, Holdings ENG, LLC and E-N-G Mobile Systems, Inc.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

POSITIVEID CORPORATION

Date: February 2, 2018

By: */s/ William J. Caragol*
Name: William J. Caragol
Title: Chief Executive Officer

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS NOTE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Principal Amount: $100,000
Date: February 2, 2018

FORM OF DEMAND CONVERTIBLE PROMISSORY NOTE

PositiveID Corp., (hereinafter called the "Company"), hereby promises to pay to the order of **M2B Funding Corp.**, or its registered assigns (the "Holder") the sum of up to $100,000 on the Maturity Date (as defined below), together with any interest as set forth herein, and to pay interest on the unpaid principal balance hereof at the rate of Twelve percent (12%) (the "Interest Rate") per annum from the date hereof (the "Issue Date") until the same becomes due and payable, whether at maturity or upon acceleration or by prepayment or otherwise.

This Note may not be prepaid in whole or in part except as otherwise explicitly set forth herein. Interest shall commence accruing on the date that the Note is fully paid and shall be computed on the basis of a 365-day year and the actual number of days elapsed, notwithstanding the first year's interest is guaranteed. All payments due hereunder (to the extent not converted into common stock) shall be made in lawful money of the United States of America. Following any Event of Default, interest shall accrue at the lesser of Twenty Percent (24%) per annum or the maximum interest permitted by Law.

All payments shall be made at such address as the Holder shall hereafter give to the Company by written notice made in accordance with the provisions of this Note. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a business day, the same shall instead be due on the next succeeding day which is a business day and, in the case of any interest payment date which is not the date on which this Note is paid in full, the extension of the due date thereof shall not be taken into account for purposes of determining the amount of interest due on such date. As used in this Note, the term "business day" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the city of New York, New York are authorized or required by law or executive order to remain closed. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in the supporting documents of same date (attached hereto).

This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the Company and will not impose personal liability upon the holder thereof.

The following terms shall apply to this Note:

ARTICLE I. CONVERSION RIGHTS

1.1 Conversion Right. The Holder shall have the right and at any time from the execution of this Note to convert all or any part of the outstanding and unpaid principal amount of this Note into fully paid and non- assessable shares of Common Stock, as such Common Stock exists on the Issue Date, or any shares of capital stock or other securities of the Company into which such Common Stock shall hereafter be changed or reclassified at the conversion price (the "Conversion Price") determined as provided herein (a "Conversion"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of the Company subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock. For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulations 13D-G thereunder. The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on the date specified in the notice of conversion, (the "Notice of Conversion"), delivered to the Company by the Holder in accordance with the Sections below; provided that the Notice of Conversion is submitted by facsimile or e-mail (or by other means resulting in, or reasonably expected to result in, notice) to the Company before 6:00 p.m., New York, New York time on such conversion date (the "Conversion Date"). Notwithstanding the foregoing, the term "4.99%" above shall be replaced with "9.99%" following any Event of Default if the Holder, in its sole discretion and in writing, elects to demand the replacement. If the term "4.99%" is replaced with "9.99%" pursuant to the preceding sentence, such increase to "9.99%" shall remain at 9.99% until decreased by the Holder in writing.

The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on the date specified in the notice of conversion, (the "Notice of Conversion"), delivered to the Company by the Holder in accordance with the Sections below.

The term "Conversion Amount" means, with respect to any conversion of this Note, the sum of (1) the principal amount of this Note to be converted in such conversion plus (2) at the Company's option, accrued and unpaid interest, if any, on such principal amount at the interest rates provided in this Note to the Conversion Date, plus (3) at the Company's option, Default Interest, if any, on the amounts referred to in the immediately preceding clauses (1) and/or (2) plus (4) at the Holder's option, any amounts owed to the Holder.

1.2 Conversion Price.

(a) Calculation of Conversion Price. Holder, at its discretion, shall have the right to convert this Note in its entirety or in part(s) into common stock of the Company valued at a thirty-seven and a half percent (37.5%) discount off of the lowest price for the Company's common stock during the fifteen (15) trading days immediately preceding a conversion date, as reported by Quotestream Media.

If at any time after the execution of this Note, the Company experiences a "DTC Chill," the Conversion Price Discount shall be increased by five percent (5%). If at any time following the execution of this Note, the Company becomes ineligible to participate in the DTC's "DWAC" system, the Conversion Price Discount will be increased by five percent (5%). Following any Event of Default, the Conversion Price discount shall be increased to forty-five percent (45%).

1.3 Authorized Shares. The Company covenants that during the period the conversion right exists the Company will reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note. The Company is required at all times to have authorized and reserved three times the number of shares that is actually issuable upon full conversion of the Note (based on the Conversion Price of the Notes in effect from time to time)(the "Reserved Amount"). The Reserved Amount shall be increased from time to time in accordance with the Company's obligations.

The Company represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if the Company shall issue any securities or make any change to its capital structure which would change the number of shares of Common Stock into which the Notes shall be convertible at the then current Conversion Price, the Company shall at the same time make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved, free from preemptive rights, for conversion of the outstanding Notes.

The Company (i) acknowledges **that it will irrevocably instruct its transfer agent** to issue certificates for the Common Stock issuable upon conversion of this Note, and (ii) agrees that its issuance of this Note shall constitute full authority to its officers and agents who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for shares of Common Stock in accordance with the terms and conditions of this Note.

If, at any time the Company does not maintain the Reserved Amount it will be considered an Event of Default as defined in this Note.

1.4 Method of Conversion.

(a) Mechanics of Conversion. This Note may be converted by the Holder in whole or in part at any time from time to time after the Issue Date, by (A) submitting to the Company a Notice of Conversion (by facsimile, e-mail or other reasonable means of communication dispatched on the Conversion Date prior to 6:00 p.m., New York, New York time).

(b) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Company unless the entire unpaid principal amount of this Note is so converted. The Holder and the Company shall maintain records showing the principal amount so converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Note upon each such conversion. In the event of any dispute or discrepancy, such records of the Holder shall, *prima facie,* be controlling and determinative in the absence of manifest error. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note represented by this Note may be less than the amount stated on the face hereof.

(c) Payment of Taxes. The Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock or other securities or property on conversion of this Note in a name other than that of the Holder (or in street name), and the Company shall not be required to issue or deliver any such shares or other securities or property unless and until the person or persons (other than the Holder or the custodian in whose street name such shares are to be held for the Holder's account) requesting the issuance thereof shall have paid to the Company the amount of any such tax or shall have established to the satisfaction of the Company that such tax has been paid.

(d) Delivery of Common Stock Upon Conversion. Upon receipt by the Company from the Holder of a facsimile transmission or e-mail (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section, the Company shall issue and deliver or cause to be issued and delivered to or upon the order of the Holder certificates for the Common Stock issuable upon such conversion within three (3) business days after such receipt (the "Deadline") (and, solely in the case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof.

Within Five (5) business days of having received common stock pursuant to a Notice of Conversion and prior to having traded any shares from that specific conversion, Holder may elect to rescind the Notice of Conversion and return the shares, at Holder's expense, to the Company's Transfer Agent. In the event of such rescission, the principal amount outstanding under this Note shall be adjusted to include the Conversion Amount which was deducted from the Note as part of the rescinded Notice of Conversion.

(e) Obligation of Company to Deliver Common Stock. Upon receipt by the Company of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless the Company defaults on its obligations under this Article I, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Common Stock or other securities, cash or other assets, as herein provided, on such conversion. If the Holder shall have given a Notice of Conversion as provided herein, the Company's obligation to issue and deliver the certificates for Common Stock shall be absolute and unconditional, irrespective of the absence of any action by the Holder to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any person or any action to enforce the same, any failure or delay in the enforcement of any other obligation of the Company to the holder of record, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder of any obligation to the Company, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with such conversion. The Conversion Date specified in the Notice of Conversion shall be the Conversion Date so long as the Notice of Conversion is received by the Company before 6:00 p.m., New York, New York time, on such date.

(f) Delivery of Common Stock by Electronic Transfer. In lieu of delivering physical certificates representing the Common Stock issuable upon conversion, provided the Company is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer ("FAST") program, upon request of the Holder and its compliance with the provisions contained in Section 1.1 and in this Section 1.4, the Company shall use its best efforts to cause its transfer agent to electronically transmit the Common Stock issuable upon conversion to the Holder by crediting the account of Holder's Broker with DTC through its Deposit Withdrawal Agent Commission ("DWAC") system.

(g) Failure to Deliver Common Stock Prior to Deadline. Without in any way limiting the Holder's right to pursue other remedies, including actual damages and/or equitable relief, the parties agree that if delivery of the Common Stock issuable upon conversion of this Note is not delivered by the Deadline the Company shall pay to the Holder $2,000 per day in cash, for each day beyond the Deadline that the Company fails to deliver such Common Stock. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to the Company by the first day of the month following the month in which it has accrued), shall be added to the principal amount of this Note, in which event interest shall accrue thereon in accordance with the terms of this Note and such additional principal amount shall be convertible into Common Stock in accordance with the terms of this Note. The Company agrees that the right to convert is a valuable right to the Holder. The damages resulting from a failure, attempt to frustrate, interference with such conversion right are difficult if not impossible to qualify.

Accordingly the parties acknowledge that the liquidated damages provision contained in this Section are justified. Any delay or failure of performance by the Company hereunder shall be excused if and to the extent caused by Force Majeure. For purposes of this agreement, Force Majeure shall mean a cause or event that is not reasonably foreseeable and not caused by the Company, including acts of God, fires, floods, explosions, riots wars, hurricanes, etc.

1.5 Concerning the Shares. The shares of Common Stock issuable upon conversion of this Note may not be sold or transferred unless (i) such shares are sold pursuant to an effective registration statement under the Act or (ii) the Company or its transfer agent shall have been furnished with an opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration or (iii) such shares are sold or transferred pursuant to Rule 144 under the Act (or a successor rule) ("Rule 144") or (iv) such shares are transferred to an "affiliate" (as defined in Rule 144) of the Company who agrees to sell or otherwise transfer the shares only in accordance with this Section 1.5 and who is an Accredited Investor. Except as otherwise provided herein (and subject to the removal provisions set forth below), until such time as the shares of Common Stock issuable upon conversion of this Note have been registered under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold, each certificate for shares of Common Stock issuable upon conversion of this Note that has not been so included in an effective registration statement or that has not been sold pursuant to an effective registration statement or an exemption that permits removal of the legend, shall bear a legend substantially in the following form, as appropriate:

"NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES."

The legend set forth above shall be removed and the Company shall issue to the Holder a new certificate therefore free of any transfer legend if (i) the Company or its transfer agent shall have received an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of such Common Stock may be made without registration under the Act, which opinion shall be accepted by the Company so that the sale or transfer is effected or (ii) in the case of the Common Stock issuable upon conversion of this Note, such security is registered for sale by the Holder under an effective registration statement filed under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold. In the event that the Company does not accept the opinion of counsel provided by the Buyer with respect to the transfer of Securities pursuant to an exemption from registration, such as Rule 144 or Regulation S, at the Deadline, it will be considered an Event of Default pursuant to this note.

1.6 Effect of Certain Events.

(a) Effect of Merger, Consolidation, Etc. At the option of the Holder, the sale, conveyance or disposition of all or substantially all of the assets of the Company, the effectuation by the Company of a transaction or series of related transactions in which more than 50% of the voting power of the Company is disposed of, or the consolidation, merger or other business combination of the Company with or into any other Person (as defined below) or Persons when the Company is not the survivor shall either: (i) be deemed to be an Event of Default (as defined in Article III) pursuant to which the Company shall be required to pay to the Holder upon the consummation of and as a condition to such transaction an amount equal to the Default Amount (as defined in Article III) or (ii) be treated pursuant to Section 1.6(b) hereof. "Person" shall mean any individual, corporation, limited liability company, partnership, association, trust or other entity or organization.

(b) Adjustment Due to Merger, Consolidation, Etc. If, at any time when this Note is issued and outstanding and prior to conversion of all of the Notes, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a result of which shares of Common Stock of the Company shall be changed into the same or a different number of shares of another class or classes of stock or securities of the Company or another entity, or in case of any sale or conveyance of all or substantially all of the assets of the Company other than in connection with a plan of complete liquidation of the Company, then the Holder of this Note shall thereafter have the right to receive upon conversion of this Note, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such stock, securities or assets which the Holder would have been entitled to receive in such transaction had this Note been converted in full immediately prior to such transaction (without regard to any limitations on conversion set forth herein), and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder of this Note to the end that the provisions hereof (including, without limitation, provisions for adjustment of the Conversion Price and of the number of shares issuable upon conversion of the Note) shall thereafter be applicable, as nearly as may be practicable in relation to any securities or assets thereafter deliverable upon the conversion hereof. The Company shall not affect any transaction described in this Section 1.6(b) unless (a) it first gives, to the extent practicable, thirty (30) days prior written notice (but in any event at least fifteen (15) days prior written notice) of the record date of the special meeting of shareholders to approve, or if there is no such record date, the consummation of, such merger, consolidation, exchange of shares, recapitalization, reorganization or other similar event or sale of assets (during which time the Holder shall be entitled to convert this Note) and (b) the resulting successor or acquiring entity (if not the Company) assumes by written instrument the obligations of this Section 1.6(b). The above provisions shall similarly apply to successive consolidations, mergers, sales, transfers or share exchanges.

(c) Adjustment Due to Distribution. If the Company shall declare or make any distribution of its assets (or rights to acquire its assets) to holders of Common Stock as a dividend, stock repurchase, by way of return of capital or otherwise (including any dividend or distribution to the Company's shareholders in cash or shares (or rights to acquire shares) of capital stock of a subsidiary (i.e., a spin-off)) (a "Distribution"), then the Holder of this Note shall be entitled, upon any conversion of this Note after the date of record for determining shareholders entitled to such Distribution, to receive the amount of such assets which would have been payable to the Holder with respect to the shares of Common Stock issuable upon such conversion had such Holder been the holder of such shares of Common Stock on the record date for the determination of shareholders entitled to such Distribution.

(d) Adjustment Due to Dilutive Issuance. If, at any time when any Notes are issued and outstanding, the Borrower issues or sells, or in accordance with this Section 1.6(d) hereof is deemed to have issued or sold, any shares of Common Stock in connection with a financing transaction based on a variable price formula (the "Alternative Variable Price Formula") that is more favorable to the investor in such financing transaction than the formula for calculating the Conversion Price in effect on the date of such issuance (or deemed issuance) of such shares of Common Stock (a "Dilutive Issuance"), then immediately upon the Dilutive Issuance, the formula for the Conversion Price will be adjusted to match the Alternative Variable Price Formula. If it is unclear whether the Alternative Variable Price Formula is better or worse, then Holder, in its sole discretion, may elect at the time of such issuance whether to switch to the Alternative Variable Price Formula or not.

(e) Purchase Rights. If, at any time when any Notes are issued and outstanding, the Company issues any convertible securities or rights to purchase stock, warrants, securities or other property (the "Purchase Rights") pro rata to the record holders of any class of Common Stock, then the Holder of this Note will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such Holder could have acquired if such Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Note (without regard to any limitations on conversion contained herein) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

(f) Notice of Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price as a result of the events described in this Section 1.6, the Company, at its expense, shall promptly compute such adjustment or readjustment and prepare and furnish to the Holder of a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of the Holder, furnish to such Holder a like certificate setting forth (i) such adjustment or readjustment, (ii) the Conversion Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other securities or property which at the time would be received upon conversion of the Note.

1.7 Not Used.

1.8 Status as Shareholder. Upon submission of a Notice of Conversion by a Holder, (i) the shares covered thereby (other than the shares, if any, which cannot be issued because their issuance would exceed such Holder's allocated portion of the Reserved Amount or Maximum Share Amount) shall be deemed converted into shares of Common Stock and (ii) the Holder's rights as a Holder of such converted portion of this Note shall cease and terminate, excepting only the right to receive certificates for such shares of Common Stock and to any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by the Company to comply with the terms of this Note. Notwithstanding the foregoing, if a Holder has not received certificates for all shares of Common Stock prior to the tenth (10th) business day after the expiration of the Deadline with respect to a conversion of any portion of this Note for any reason, then (unless the Holder otherwise elects to retain its status as a holder of Common Stock by so notifying the Company) the Holder shall regain the rights of a Holder of this Note with respect to such unconverted portions of this Note and the Company shall, as soon as practicable, return such unconverted Note to the Holder or, if the Note has not been surrendered, adjust its records to reflect that such portion of this Note has not been converted. In all cases, the Holder shall retain all of its rights and remedies (including, without limitation, (i) the right to receive Conversion Default Payments pursuant to Section 1.3 to the extent required thereby for such Conversion Default and any subsequent Conversion Default and (ii) the right to have the Conversion Price with respect to subsequent conversions determined in accordance with Section 1.3) for the Company's failure to convert this Note.

1.9 Demand Payment. Holder can demand payment to be made on any day after 90 calendar days from the issuance date at 105% of the Principal and Interest Outstanding. To exercise the demand right the Holder must give 5 days' written notice to the Company. Written notice may be U.S. Mail or electronic mail.

ARTICLE II. CERTAIN COVENANTS

2.1 Distributions on Capital Stock. So long as the Company shall have any obligation under this Note, the Company shall not without the Holder's written consent (a) pay, declare or set apart for such payment, any dividend or other distribution (whether in cash, property or other securities) on shares of capital stock other than dividends on shares of Common Stock solely in the form of additional shares of Common Stock or (b) directly or indirectly or through any subsidiary make any other payment or distribution in respect of its capital stock except for distributions pursuant to any shareholders' rights plan which is approved by a majority of the Company's disinterested directors.

2.2 Restriction on Stock Repurchases. So long as the Company shall have any obligation under this Note, the Company shall not without the Holder's written consent redeem, repurchase or otherwise acquire (whether for cash or in exchange for property or other securities or otherwise) in any one transaction or series of related transactions any shares of capital stock of the Company or any warrants, rights or options to purchase or acquire any such shares.

2.3 Borrowings. So long as the Company shall have any obligation under this Note, the Company shall not, without providing the Holder with the right of first refusal, create, incur, assume guarantee, endorse, contingently agree to purchase or otherwise become liable upon the obligation of any person, firm, partnership, joint venture or corporation, except by the endorsement of negotiable instruments for deposit or collection, or suffer to exist any liability for borrowed money, except (a) borrowings in existence or committed on the date hereof and of which the Issuer has informed Holder in writing prior to the date hereof, (b) indebtedness to trade creditors or financial institutions incurred in the ordinary course of business or (c) borrowings, the proceeds of which shall be used to repay this Note. Holder shall have 3 business days from receipt of the terms of any potential borrowings to confirm if they want to provide such financing on similar terms.

2.4 Sale of Assets. So long as the Company shall have any obligation under this Note, the Company shall not, without the Holder's written consent, sell, lease or otherwise dispose of any significant portion of its assets outside the ordinary course of business. Any consent to the disposition of any assets may be conditioned on a specified use of the proceeds of disposition.

2.5 Advances and Loans. So long as the Company shall have any obligation under this Note, the Company shall not, without the Holder's written consent, lend money, give credit or make advances to any person, firm, joint venture or corporation, including, without limitation, officers, directors, employees, subsidiaries and affiliates of the Company, except loans, credits or advances (a) in existence or committed on the date hereof and which the Company has informed Holder in writing prior to the date hereof, (b) made in the ordinary course of business or (c) not in excess of $50,000.

ARTICLE III. EVENTS OF DEFAULT

If any of the following events of default (each, an "Event of Default") shall occur:

3.1 Failure to Pay Principal or Interest. The Company fails to pay the principal hereof or interest thereon when due on this Note, whether at maturity, upon acceleration or otherwise.

3.2 Conversion and the Shares. The Company fails to issue shares of Common Stock to the Holder (or announces or threatens in writing that it will not honor its obligation to do so) upon exercise by the Holder of the conversion rights of the Holder in accordance with the terms of this Note, fails to transfer or cause its transfer agent to transfer (issue) (electronically or in certificated form) any certificate for shares of Common Stock issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, the Company directs its transfer agent not to transfer or delays, impairs, and/or hinders its transfer agent in transferring (or issuing) (electronically or in certificated form) any certificate for shares of Common Stock to be issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, or fails to remove (or directs its transfer agent not to remove or impairs, delays, and/or hinders its transfer agent from removing) any restrictive legend (or to withdraw any stop transfer instructions in respect thereof) on any certificate for any shares of Common Stock issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note (or makes any written announcement, statement or threat that it does not intend to honor the obligations described in this paragraph) and any such failure shall continue uncured (or any written announcement, statement or threat not to honor its obligations shall not be rescinded in writing) for three (3) business days after the Holder shall have delivered a Notice of Conversion. It is an obligation of the Company to remain current in its obligations to its transfer agent. It shall be an event of default of this Note, if a conversion of this Note is delayed, hindered or frustrated due to a balance owed by the Company to its transfer agent. If at the option of the Holder, the Holder advances any funds to the Company's transfer agent in order to process a conversion, such advanced funds shall be paid by the Company to the Holder within forty eight (48) hours of a demand from the Holder.

3.3 Breach of Covenants. The Company breaches any covenant or other term or condition contained in this Note and any collateral documents.

3.4 Breach of Representations and Warranties. Any representation or warranty of the Company made herein or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith, shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note.

3.5 Receiver or Trustee. The Company or any subsidiary of the Company shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed.

3.6 Judgments. Any money judgment, writ or similar process shall be entered or filed against the Company or any subsidiary of the Company or any of its property or other assets for more than $50,000, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) days unless otherwise consented to by the Holder, which consent will not be unreasonably withheld.

3.7 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Company or any subsidiary of the Company.

3.8 Delisting of Common Stock. The Company shall fail to maintain, in good standing, the listing of the Common Stock on the OTCQB or an equivalent replacement exchange, the Nasdaq National Market, the Nasdaq SmallCap Market or the New York Stock Exchange.

3.9 Failure to Comply with the Exchange Act. The Company shall fail to comply, in a timely manner, with the reporting requirements of the Exchange Act; and/or the Company shall cease to be subject to the reporting requirements of the Exchange Act.

3.10 Liquidation. Any dissolution, liquidation, or winding up of Company or any substantial portion of its business.

3.11 Cessation of Operations. Any cessation of operations by Company or Company admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Company's ability to continue as a "going concern" shall not be an admission that the Company cannot pay its debts as they become due.

3.12 Maintenance of Assets. The failure by Company to maintain any material intellectual property rights, personal, real property or other assets which are necessary to conduct its business (whether now or in the future).

3.13 Financial Statement Restatement. The restatement of any financial statements filed by the Company with the SEC for any date or period from two years prior to the Issue Date of this Note and until this Note is no longer outstanding, if the result of such restatement would, by comparison to the original financial statement, have constituted a material adverse effect on the rights of the Holder with respect to this Note or supporting documents.

3.14 Reverse Splits. The Company effectuates a reverse split of its Common Stock without at least twenty (20) days prior written notice to the Holder.

3.15 Replacement of Transfer Agent. In the event that the Company proposes to replace its transfer agent, the Company fails to provide, prior to the effective date of such replacement, a fully executed Irrevocable Transfer Agent Instructions in a form as initially delivered with this Note (including but not limited to the provision to irrevocably reserve shares of Common Stock in the Reserved Amount) signed by the successor transfer agent to Company and the Company.

3.16 Cross-Default. Notwithstanding anything to the contrary contained in this Note or the other related or companion documents, a breach or default by the Company of any covenant or other term or condition contained in any of the Other Agreements, after the passage of all applicable notice and cure or grace periods, shall, at the option of the Holder, be considered a default under this Note and the Other Agreements, in which event the Holder shall be entitled (but in no event required) to apply all rights and remedies of the Holder under the terms of this Note and the Other Agreements by reason of a default under said Other Agreement or hereunder. "Other Agreements" means, collectively, all agreements and instruments between, among or by: (1) the Company, and, or for the benefit of, (2) the Holder and any affiliate of the Holder, including, without limitation, promissory notes; provided, however, the term "Other Agreements" shall not include the related or companion documents to this Note. Each of the loan transactions will be cross-defaulted with each other loan transaction and with all other existing and future debt of Company.

Upon the occurrence and during the continuation of any Event of Default specified in Section 3.1 (solely with respect to failure to pay the principal hereof or interest thereon when due at the Maturity Date), the Note shall become immediately due and payable and the Company shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to the Default Sum (as defined herein).

UPON THE OCCURRENCE AND DURING THE CONTINUATION OF ANY EVENT OF DEFAULT SPECIFIED IN SECTION 3.2, THE NOTE SHALL BECOME IMMEDIATELY DUE AND PAYABLE AND THE COMPANY SHALL PAY TO THE HOLDER, IN FULL SATISFACTION OF ITS OBLIGATIONS HEREUNDER, AN AMOUNT EQUAL TO: (Y) THE DEFAULT SUM (AS DEFINED HEREIN); MULTIPLIED BY (Z) 125% (2). Upon the occurrence and during the continuation of any Event of Default specified in Sections 3.1 (solely with respect to failure to pay the principal hereof or interest thereon when due on this Note upon a Trading Market Prepayment Event pursuant to Section 1.7 or upon acceleration), 3.3, 3.4, 3.6, 3.8, 3.9, 3.11, 3.12, 3.13, 3.14, and/or 3.15 exercisable through the delivery of written notice to the Company by such Holders (the "Default Notice"), and upon the occurrence of an Event of Default specified the remaining sections of Articles III (other than failure to pay the principal hereof or interest thereon at the Maturity Date specified in Section 3,1 hereof), the Note shall become immediately due and payable and the Company shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to the greater of (i) 125% times the sum of (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note to the date of payment (the "Mandatory Prepayment Date") plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and/or (x) plus (z) any amounts owed to the Holder pursuant to Sections 1.3 and 1.4(g) hereof (the then outstanding principal amount of this Note to the date of payment plus the amounts referred to in clauses (x), (y) and (z) shall collectively be known as the "Default Sum") or (ii) the "parity value" of the Default Sum to be prepaid, where parity value means (a) the highest number of shares of Common Stock issuable upon conversion of or otherwise pursuant to such Default Sum in accordance with Article I, treating the Trading Day immediately preceding the Mandatory Prepayment Date as the "Conversion Date" for purposes of determining the lowest applicable Conversion Price, unless the Default Event arises as a result of a breach in respect of a specific Conversion Date in which case such Conversion Date shall be the Conversion Date), multiplied by (b) the highest Closing Price for the Common Stock during the period beginning on the date of first occurrence of the Event of Default and ending one day prior to the Mandatory Prepayment Date (the "Default Amount") and all other amounts payable hereunder shall immediately become due and payable, all without demand, presentment or notice, all of which hereby are expressly waived, together with all costs, including, without limitation, legal fees and expenses, of collection, and the Holder shall be entitled to exercise all other rights and remedies available at law or in equity.

If the Company fails to pay the Default Amount within five (5) business days of written notice that such amount is due and payable, then the Holder shall have the right at any time, so long as the Company remains in default (and so long and to the extent that there are sufficient authorized shares), to require the Company, upon written notice, to immediately issue, in lieu of the Default Amount, the number of shares of Common Stock of the Company equal to the Default Amount divided by the Conversion Price then in effect.

ARTICLE IV. MISCELLANEOUS

4.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

4.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Company, to:
PositiveID Corporation
1690 S. Congress Ave.,
Suite 201
Delray Beach, FL 33445

If to the Holder:

M2B Funding Corp.
17201 Collins Avenue,
Unit 3207
Sunny Isles, FL 33160

4.3 Amendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Company and the Holder. The term “Note” and all reference thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented, then as so amended or supplemented.

4.4 Assignability. This Note shall be binding upon the Company and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Notwithstanding anything in this Note to the contrary, this Note may be pledged as collateral in connection with a bona fide margin account or other lending arrangement.

4.5 Cost of Collection. If default is made in the payment of this Note, the Company shall pay the Holder hereof costs of collection, including reasonable attorneys' fees.

4.6 Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Nevada without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the state or federal courts located in the County, City and State of New York. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. The Company and Holder waive trial by jury. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Note or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

4.7 Certain Amounts. Whenever pursuant to this Note the Company is required to pay an amount in excess of the outstanding principal amount (or the portion thereof required to be paid at that time) plus accrued and unpaid interest plus Default Interest on such interest, the Company and the Holder agree that the actual damages to the Holder from the receipt of cash payment on this Note may be difficult to determine and the amount to be so paid by the Company represents stipulated damages and not a penalty and is intended to compensate the Holder in part for loss of the opportunity to convert this Note and to earn a return from the sale of shares of Common Stock acquired upon conversion of this Note at a price in excess of the price paid for such shares pursuant to this Note. The Company and the Holder hereby agree that such amount of stipulated damages is not plainly disproportionate to the possible loss to the Holder from the receipt of a cash payment without the opportunity to convert this Note into shares of Common Stock.

4.8 Not Used.

4.9 Notice of Corporate Events. Except as otherwise provided below, the Holder of this Note shall have no rights as a Holder of Common Stock unless and only to the extent that it converts this Note into Common Stock. The Company shall provide the Holder with prior notification of any meeting of the Company's shareholders (and copies of proxy materials and other information sent to shareholders). In the event of any taking by the Company of a record of its shareholders for the purpose of determining shareholders who are entitled to receive payment of any dividend or other distribution, any right to subscribe for, purchase or otherwise acquire (including by way of merger, consolidation, reclassification or recapitalization) any share of any class or any other securities or property, or to receive any other right, or for the purpose of determining shareholders who are entitled to vote in connection with any proposed sale, lease or conveyance of all or substantially all of the assets of the Company or any proposed liquidation, dissolution or winding up of the Company, the Company shall mail a notice to the Holder, at least twenty (20) days prior to the record date specified therein (or thirty (30) days prior to the consummation of the transaction or event, whichever is earlier), of the date on which any such record is to be taken for the purpose of such dividend, distribution, right or other event, and a brief statement regarding the amount and character of such dividend, distribution, right or other event to the extent known at such time. The Company shall make a public announcement of any event requiring notification to the Holder hereunder substantially simultaneously with the notification to the Holder in accordance with the terms of this Section 4.9.

4.10 Remedies. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder, by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Note will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Note, that the Holder shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required.

IN WITNESS WHEREOF, Company has caused this Note to be signed in its name by its duly authorized officer:

PositiveID Corp.

By: _____
Print: _____
Title/Date: _____

FORM OF STOCK PURCHASE AGREEMENT
OF
SERIES A CONVERTIBLE PREFERRED STOCK
OF
E-N-G MOBILE SYSTEMS, INC.

(PositiveID Corporation, Holdings ENG, LLC and E-N-G Mobile Systems, Inc.)

This Series A Convertible Preferred Stock Purchase Agreement (the " **Agreement**") is entered into as of January 30, 2018 ("**Effective Date**") by and among PositiveID Corporation, a Delaware corporation ("**PositiveID**"), Holdings ENG, LLC, a Florida limited liability company ("**Purchaser**") and E-N-G Mobile Systems, Inc., a California corporation (the "**Company**").

WHEREAS, the Purchaser purchased 299 shares of the Company's Series A Convertible Preferred Stock, par value $.001 per share (the "Series A Preferred") from PositiveID pursuant to a Stock Purchase Agreement by and among PositiveID, the Purchaser and the Company entered into as of June 12, 2017 (the "**June Purchase Agreement**"); and

WHEREAS, the Company has an urgent need of $200,000 to meet payroll obligations and to maintain liquidity over the next thirty days; and

WHEREAS, the Company has been unable to secure any alternative means of debt or equity financing; and

WHEREAS, the Company desires to issue and sell to the Purchaser six hundred and forty one (641) shares (the "Shares") of the Series A Preferred for a purchase price of $312.01248 per share; and

WHEREAS, the Purchaser desires to purchase from the Company the Shares for an aggregate purchase price of Two Hundred Thousand Dollars ($200,000.00); and

WHEREAS, PositiveID has declined to exercise its right to purchase a pro rata portion of the Shares, and has (i) approved the issuance and sale of the Shares by the Company to the Purchaser and (ii) waived all preemptive rights, rights of first refusal or similar rights it may have with respect to Company's purchase of the Shares; and

In consideration of the mutual promises and covenants contained in this Agreement, the parties hereto agree as follows:

1. Purchase and Sale of Shares; Purchase Price.

a. Purchase and Sale. The Company agrees to sell to Purchaser, and Purchaser agrees to purchase from the Company, the Shares pursuant to the terms and conditions of this Agreement. The Shares shall have the rights, restrictions, privileges and preferences set forth in the Amended and Restated Articles of Incorporation on file with the California Secretary of State as of the date hereof.

b. Purchase Price. The purchase price for the Shares shall be two hundred thousand dollars ($200,000.00) (the "**Purchase Price**"), payable at the Closing (as defined below).

2. The Closing.

The closing (the "**Closing**") of the sale and purchase of the Shares under this Agreement shall take place at the offices of Saul Ewing LLP, 1919 Pennsylvania Avenue N.W., Suite 550, Washington, D.C. as soon as practicable after the Effective Date as mutually agreeable to the Company, the Purchaser and PositiveID, but in no event later than 1:00 p.m. on February 1, 2018. At the Closing, the Company shall deliver to the Purchaser a certificate registered to the Purchaser for the Shares, against payment to the Company of the Purchase Price, by wire transfer or other method acceptable to the Company. The date of the Closing is hereinafter referred to as the "**Closing Date**." If at the Closing any of the conditions specified in Section 7 shall not have been fulfilled, the Purchaser shall, at its election, be relieved of all of its obligations under this Agreement without thereby waiving any other rights it may have by reason of such failure or such non-fulfillment.

3. [Reserved].

4. Representations of Company.

PositiveID and Company, jointly and severally, represent and warrant to Purchaser as follows, as of the Effective Date:

a. Due Organization. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of California, has all requisite power to own, operate and lease its properties, and has all necessary power and authority to enter into and carry out this Agreement according to its terms. Schedule 4.a. attached to the June Purchase Agreement and, if an update is required, Schedule 4.a. attached hereto together contain a complete and accurate list of each jurisdiction in which the Company is authorized or qualified to do business and the Company is in good standing in all such jurisdictions. The Company is not in violation of, in conflict with, or default under, any of its governing documents, and there exists no condition or event which, after notice or lapse of time or both, would result in any such violation, conflict or default.

b. Authorization; Validity. The execution, delivery and performance of this Agreement, the Note and other agreements required to be executed by the Company and/or PositiveID at or prior to Closing pursuant to Section 7 ("**Ancillary Agreements**") have been duly authorized by all necessary action by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action. This Agreement and the Ancillary Agreements have been duly executed and delivered by the Company. This Agreement and the Ancillary Agreements, assuming due authorization, execution and delivery by Purchaser and PositiveID, constitutes the valid and binding obligations of the Company, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or similar laws and equitable remedies.

c. Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy law is pending against Company.

d. Environmental. To the Knowledge of the Company, there has been no release of any hazardous substances in any way into, on or under the property owned by or rented by the Company ("**Property**"), nor has the Property been used any time by any Person as a landfill or for the storage, treatment or disposal of any type of waste including any hazardous substances. Schedule 4.d.i. attached to the June Purchase Agreement and, if an update is required, Schedule 4.d.i. attached hereto together set forth all information and documents, including without limitation, all environmental reports relating to the Property that are in such Company's possession or control regarding the environmental, soil or surface or subsurface water condition of the Property. "**Person**" means a natural Person, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, proprietorship, trust, union, association, Governmental Entity (as defined in Section 4.u.) or other entity, enterprise, authority or business organization. For purposes of this Agreement, "Knowledge," shall mean the actual knowledge of the Persons listed in Schedule 4.d.ii attached to the June Purchase Agreement.

e. Taxes. All Tax Returns filed or required to be filed by the Company have been, or will be, timely filed after giving effect to any extensions. All such Tax Returns are true, complete and correct in all material respects. All Taxes required to be paid by the Company that are due and payable have been paid, whether or not shown on any Tax Return. The unpaid Taxes of the Company through December 31, 2016, do not exceed the accruals and reserves for Taxes (excluding accruals and reserves for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the Financial Statements and all unpaid Taxes of the Company for all Tax periods commencing after December 31, 2016 arose in the ordinary course of business. The Company is not currently the beneficiary of any extension of time within which to file any Tax Return. The Company has withheld or collected all Taxes required by applicable law to have been withheld or collected by it and, to the extent required, paid over such Taxes to the appropriate governmental authorities, and complied in all material respects with all information reporting and backup withholding requirements, including maintenance of required records with respect thereto, in connection with amounts paid to any employee, independent contractor, creditor, stockholder or other third party. To the Company's Knowledge, there are no Liens for Taxes upon the assets of the Company other than Liens for current Taxes not yet due and payable. To Company's Knowledge, there is no claim or dispute concerning any Tax liability of the Company claimed or raised by any governmental authority. There is no audit, examination or similar proceeding currently in progress or pending with respect to Taxes or Tax returns of the Company. There have been no periods for which the Tax Returns required to be filed by the Company have been examined by the Internal Revenue Service or other appropriate Taxing authority. There are no outstanding agreements or waivers extending the statutory period of limitations applicable to any Tax Return or Tax period of or applicable to the Company. There are no requests for rulings or determinations in respect of any Tax pending between the Company and any governmental authority. Neither the Company nor any affiliate of the Company has participated in any "reportable transaction" as defined in Section 1.6011-4(b) of the treasury regulations of the Internal Revenue Code, as amended. The Company has delivered or made available to Purchaser true, complete and correct copies of (i) all Tax Returns of the Company for all taxable periods for which the statute of limitations has not yet expired and (ii) complete and correct copies of all private letter rulings, revenue agent reports, audit reports, information document requests, notices of proposed deficiencies, deficiency notices, protests, petitions, closing agreements, settlement agreements, pending ruling requests and any similar documents submitted by, received by or agreed to by or on behalf of the Company relating to Taxes for all taxable periods for which the statute of limitations has not yet expired. "**Tax**" (including with correlative meaning the terms "Taxes" and "taxable") means all foreign, federal, state, local and other income, gross receipts, sales, use, ad valorem, value-added, intangible, unitary, transfer, franchise, license, payroll, employment, estimated, withholding, excise, environmental, stamp, occupation, premium, property, prohibited transactions, windfall or excess profits, customs duties or other taxes, levies, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts with respect thereto, and any related charges imposed by any governmental authority, including any Taxes with respect to which any individual, trust, corporation, partnership or any other entity is liable and as to which the Company or PositiveID is liable either as a transferee thereof or pursuant to any laws. There has been no fraud or intentional or willful misconduct by any Person in connection with the preparation and filing of any Tax Return. "**Tax Return**" means any return (including any information return), report, statement, schedule, notice, form, estimate or declaration of estimated Tax relating to or required to be filed with any governmental authority in connection with the determination, assessment, collection or payment of any Tax.

f. Litigation. There is no existing litigation, proceeding or investigation pending, or to the Knowledge of the Company threatened in writing, against the Company that might affect or relate to the validity of this Agreement, or the operations of the Company, whether or not fully covered by insurance. The Company has not received notice of any pending or contemplated taking of the whole or any part of the Property or any other asset of the Company. There are no judgments, orders, injunctions, decrees, stipulations or awards (whether rendered by a court, administrative agency or other governmental authority, by arbitration or otherwise), against the Company or any of its assets.

g. Compliance with Laws. The Company is in compliance in all material respects with all laws, ordinances, rules, regulation or code, court order or order or agreement with any federal, state or local governmental body or agency (including, without limitation, any zoning, sign, environmental, labor, safety, health, price or wage control, law, ordinance, rule, regulation or order) applicable to the Company.

h. OFAC. The Company is not (i) currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation, and (ii) an entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States. None of the funds or other assets of the Company constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined). No Embargoed Person has any interest of any nature whatsoever in the Company (whether directly or indirectly). The term "**Embargoed Person**" means any Person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that any investment in the Company is prohibited by law or the Company is in violation of law.

i. Capitalization. The authorized capital stock of the Company consists of 2,000 shares of common stock, $0.001 par value per share (the "**Common Stock**"), of which 241 shares are issued and outstanding, and 1,000 shares of Series A Preferred, of which 359 are issued and outstanding. The capitalization of the Company for the transactions contemplated under this Agreement is set forth in Schedule 4.i. attached hereto. The Shares have been duly authorized and upon payment of the Purchase Price by Purchaser, will be validly issued, fully paid and nonassessable. Other than the 241 shares of Common Stock and the 60 shares of Series A Preferred owned by PositiveID ("**PositiveID Shares**"), 299 shares of Series A Preferred owned by the Purchaser, and options granted to the Purchaser by PositiveID and the Company pursuant to the June Purchase Agreement, neither PositiveID nor any other Person owns any securities of the Company nor warrants nor options to purchase nor rights to subscribe for or otherwise acquire any securities of the Company or has any other interest in any securities of the Company. All of the Shares were offered, issued, sold and delivered by the Company in compliance with all applicable laws governing the issuance of securities. None of the Shares were issued in violation of any preemptive rights (including any preemptive rights set forth in the Company's governing documents), rights of first refusal or similar rights. There are no outstanding or authorized stock appreciation, phantom stock, profit share or similar rights with respect to the Company. No Person has any claim, right or interest in or to any shares of capital stock or other securities (including any voting debt) of the Company. The Company does not have any obligation (contingent or otherwise) to purchase, redeem or otherwise acquire any of its securities or any interests therein or to pay any dividend or make any distribution in respect thereof.

j. Governing Documents. The Articles of Incorporation attached hereto as Exhibit A and the Amended and Restated Bylaws attached hereto as Exhibit B ("**Bylaws**") are the current and sole governing documents of the Company.

k. Subsidiaries. The Company does not have any subsidiaries, and does not own, of record or beneficially, or control, directly or indirectly, any capital stock, securities convertible into capital stock or any other equity interest in any Person, whether active or dormant, nor is the Company, directly or indirectly, a participant in any joint venture, partnership or other similar transaction.

l. Complete Copies of Materials. The Company has delivered true, correct and complete copies (or with respect to oral agreements, written summaries of the same) of each contract or other document that is referred to in the Schedules attached hereto.

m. Financial Statements. Attached hereto as Schedule 4.m. is a cash flow projection representing the best estimate by the Company's management of projected cash flows, expenses and liabilities (the "**Financial Statements**"). The Financial Statements disclose all known liabilities of the Company as of the date of this Agreement. There has been no fraud or intentional or willful misconduct by any Person in connection with the recordation, maintenance or preparation of the Financial Statements or any other financial documents, record or information of the Company.

n. Liabilities and Obligations. The Company is not liable for or subject to any liabilities, other than (i) liabilities reflected on the Financial Statements and not previously paid or discharged, and (ii) liabilities that were incurred since the date of the Financial Statements in the ordinary course of business, consistent with past practice, which are not, individually or in the aggregate, material. All funds drawn from Company's line of credit have been used for working capital, and that the Company has not declared any dividends or made any distributions since its acquisition by PositiveID.

o. Permits. The Company owns or holds all Permits necessary for the conduct of its business as currently conducted. Schedule 4.o. attached to the June Purchase Agreement and, if an update is required, Schedule 4.o. attached hereto together set forth a complete and accurate list of each Permit. The Permits are valid and subsisting, and, to the Knowledge of the Company, no governmental authority intends to modify, cancel, terminate or not renew any Permit. "**Permits**" means all permits, licenses, franchises, security clearances, consents, contractual rights, consents and other authorizations or approvals.

p. Material Contracts. Schedule 4.p. attached to the June Purchase Agreement and, if an update is required, Schedule 4.p. attached hereto together set forth a true, complete and correct list of the following contracts to which the Company is a party or by which the Company or any of its assets are bound:

i. each contract, or group of related contracts that may give rise to liabilities exceeding $250,000 or revenues exceeding $500,000 or that are otherwise material to the Company.

ii. each contract between, on the one hand, the Company, and on the other hand, (A) any current officer, director, stockholder or employee of the Company, (B) any affiliate of any such Person, or (C) any affiliate of the Company.

iii. each contract evidencing Company Indebtedness (as defined below).

iv. each contract for the disposition of any material portion of the assets or business of the Company or for the acquisition by the Company of the assets or business of any other Person (other than purchases of inventory or services in the ordinary course of business, consistent with past practice).

v. each contract for the cleanup, abatement or other actions in connection with any hazardous material, the remediation of any existing environmental liability, violation of any environmental law or relating to the performance of any environmental audit or study.

vi. each contract concerning the establishment or operation of a partnership, joint venture or similar enterprise.

vii. each contract for or related to the employment of any individual, or any consulting, retention bonus, indemnification or severance contract.

viii. each contract that cannot be terminated by the Company on 30 days' prior written notice to the other party, without the payment of any termination fee or penalty.

ix. each lease for real property or personal property.

x. any distributor, sales representative or similar agreement.

xi. any agreement under which the Company is restricted from carrying on any business anywhere in the world.

Any and all contracts described by the foregoing clauses i. through ix., together with those listed on Schedule 4.p. to the June Purchase Agreement and, if an update is required, Schedule 4.o. attached hereto, are collectively referred to as the "**Material Contracts**." Each Material Contract is in full force and effect and is a legal, valid, binding and enforceable obligation of the Company and, to Company's Knowledge, each of the other parties thereto. Except for material breaches or defaults that have been cured and for which the breaching party has no liability, neither the Company nor, to Company's Knowledge, any other party to any Material Contract, has breached or defaulted under, or has improperly terminated, revoked or accelerated, any Material Contract in any material respect, and to the Company's Knowledge, there exists no condition or event which, after notice or lapse of time, or both, would constitute any such breach, default, termination, revocation or acceleration. "**Company Indebtedness**" means, without duplication, the aggregate amount of (i) any obligations of the Company for borrowed money, or with respect to deposits or advances of any kind to the Company, and any prepayment premiums, penalties and any other fees and expenses required to satisfy such indebtedness, (ii) any obligations of the Company evidenced by bonds, debentures, notes or similar instruments, (iii) any obligations of the Company upon which interest charges are customarily paid, (iv) any obligations of the Company under conditional sale or other title retention agreements, (v) any obligations of the Company issued or assumed as the deferred purchase price for any property, service, covenant, settlement, release, waiver or other right (excluding obligations of the Company to creditors for goods and services incurred in the ordinary course of such Person's business), (vi) any capitalized lease obligations of the Company, (vii) any deferred revenue obligations of the Company, (viii) any obligations of others secured by any Lien on property or assets owned or acquired by the Company, whether or not the obligations secured thereby have been assumed, (ix) the amount, if any, by which the aggregate liability of the Company under defined benefit pension plans or deferred compensation exceeds the aggregate value of plan assets held by such plans, (x) any obligations of the Company under interest rate or currency swap transactions (valued at the termination value thereof), (xi) any drawn letters of credit issued for the account of the Company, (xii) any obligations of the Company to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property, (xiii) any accrued and unpaid Taxes of the Company, (xiv) any guaranties or arrangements having the economic effect of a guaranty by the Company of any indebtedness of any other Person, and (xv) any accrued interest or penalties on any of the foregoing.

q. Insurance. Schedule 4.q. attached to the June Purchase Agreement and, if an update is required, Schedule 4.q. attached hereto together set forth an accurate list of all insurance policies carried by the Company, the amounts and types of insurance coverage available thereunder and all insurance loss runs for the past three policy years. With respect to each such insurance policy: (i) such policy is in full force and effect and legal, valid, binding and enforceable in accordance with its terms; and (ii) the Company is not in material breach or default (including any breach or default with respect to the payment of premiums or the giving of notice), and no event has occurred which, after notice or lapse of time, or both, would constitute a breach or default or permit termination or modification, under such policy. All premiums payable under all such policies have been paid.

r. Labor Matters. The Company has complied in all material respects with all applicable laws related to employment and employment practices, terms and conditions of employment and wages and hours, including any such law related to employment discrimination, employee classification, workers' compensation, family and medical leave, unfair labor practices and occupational safety and health requirements. Other than for wages earned in the ordinary course of business during the payroll period prior to the Closing, there exists no basis for the assessment of any unpaid wages or vacation with respect to any employees of the Company. All employees of the Company are citizens or permanent residents of the United States. All employees (other than those with Material Contracts listed under Schedule 4.p. attached to the June Purchase Agreement and, if an update is required, Schedule 4.p. attached hereto) are employed on an at-will basis. To the Company's Knowledge, no employee of the Company has plans to terminate his or her employment relationship with the Company. All employees of the Company are engaged by the Company on a full time basis. The Company does not have or otherwise contribute to or participate in any employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended.

s. Books and Records. The Company has made and kept and given Purchaser access to its books and records that, in reasonable detail, accurately and fairly reflect the activities of the Company in all material respects. The Company has not engaged in any transaction, maintained any bank account or used any corporate funds except as reflected in its normally maintained books and records. All books and records are under the exclusive ownership and control of the Company. The Company's minute books are correct and complete in all material respects.

t. Disclosure. This Agreement and all Exhibits, agreements, certificates or other documents furnished to the Purchaser pursuant hereto or in connection with this Agreement or the transactions contemplated hereby, are complete and accurate in all material respects. No statement herein or in the Schedules contains any untrue statement of a material fact, in light of the circumstances under which it was made, or omits to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

u . No Conflict. The execution of and performance of the transactions contemplated by this Agreement and the Ancillary Agreements and compliance with their respective provisions by the Company will not (i) conflict with or violate any provision of the Articles of Incorporation or Bylaws of the Company, (ii) require on the part of the Company any filing with, or any permit, authorization, consent or approval of, any court, arbitrational tribunal, administrative agency or commission or other governmental or regulatory authority or agency (each of the foregoing is hereafter referred to as a "**Governmental Entity**"), (iii) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice, consent or waiver under, any contract, lease, sublease, license, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, Lien or other arrangement to which the Company is a party or by which the Company is bound or to which its assets are subject, (iv) result in the imposition of any Lien upon any assets of the Company or (v) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Company, or any of its properties or assets, except where the violation, conflict, breach or default would not have a material and adverse effect on the Company. For purposes of this Agreement, "**Liens**" means any mortgage, pledge, security interest, encumbrance, charge, or other lien (whether arising by contract or by operation of law).

v. Property and Assets. The Company has good title to, or a valid leasehold interest in, all of its material properties and assets, including all properties and assets reflected in the Financial Statements, except those disposed of since the date thereof in the ordinary course of business, and none of such properties or assets is subject to any Lien other than those the material terms of which are described in the Financial Statements or in Schedule 4.v to the June Purchase Agreement and, if an update is required, Schedule 4.v. attached hereto.

w. Intellectual Property.

i. The Company owns, free and clear of all Liens, or has the valid right to use, all Intellectual Property (as defined below in this Section 4.w.i.) used by it in its business as currently conducted or as currently proposed to be conducted. No other Person (including PositiveID, but excluding licensors of software that is generally commercially available and licensors of Intellectual Property under the agreements disclosed pursuant to paragraph (d) below) has any rights to any of the Intellectual Property owned or used by the Company, and, to the Company's Knowledge, no other Person is infringing, violating or misappropriating any of the Intellectual Property that the Company owns. For purposes of this Agreement, "**Intellectual Property**" means all (i) patents and patent applications, (ii) copyrights and registrations thereof, (iii) mask works and registrations and applications for registration thereof, (iv) computer software, data and documentation, (v) trade secrets and confidential business information, whether patentable or unpatentable and whether or not reduced to practice, know-how, manufacturing and production processes and techniques, research and development information, copyrightable works, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, (vi) trademarks, service marks, trade names, domain names and applications and registrations therefor and (vii) other proprietary rights relating to any of the foregoing.

ii. To the Company's Knowledge, none of the activities or business conducted by the Company or proposed to be conducted by the Company infringes, violates or constitutes a misappropriation of (or in the past infringed, violated or constituted a misappropriation of) any Intellectual Property of any other Person. The Company has not received any written complaint, claim or notice alleging any such infringement, violation or misappropriation, and to the Knowledge of the Company, there is no basis for any such complaint, claim or notice

iii. Schedule 4.w.iii. attached to the June Purchase Agreement and, if an update is required, Schedule 4.w.iii. attached hereto together identify each (i) patent that has been issued or assigned to the Company with respect to any of its Intellectual Property, (ii) pending patent application that the Company has made with respect to any of its Intellectual Property, (iii) any copyright or trademark registration or application with respect to the Company's Intellectual Property, and (iv) license or other agreements pursuant to which the Company has granted any rights to any third party with respect to any of its Intellectual Property.

iv. Schedule 4.w.iv. attached to the June Purchase Agreement and, if an update is required, Schedule 4.w.iv. attached hereto together identify each agreement with a third party pursuant to which the Company obtains rights to Intellectual Property material to the business of the Company (other than software that is generally commercially available) that is owned by a party other than the Company. Other than license fees for software that is generally commercially available, the Company is not obligated to pay any royalties or other compensation to any third party in respect of its ownership, use or license of any of its Intellectual Property.

v. The Company has taken reasonable precautions (i) to protect its rights in its Intellectual Property and (ii) to maintain the confidentiality of its trade secrets, know-how and other confidential Intellectual Property, and to the Company's Knowledge, there have been no acts or omissions (other than those made based on reasonable, good faith business decisions) by the officers, directors, stockholders and employees of the Company the result of which would be to materially compromise the rights of the Company to apply for or enforce appropriate legal protection of the Company's Intellectual Property.

vi. All of the Company's Intellectual Property has been created by employees of the Company within the scope of their employment by the Company or by independent contractors of the Company, all of whom have executed agreements expressly assigning all right, title and interest in such Intellectual Property to the Company. No portion of the Company's Intellectual Property was jointly developed with any third party.

x. Customers. Schedule 4.x. attached to the June Purchase Agreement and, if an update is required, Schedule 4.x. attached hereto together set forth (i) the name of each of the top ten (10) customers (by dollar amount of purchases) during 2016 and 2017, and (ii) the approximate amount for which each such customer was invoiced during such period. The Company has not received any notice that, and neither has any Knowledge that, any top ten (10) customer (i) will cease to purchase or reduce its purchases, or (ii) has sought, or is seeking, to reduce the price it will pay for products, including in each case after the consummation of the transactions contemplated by this Agreement.

y. Suppliers; Raw Materials. Schedule 4.y. attached to the June Purchase Agreement and, if an update is required, Schedule 4.y. attached hereto together set forth (i) the name of each of the top ten (10) suppliers (by dollar amount of purchases) from which the Company purchased raw materials, supplies, merchandise and other goods and services during 2016 and 2017 (each, a "**Material Supplier**"), and (ii) the approximate amount for which each such Material Supplier invoiced the Company during such period. The Company has not received any notice that, and has no Knowledge that, there has been any material adverse change in the price of such raw materials, supplies, merchandise or other goods or services, or that any Material Supplier will not sell raw materials, supplies, merchandise and other goods to the Company at any time after the Closing Date on terms and conditions similar to those used in its current sales to the Company, subject to general and customary price increases.

z. Product Warranty. Schedule 4.z. attached to the June Purchase Agreement and, if an update is required, Schedule 4.z. attached hereto together set forth the Company's current product warranty and the aggregate amounts incurred by the Company in fulfilling obligations with respect to returns and warranty claims since 2016. There are no outstanding obligations with respect to returns or warranty claims, other than those on Schedule 4.z. attached to the June Purchase Agreement and, if an update is required, Schedule 4.z. attached hereto. The Company is not aware of any reason to believe that amounts expensed in fulfilling obligations with respect to returns or warranty claims in respect of the product made by the Company will materially increase as a percentage of sales in future years.

aa. Absence of Changes. Since the date of the Financial Statements, there has not been: (i) any change in the assets, liabilities, financial condition or operations of the Company from that reflected in the Financial Statements, except changes in the ordinary course of business that have not been, either individually or in the aggregate, materially adverse; (ii) any change (individually or in the aggregate), except in the ordinary course of business, in the contingent obligations of the Company by way of guaranty, endorsement, indemnity, warranty or otherwise; (iii) any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the properties or business of the Company; (iv) any waiver or compromise by the Company of a valuable right or of a material debt owed to it; (v) any loans made by the Company to its employees, officers or directors other than business and travel expenses made in the ordinary course of business; (vi) any extraordinary increases in the compensation of any Company's employees, officers or directors; (vii) any declaration or any payment of any dividend or other distribution of the assets of the Company; (viii) any issuance or a sale by the Company of any shares of its Common Stock or other securities; (ix) to the Company's Knowledge, any other event or condition of any character that has materially and adversely affected the Company's business or properties; or (x) any agreement or commitment by the Company to do any of the things described in this Section 4(aa).

bb. Anti-Corruption. The Company has not and none of the Company's respective officers, directors, employees, agents or other individuals or entities acting for or on behalf of the Company has (i) used any funds for contributions, gifts, entertainment, or other payments related to political activity or (ii) made any payment to any government official, in each case in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, the U.K. Bribery Act of 2010 or any similar law, rule or regulation.

5. Representations of PositiveID.

PositiveID represents and warrants to Purchaser as follows, as of the Effective Date:

a. Due Organization. PositiveID is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware, and has all necessary power and authority to enter into and carry out this Agreement according to its terms. PositiveID is not in violation of, in conflict with, or default under, any of its governing documents, and there exists no condition or event which, after notice or lapse of time or both, would result in any such violation, conflict or default.

b. Authorization; Validity. The execution, delivery and performance of this Agreement and the Ancillary Agreements have been duly authorized by all necessary action by PositiveID, and the consummation by PositiveID of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action. Lyle Probst and William Caragol collectively own in excess of percent (65%) of PositiveID's voting stock, and if there was a stockholder consent required for the transactions contemplated by the Agreement, Mr. Probst and Mr. Caragol would have the requisite vote required to approve such tranactions. The Agreement and the Ancillary Agreements will not violate any term of any of PositiveID's governing documents or any other agreement, judicial decree, statute or regulation to which PositiveID is a party or by which PositiveID or any of its assets may be bound or affected. This Agreement and the Ancillary Agreements have been duly executed and delivered by PositiveID. This Agreement, assuming due authorization, execution and delivery by the Company and Purchaser, constitutes the valid and binding obligations of PositiveID, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or similar laws and equitable remedies. PositiveID (i) approves the issuance and sale of the Shares by the Company to the Purchaser and (ii) waives all preemptive rights, rights of first refusal or similar rights it may have with respect to Company's purchase of the Shares.

c. Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy law is pending against PositiveID.

d. Title. There are no voting agreements or voting trusts with respect to any of the Shares. At the Closing, Purchaser will receive marketable, insurable and good title to the Shares, free and clear of all Liens.

e. Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of PositiveID or the Company.

f. Restrictions. There are no options to purchase nor rights to otherwise acquire the Shares, other than with respect to the Purchaser. No Person has any claim, right or interest in or to any shares. No Person is a party to or bound by any options, calls, warrants, agreements, arrangements or preemptive rights or commitments of any character relating to the Shares.

6. Representations of the Purchaser.

The Purchaser represents and warrants to the Company as follows as of the Effective Date and as of Closing:

a. Investment. The Purchaser is acquiring the Shares, and the shares of Common Stock into which the Shares may be converted, for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling the same; and, except as contemplated by this Agreement and the Exhibits hereto, the Purchaser has no present or contemplated agreement, undertaking, arrangement, obligation, indebtedness or commitment providing for the disposition thereof. Purchaser acknowledges that the Shares, and the shares of Common Stock into which the Shares may be converted, are not registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and that such Shares may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

b. Authority; Validity. The execution, delivery and performance of this Agreement and the Ancillary Agreements have been duly authorized by all necessary action by the Purchaser, and the consummation by the Purchaser of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action. The Agreement and the Ancillary Agreements will not violate any term of any of the Purchaser's governing documents or any other agreement, judicial decree, statute or regulation to which the Purchaser is a party or by which the Purchaser or any of its assets may be bound or affected. This Agreement and the Ancillary Agreements have been duly executed and delivered by the Purchaser. This Agreement, assuming due authorization, execution and delivery by PositiveID and Company, constitutes the valid and binding obligations of the Purchaser, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or similar laws and equitable remedies.

c. Experience. The Purchaser has carefully reviewed the representations concerning the Company contained in this Agreement, and has made detailed inquiry concerning the Company, its business and its personnel; the officers of the Company have made available to the Purchaser any and all written information that it has requested and have answered to the Purchaser's satisfaction all inquiries made by the Purchaser; and the Purchaser has sufficient knowledge and experience in finance and business that it is capable of evaluating the risks and merits of its investment in the Company and the Purchaser is able financially to bear the risks thereof.

d. Sufficiency of Funds. Purchaser has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and to satisfy all other costs and expenses of Purchaser and to consummate the transactions contemplated by this Agreement.

e. Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Purchaser.

f. Non-Reliance. Purchaser further acknowledges and agrees that any estimates, budgets relating to future periods, projections, forecasts or other predictions that may have been provided to Purchaser or any of their respective representatives by or on behalf of PositiveID or the Company any of their respective representatives are not representations or warranties of PositiveID or the Company or guarantees of performance and that actual results may vary substantially from any such estimates, budgets, projections, forecasts or other predictions.

g. Due Diligence. Purchaser acknowledges that it has had access to the properties and operations of the Company and has had the opportunity to meet with and ask questions of Company's management to discuss the business, assets, liabilities, financial condition, cash flow and operations of the Company. Purchaser acknowledges that it has made its own independent examination, investigation, analysis and evaluation of the Company, including Purchaser's own estimate of the value of the business of the Company. Purchaser acknowledges that it has undertaken such due diligence (including a review of the assets, liabilities, books and records and contracts of the Company) as it deems adequate, including that described above. In entering into this Agreement, Purchaser acknowledges that it has relied solely upon the aforementioned investigation, review and analysis and not on any representations, warranties or statements of the Company or PositiveID, whether written or oral, or their respective representatives, except the representations and warranties of the Company and PositiveID set forth in this Agreement and the other Ancillary Agreements. Purchaser been permitted by PositiveID to conduct environmental due diligence of the Company.

7. Purchaser's Conditions to Closing.

The obligations of the Purchaser to purchase Shares at the Closing is subject to the fulfillment, or the waiver by the Purchaser, of each of the following conditions to the satisfaction of the Purchaser on or before the Closing:

a. Accuracy of Representations and Warranties . Each representation and warranty of the Company and PositiveID shall be true in all material respects on and as of the Closing Date with the same effect as though such representation and warranty had been made on and as of that date.

b. Performance. The Company and PositiveID shall have performed and complied in all material respects with all agreements and conditions contained in this Agreement required to be performed or complied with by the Company prior to or at the Closing.

c. Promissory Note. PositiveID shall have executed a promissory note in favor of the Company in the principal amount of $54,000 bearing simple interest at 3% (the "Note"). The principal and accrued but unpaid interest on the Note shall be due and payable on December 31, 2019. In the event of any sale by PositiveID of any shares held by PositiveID in the Company, the maturity date of the Note shall be accelerated and all proceeds from such sale to be applied to the outstanding unpaid principal and interest on the Note. The Note shall have other terms and conditions as may be mutually and reasonably agreed upon by PositiveID and the Purchaser.

d. Good Standing Certificate. The Company shall have delivered to the Purchaser a certificate, as of the most recent practicable date, as to the corporate good standing of the Company issued by the Secretary of State of the State of California.

e. PositiveID Board Consent. A Unanimous Written Consent of the board of directors of PositiveID dated prior to Closing shall have been delivered to Purchaser with resolutions authorizing and directing PositiveID to (i) approve the issuance and sale of the Shares by the Company to the Purchaser and (ii) waive all preemptive rights, rights of first refusal or similar rights PositiveID may have with respect to Company's purchase of the Shares

f. Company Board Consent. A Unanimous Written Consent of the board of directors ("**Board**") of the Company dated prior to Closing shall have been delivered to Purchaser with resolutions authorizing and approving the execution and delivery of this Agreement and the Ancillary Agreements, the issuance of the Shares, and the transactions contemplated hereby and thereby:

8. The Company's Conditions for Closing.

The obligations of the Company to sell Shares at Closing is subject to fulfillment, or the waiver by the Company, of each of the following conditions to the satisfaction of the Company on or before the Closing:

a. Accuracy of Representations and Warranties. The representations and warranties of the Purchaser shall be true on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of that date.

b. Performance. The Purchaser shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by the Purchaser prior to or at the Closing.

c. Good Standing Certificate. Purchaser shall have delivered to PositiveID a certificate, as of the most recent practicable date, as to the corporate good standing of Purchaser issued by the Secretary of State of the State of Florida.

d. Payment of Purchase Price. Purchaser shall have paid the Purchase Price to the Company.

e. Purchaser Consent Pre-Closing. A Consent by the Members of the Purchaser dated prior to Closing authorizing and approving the Agreement and the transactions contemplated thereby shall have been delivered to the Company.

9. Indemnification.

a. PositiveID's Indemnification Obligation. PositiveID covenants and agrees to indemnify, defend and hold harmless the Purchaser and its officers, directors, control Persons, representatives, executors, assigns, successors and affiliates (collectively, the "**Purchaser Indemnified Parties**") from, against and in respect of any and all losses, damages, liabilities, claims, costs, expenses (including reasonable legal fees) ("**Losses**"); *provided, however,* that "**Losses**" will not include special, exemplary, treble, unforeseeable consequential, or punitive damages, suffered, sustained, incurred or paid by any Purchaser Indemnified Party resulting from or arising out of, directly or indirectly:

i. Any misrepresentation, breach or inaccuracy of any representation or warranty of the Company or PositiveID set forth in this Agreement or any Schedule, or the Ancillary Agreements delivered by or on behalf of the Company or any PositiveID in connection herewith.

ii. Any breach of any covenant or agreement on the part of the Company or PositiveID set forth in this Agreement or any Schedule, agreement, certificate or other document delivered by or on behalf of the Company or PositiveID in connection herewith.

b. Purchaser's Indemnification Obligation. The Purchaser covenants and agrees to indemnify, defend and hold harmless PositiveID and its officers, directors, control Persons, employees, stockholders, representatives, executors, assigns, successors and affiliates (collectively, the "**PositiveID Indemnified Parties**") from, against and in respect of all Losses suffered, sustained, incurred or paid by any PositiveID Indemnified Party resulting from or arising solely out of, directly or indirectly:

i. Any misrepresentation, breach or inaccuracy of any representation or warranty of the Purchaser set forth in this Agreement or any agreement, certificate or other document delivered by or on behalf of the Purchaser in connection herewith.

ii. Any breach of any covenant or agreement on the part of the Purchaser set forth in this Agreement or any agreement, certificate or other document delivered by or on behalf of the Purchaser in connection herewith.

c. Limitations.

i. If any fact, circumstance or event gives rise to a claim pursuant to multiple sections or provisions of this Agreement or any Schedule, agreement, certificate or other document delivered in connection herewith, the party asserting such claim shall have the right, at its sole discretion, to assert its claim pursuant to any or all such sections or provisions, but shall only be entitled to recover or be indemnified with respect to its actual Losses suffered or incurred notwithstanding the number of sections of this Agreement pursuant to which it assets its claim.

ii. Notwithstanding the above, the amount of any indemnification under this Agreement shall be reduced by the amount of any insurance proceeds payable or Tax benefits allowable as a result any Losses.

iii. Notwithstanding anything herein to the contrary, any Claims (as defined below) with respect to which there is a finding or judgment of fraud, intentional misrepresentation or willful misconduct shall not be subject to the limitations under this Section 9.

iv. EXCEPT FOR REMEDIES OF SPECIFIC PERFORMANCE, INJUNCTION AND OTHER EQUITABLE RELIEF AND EXCEPT TO THE EXTENT CLAIMS INVOLVE FRAUD, INTENTIONAL MISREPRESENTATION OR WILLFUL MISCONDUCT, THE SOLE AND EXCLUSIVE REMEDY OF THE INDEMNIFIED PARTIES IN CONNECTION WITH ANY BREACH OF THIS AGREEMENT SHALL BE AS SET FORTH IN THIS SECTION 9.

v. Neither party will be liable to the other party's Indemnified Parties for indemnification under Section 9.a. or Section 9.b. until the aggregate amount of all Losses in respect of indemnification under Section 9.a. exceeds $10,000 (the "Basket"), in which event such party will be required to pay or be liable for all such Losses from the first dollar. The aggregate amount of all Losses for which either party will be liable pursuant to Section 9.a. or Section 9.b. will not exceed the Purchase Price.

vi. Notwithstanding anything in this Agreement to the contrary, no party will be entitled to indemnification or reimbursement under any provision of this Agreement for any amount to the extent such party or its affiliate has been indemnified or reimbursed for such amount under any other provision of this Agreement, the Exhibits or the Disclosure Schedules attached to this Agreement, or any other document executed in connection with this Agreement or otherwise.

d. Survival and Expiration of Representations, Warranties and Covenants.

The representations and warranties of Purchaser, PositiveID and Company (whether set forth in this Agreement or any Schedule, agreement, certificate or other document delivered by or on behalf of Purchaser, PositiveID or Company in connection herewith) shall survive the Closing and shall expire on the sixth (6^{th}) month anniversary hereof.

e. Indemnification Procedures. Except as otherwise specifically addressed in this Agreement, all claims for indemnification under this Section 9 ("**Claims**") shall be asserted and resolved as follows:

i. In the event that any Person entitled to indemnification hereunder (the "**Indemnified Party**") has a Claim against any party obligated to provide indemnification pursuant to Section 9.a. or 9.b. hereof (the "**Indemnifying Party**"), the Indemnified Party shall promptly notify the Indemnifying Party of such Claim, specifying the nature of such Claim and the amount or the estimated amount thereof to the extent then feasible (which estimate shall not be conclusive of the final amount of such Claim) (the "**Claim Notice**").

ii. If within thirty (30) days after receiving such Claim Notice, the Indemnifying Party gives written notice to the Indemnified Party acknowledging its obligation to indemnify and stating that it intends to defend against such claim or Losses at its own cost and expense, the defense (including the right to settle or compromise such action) of such matter, including selection of counsel (subject to the consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed) and the sole power to direct and control such defense, shall be by the Indemnifying Party. In any such defense, the Indemnifying Party will consult with the Indemnified Party in connection with the Indemnifying Party's defense, as reasonably requested by the Indemnified Party. The Indemnified Party shall use its commercially reasonable efforts to make available all information and assistance that the Indemnifying Party may reasonably request and shall cooperate with the Indemnifying Party in such defense. Notwithstanding anything herein to the contrary, the Indemnifying Party shall not settle any indemnifiable claim without the consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed). For the avoidance of doubt, "indemnifiable claim" as used in this subsection means that the Indemnifying Party is required to provide indemnification against such claim or Losses under the terms of this Section 9.

iii. If the Indemnify Party does not notify the Indemnified Party within thirty (30) days after receiving such Claim Notice, the amount of such Claim shall be conclusively deemed a liability of the Indemnifying Party hereunder.

iv. If the Indemnifying Party provides notice within thirty (30) days after receiving such Claim Notice that it disputes its responsibility for the Claim, the parties shall attempt in good faith for ten (10) business days to agree upon the rights of the respective parties with respect to such Claim, and if such parties shall not agree, each Indemnified Party shall be entitled to initiate proceedings and seek remedies as may be permitted.

f. Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by law, rule or regulation.

g. Mitigation. Each Indemnified Party shall be obligated to use its commercially reasonable efforts to mitigate to the fullest extent practicable the amount of any Loss for which it is entitled to seek indemnification under Section 9, and the Indemnifying Party shall not be required to make any payment to an Indemnified Party in respect of such Loss to the extent such Indemnified Party has failed to comply with the foregoing obligation.

h. Right to Set-Off. Purchaser shall have a right of set-off for any Losses under Section 9 against any payments to be made by Purchaser to PositiveID pursuant to this Agreement or any other agreement among any of the parties or their respective affiliates.

10. [Reserved].

11. Miscellaneous.

a. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. This Agreement, and the rights and obligations of the Purchaser hereunder, may be assigned in whole or in part, by the Purchaser to an affiliate of Purchaser upon the prior written consent of PositiveID. The PositiveID may not assign its rights or obligations under this Agreement.

b. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

c. Specific Performance. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, the Purchaser and PositiveID, respectively, shall be entitled to specific performance of the agreements and obligations of the other party or the Company as to the Purchaser and to such other injunctive or other equitable relief as may be granted by a court of competent jurisdiction.

d. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida (without reference to the conflicts of law provisions thereof). All actions and proceedings arising out of or relating to this Agreement shall be heard and determined exclusively in any state or federal court sitting in Palm Beach County, Florida. EACH PARTY IRREVOCABLY CONSENTS TO AND SUBMITS TO (A) THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN THE ABOVE-NAMED VENUES, AND (B) IRREVOCABLY WAIVES, AND AGREES NOT TO ASSERT BY WAY OF MOTION, DEFENSE, OR OTHERWISE, IN ANY LEGAL PROCEEDING, ANY CLAIM THAT IT IS NOT SUBJECT PERSONALLY TO THE JURISDICTION OF THE ABOVE-NAMED COURTS, THAT ITS PROPERTY IS EXEMPT OR IMMUNE FROM ATTACHMENT OR EXECUTION, THAT THE LEGAL PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE LEGAL PROCEEDING IS IMPROPER, OR THAT THIS AGREEMENT OR THE CONTEMPLATED TRANSACTIONS MAY NOT BE ENFORCED IN OR BY ANY OF THE ABOVE-NAMED COURTS.

e. Notices. All notices, requests, consents, and other communications under this Agreement shall be in writing and shall be deemed delivered (i) two business days after being sent by registered or certified mail, return receipt requested, postage prepaid or (ii) one business day after being sent via a reputable nationwide overnight courier service guaranteeing next business day delivery, in each case to the intended recipient as set forth below:

If to the Company:

E-N-G Mobile Systems, Inc.
2245 Via De Mercados
Concord, California 94520
Attn: Lyle Probst

If to Purchaser:

Holdings ENG, LLC
12001 Glen Road
Potomac, MD 20854
Attn: Manager

If to PositiveID:

PositiveID Corporation
1690 South Congress Avenue, Suite 201
Delray Beach, Florida 33445
Attn: William J. Caragol

Any party may give any notice, request, consent or other communication under this Agreement using any other means (including, without limitation, personal delivery, messenger service, telecopy, first class mail or electronic mail), but no such notice, request, consent or other communication shall be deemed to have been duly given unless and until it is actually received by the party for whom it is intended. Any party may change the address to which notices, requests, consents or other communications hereunder are to be delivered by giving the other parties notice in the manner set forth in this Section.

f. Complete Agreement. This Agreement (including its Exhibits) and the Ancillary Agreements constitute the entire agreement and understanding of the parties hereto with respect to the purchase of the Shares and supersedes all prior agreements and understandings relating to such subject matter.

g. Amendments and Waivers. Except as otherwise expressly set forth in this Agreement, any term of this Agreement may be amended with the written consent of the Purchaser, PositiveID and Company. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person against whom it is sought to be enforced. No waivers of any term, condition or provision of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

h. Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

i. Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same document. This Agreement may be executed by portable document format or facsimile signatures.

j. Section Headings. The section headings are for the convenience of the parties and in no way alter, modify, amend, limit, or restrict the contractual obligations of the parties.

k. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT.

l. Public Announcements. No party shall issue any public report, statement or press release or similar item or make any other public disclosure with respect to the substance of this Agreement prior to the consultation with and approval of, the other parties except as may be required by law, in which case the parties shall reasonably cooperate as to the timing and content of such report, statement or press release.

m. Expenses. Except as otherwise expressly set forth herein, the parties shall pay their respective expenses of the transactions herein contemplated.

[Remainder of Page Intentionally Left Blank]

Executed as of the date first written above.

E-N-G MOBILE SYSTEMS, INC.

By: _____
Name: _____
Title: _____

HOLDINGS ENG, LLC

By: _____
Name: _____
Title: _____

POSITIVEID CORPORATION

By: _____
Name: _____
Title: _____

Exhibit A

Amended and Restated Articles

Exhibit B

Amended and Restated Bylaws

Schedule 4.i.

Capitalization

Prior to the Closing:

	Common	Series A	Series A Percentage Interest	Total Percentage Interest
Holdings ENG		299	83.29%	49.83%
PositiveID	241	60	16.71%	50.17%
Total	241	359		

After the Closing:

	Common	Series A	Series A Percentage Interest	Total Percentage Interest
Holdings ENG		940	94.00%	75.75%
PositiveID	241	60	6.00%	24.25%
Total	241	1,000		

Schedule 4.m.

Cash Flow Projections