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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2020

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number **0-17686**

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP
(Exact name of registrant as specified in its charter)

Wisconsin	**39-1606834**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

1900 W 75th Street, Suite 100, Prairie Village, KS 66208
(Address of principal executive offices, including zip code)

(816) 421-7444
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ] Smaller Reporting Company [X] 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. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

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FORM 10-Q
FOR THE PERIOD ENDED JUNE 30, 2020

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

CONDENSED BALANCE SHEETS

June 30, 2020 and December 31, 2019

ASSETS

	June 30, 2020 (unaudited)	December 31, 2019
INVESTMENT PROPERTIES: **(Note 3)**		
Land	$ 2,794,122	$ 2,794,122
Buildings	4,017,412	4,017,412
Accumulated depreciation	(3,958,413)	(3,897,848)
Net investment properties	2,853,121	2,913,686
OTHER ASSETS:		
Cash	127,666	39,221
Cash held in Indemnification Trust **(Note 7)**	479,436	475,574
Security deposits escrow	64,348	69,464
Rents and other receivables	238,417	678,323
Deferred tenant award proceeds escrow	31,413	42,343
Prepaid insurance	1,993	4,982
Deferred charges, net	185,011	198,809
Total other assets	1,128,284	1,508,716
Total assets	$ 3,981,405	$ 4,422,402

The accompanying notes to the financial statements are an integral part of these statements.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

CONDENSED BALANCE SHEETS

June 30, 2020 and December 31, 2019

LIABILITIES AND PARTNERS' CAPITAL

	June 30, 2020 (unaudited)	December 31, 2019
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 9,851	$ 30,301
Due to General Partner **(Note 5)**	787	1,345
Deferred rent	23,596	23,596
Security deposits	64,340	69,340
Total current liabilities	98,574	124,582
LONG TERM LIABILITIES:		
Deferred rent	5,667	16,640
Total long term liabilities	5,667	16,640
CONTINGENCIES AND COMMITMENTS **(Notes 6 and 7)**		
PARTNERS' CAPITAL: **(Notes 1 and 4)**		
General Partner -		
Cumulative net income (retained earnings)	378,772	376,804
Cumulative cash distributions	(156,832)	(156,045)
	221,940	220,759
Limited Partners (46,280.3 interests outstanding at June 30, 2020 and December 31, 2019)		
Capital contributions	46,280,300	46,280,300
Offering Costs	(6,921,832)	(6,921,832)
Cumulative net income (retained earnings)	43,864,253	43,669,450
Cumulative cash distributions	(78,727,268)	(78,127,268)
	4,495,453	4,900,650
Former General Partner -		
Cumulative net income (retained earnings)	707,513	707,513
Cumulative cash distributions	(1,547,742)	(1,547,742)
	(840,229)	(840,229)
Total partners' capital	3,877,164	4,281,180
Total liabilities and partners' capital	$ 3,981,405	$ 4,422,402

The accompanying notes to the financial statements are an integral part of these statements.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

CONDENSED STATEMENTS OF INCOME

For the Three and Six Month Periods Ended June 30, 2020 and 2019

	Three months ended		Six months ended	
	June 30, 2020 (unaudited)	June 30, 2019 (unaudited)	June 30, 2020 (unaudited)	June 30, 2019 (unaudited)
OPERATING REVENUES:				
Rental income **(Note 3)**	$ 382,504	$ 320,578	$ 602,275	$ 525,673
TOTAL OPERATING REVENUES	$ 382,504	$ 320,578	$ 602,275	$ 525,673
EXPENSES:				
Partnership management fees **(Note 5)**	$ 72,075	$ 70,794	$ 143,296	$ 140,464
Insurance	1,452	1,466	2,947	2,931
General and administrative	15,425	6,440	47,476	19,143
Advisory Board fees and expenses	1,750	2,625	3,500	4,750
Professional services	32,845	52,758	137,964	148,651
Other Property Expenses	-	-	-	(89)
Depreciation	30,282	30,282	60,564	60,565
Amortization	6,899	6,606	13,798	12,625
TOTAL OPERATING EXPENSES	$ 160,728	$ 170,971	$ 409,545	$ 389,040
OTHER INCOME				
Other miscellaneous income	-	-	-	5,000
Other interest income	3,921	140	4,041	5,657
TOTAL OTHER INCOME	$ 3,921	$ 140	$ 4,041	$ 10,657
NET INCOME	$ 225,697	$ 149,747	$ 196,771	$ 147,290
NET INCOME ALLOCATED - GENERAL PARTNER	$ 2,257	$ 1,497	$ 1,968	$ 1,473
NET INCOME ALLOCATED - LIMITED PARTNERS	$ 223,440	$ 148,250	$ 194,803	$ 145,817
Based on 46,280.3 interests outstanding: (Basic and diluted)				
NET INCOME PER LIMITED PARTNERSHIP INTEREST	$ 4.83	$ 3.20	$ 4.21	$ 3.15

The accompanying notes to the financial statements are an integral part of these statements.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

CONDENSED STATEMENTS OF CASH FLOWS

For the Six Month Periods Ended June 30, 2020 and 2019

	Six Months Ended	
	June 30 2020 (unaudited)	June 30, 2019 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income from continuing operations	$ 196,771	$ 147,290
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	74,363	73,190
Changes in operating assets and liabilities		
Decrease in rents and other receivables	461,678	425,200
Increase in long-term rent receivable	(21,772)	(7,338)
Decrease in security deposit escrow	5,116	5,285
Increase in due from WendGusta, LLC	-	(8,100)
Decrease in utility deposit	-	6,530
Decrease in deferred rent award escrow	(43)	(144)
Decrease in prepaid insurance	2,989	3,179
Increase (Decrease) in accounts payable and accrued expenses	(20,450)	4,987
Payment of leasing commission	-	(38,716)
Security deposit refund	(5,000)	(5,000)
Decrease in due to General Partner	(558)	(409)
Net cash from operating activities	693,094	605,954
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Cash interest applied to Indemnification Trust account	(3,862)	(5,350)
Net cash used in investing activities	(3,862)	(5,350)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Cash distributions to Limited Partners	(600,000)	(600,000)
Cash distributions to General Partner	(787)	(589)
Net cash used in financing activities	(600,787)	(600,589)
NET INCREASE IN CASH	88,445	15
CASH AT BEGINNING OF PERIOD	39,221	99,360
CASH AT END OF PERIOD	$ 127,666	$ 99,375

The accompanying notes to the financial statements are an integral part of these statements.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

CONDENSED STATEMENTS OF PARTNER'S CAPITAL

For the Three and Six Month Periods Ended June 30, 2020 and 2019

	General Partner			Limited Partners					
	Cumulative Net Income	Cumulative Cash Distributions	Total	Capital Contributions, Net of Offering Costs	Cumulative Net Income	Cumulative Cash Distribution	Reallocation	Total	Total Capital Partners'
BALANCE AT DECEMBER 31, 2019	$ 376,804	$ (156,045)	$ 220,759	$ 39,358,468	$43,669,450	$(78,127,268)	$ (840,229)	$4,060,421	$4,281,180
Net Loss	(289)	-	(289)	-	(28,637)	-	-	(28,637)	(28,926)
Cash Distributions ($12.96 per limited partnership interest)	-	-	-	-	-	(600,000)	-	(600,000)	(600,000)
BALANCE AT MARCH 31, 2020	$ 376,515	$ (156,045)	$ 220,470	$ 39,358,468	$43,640,813	$(78,727,268)	$ (840,229)	$3,431,784	$3,652,254
Net Income	2,257		2,257		223,440			223,440	225,697
Cash Distributions		(787)	(787)			-		-	(787)
BALANCE AT JUNE 30, 2020	$ 378,772	$ (156,832)	$ 221,940	$ 39,358,468	$43,864,253	$(78,727,268)	$ (840,229)	$3,655,224	$3,877,164
BALANCE AT DECEMBER 31, 2018	$ 368,941	$ (152,900)	$ 216,041	$ 39,358,468	$42,891,026	$(77,327,268)	$ (840,229)	$4,081,997	$4,298,038
Net Loss	(25)	-	(25)	-	(2,432)	-	-	(2,432)	(2,457)
Cash Distributions ($10.80 per limited partnership interest)	-	-	-	-	-	(500,000)	-	(500,000)	(500,000)
BALANCE AT MARCH 31, 2019	$ 368,916	$ (152,900)	$ 216,016	$ 39,358,468	$42,888,594	$(77,827,268)	$ (840,229)	$3,579,565	$3,795,581
Net Income	1,498		1,498		148,249	-		148,249	149,747
Cash Distributions ($2.16 per limited partnership interest)		(589)	(589)			(100,000)		(100,000)	(100,589)
BALANCE AT JUNE 30, 2019	$ 370,414	$ (153,489)	$ 216,925	$ 39,358,468	$43,036,843	$(77,927,268)	$ (840,229)	$3,627,814	$3,844,739

The accompanying notes to the financial statements are an integral part of these statements.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

The condensed statements included herein have been prepared by the registrant, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results of operations for the interim period, on a basis consistent with the annual audited statements. The adjustments made to these condensed statements consist only of normal recurring adjustments. Certain information, accounting policies, and footnote disclosures normally included in financial statements prepared in accordance with United States Generally Accepted Accounting Principles (US GAAP) have been condensed or omitted pursuant to such rules and regulations, although the registrant believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed financial statements be read in conjunction with the financial statements and the summary of significant accounting policies and notes thereto included in the registrant's latest annual report on Form 10-K.

1. ORGANIZATION:

The Partnership was formed on November 20, 1987, pursuant to the Uniform Limited Partnership Act of the State of Wisconsin. The initial capital, contributed during 1987, consisted of $300, representing aggregate capital contributions of $200 by the former general partners and $100 by the initial limited partner. A subsequent offering of limited partnership interests closed on February 22, 1990, with 46,280.3 limited partnership interests having been sold in that offering, resulting in total proceeds to the Partnership, net of underwriting compensation and other offering costs, of $39,358,468.

The Partnership is currently engaged in the business of owning and operating its investment portfolio of commercial real estate properties (each a "Property", and collectively, the "Properties"). The Properties are leased on a triple net basis primarily to, and operated by, franchisors or franchisees of national, regional, and local retail chains under primarily long-term leases. The lessees are operators of fast food, family style, and casual/theme restaurants. As of June 30, 2020, the Partnership owned 10 Properties, which are located in a total of three states.

The Limited Partnership Agreement, as amended from time to time (collectively, the "Partnership Agreement"), stipulates that the Partnership is scheduled to be dissolved on November 30, 2020, or earlier upon the prior occurrence of any of the following events: (a) the disposition of all its Properties; (b) the written determination by the General Partner, that the Partnership's assets may constitute "plan assets" for purposes of ERISA; (c) the agreement of limited partners owning a majority of the outstanding limited partner interests to dissolve the Partnership; or (d) the dissolution, bankruptcy, death, withdrawal, or incapacity of the last remaining General Partner, unless an additional General Partner is elected by a majority of the limited partners. During the second and third quarters of the nine odd numbered years from 2001 through 2017, consent solicitations were circulated to the Partnership's limited partners which, if approved by the limited partners, would have authorized the General Partner to initiate the potential sale of all of the Properties and the dissolution of the Partnership (each a "Consent"). Limited partners owning a majority of the outstanding limited partnership interests did not vote in favor of any of the Consents. Therefore, the Partnership continues to operate as a going concern.

During the third quarter of 2020, the Partnership will circulate a consent solicitation to the Partnership's limited partners which, if approved by the limited partners, will extend the term of the Partnership through November 30, 2030. An 8-k will be filed with the results of the consent solicitation in mid to late September 2020.

2. RECENTLY ISSUED ACCOUNTING PRINCIPLES:

Changes to US GAAP are established by the FASB in the form of ASU's to the FASB's Accounting Standards Codification. The Partnership considers the applicability and impact of all ASU's. The FASB has not recently issued any ASU's that the Partnership expect to be applicable and have a material impact on its financial statements.

3. INVESTMENT PROPERTIES:

The total cost of the Properties includes the original purchase price plus acquisition fees and other capitalized costs paid to an affiliate of the former general partners of the Partnership.

As of June 30, 2020, the Partnership owned 10 Properties, nine of which contained fully constructed fast-food/casual dining restaurant facilities. The following are operated by tenants at the aforementioned nine Properties: eight separate Wendy's restaurants, and an Applebee's restaurant. The tenant for the Property operated as an Applebee's restaurant has been in Chapter 11 bankruptcy since May 2018 and, in January 2019, this tenant filed with the court to continue with the Partnership's lease without modification. As of September 30, 2018, the Martinez, GA Property was leased by Brakes4Less of Columbia, Inc. Per the terms of the First Amendment to the Brakes4Less lease dated January 15, 2019, the first 12 months' rent was abated. The 10 Properties are located in a total of three states.

On April 23, 2020, the Partnership executed three Amended and Restated Restaurant Absolutely Net Leases to the Original Leases dated January 30, 1989, by and between the Partnership and Wendgusta LLC ("Tenant", as successor in interest to Wensouth Corporation) with the intent that these Leases will amend, restate and replace the Original Leases. Effective January 1, 2021, for the restaurant property located at 1901 Whiskey Road, Aiken, South Carolina, per the terms of the Amendment, the Tenant will pay $210,632 annually in rent, in addition to 7% of sales over an annual breakpoint of $2,632,900 over the term of the lease extension (January 1, 2021 to December 31, 2040). Effective January 1, 2021, for the restaurant property located at 1004 Richland Ave, Aiken, South Carolina, per the terms of the Amendment, the Tenant will pay $167,500 annually in rent, in addition to 7% of sales over an annual breakpoint of $2,093,750 over the term of the lease extension (January 1, 2021 to December 31, 2040). Effective January 1, 2021, for the restaurant property located at 3013 Peach Orchard Road, Augusta, Georgia per the terms of the Amendment, the Tenant will pay $188,000 annually in rent, in addition to 7% of sales over an annual breakpoint of $2,350,000 over the term of the lease extension (January 1, 2021 to December 31, 2040).

On April 28, 2020, the Partnership executed a Third Amendment to Lease with RMH Franchise Corporation in response to changed circumstances arising from the COVID-19 pandemic. The term of the amendment is April 1, 2020 through June 30, 2020 and during that time suspends the amount and timing of the payment of the monthly base rent, as defined in the Lease. The revised monthly base rent for the months of April and May 2020 is equal to six percent of the monthly gross sales. The revised monthly base rent for the month of June 2020 is a fixed amount of $5,750. Full monthly base rent resumes July 1, 2020.

4. PARTNERSHIP AGREEMENT:

The Partnership Agreement was amended, effective as of November 9, 2009, to extend the term of the Partnership to November 30, 2020, or until dissolution prior thereto pursuant to the consent of limited partners owning a majority of the outstanding limited partnership interests.

Under the terms of the Partnership Agreement, as amended, net profits or losses from operations are allocated 99% to the limited partners and 1% to the current General Partner. The November 9, 2009 amendment also provided for distributions from Net Cash Receipts, as defined, to be made 99% to limited partners and 1% to The Provo Group, Inc. ("TPG", or the "General Partner"), the current General Partner, provided that quarterly distributions are cumulative and are not to be made to the current General Partner unless and until each limited partner has received a distribution from Net Cash Receipts in an amount equal to 10% per annum, cumulative simple return on his, her or its Adjusted Original Capital, as defined, from the Return Calculation Date, as defined, except to the extent needed by the General Partner to pay its federal and state income taxes on the income allocated to it attributable to such year.

The provisions regarding distribution of Net Proceeds, as defined, provide that Net Proceeds are to be distributed as follows: (a) to the limited partners, an amount equal to 100% of their Adjusted Original Capital; (b) then, to the limited partners, an amount necessary to provide each limited partner a liquidation preference equal to a 13.5% per annum, cumulative simple return on Adjusted Original Capital from the Return Calculation Date including in the calculation of such return on all prior distributions of Net Cash Receipts and any prior distributions of Net Proceeds under this clause, except to the extent needed by the General Partner to pay its federal and state income tax on the income allocated to it attributable to such year; and (c) then, to limited partners, 99%, and to the General Partner, 1%, of remaining Net Proceeds available for distribution.

5. TRANSACTIONS WITH GENERAL PARTNER AND ITS AFFILIATES:

Pursuant to the terms of the Permanent Manager Agreement ("PMA") executed in 1993 and renewed for an additional two-year term as of January 1, 2019, the General Partner receives a base fee (the "Base Fee") for managing the Partnership equal to four percent of gross receipts, subject initially to a minimum annual Base Fee. The PMA also provides that the Partnership is responsible for reimbursement of the General Partner for office rent and related office overhead ("Expenses") up to an initial annual maximum of $13,250. Both the Base Fee and Expenses reimbursement are subject to annual Consumer Price Index based adjustments. Effective March 1, 2020, the minimum annual Base Fee and the maximum Expenses reimbursement increased by 1.81% from the prior year, which represents the allowable annual Consumer Price Index adjustment per the PMA. Therefore, as of March 1, 2020, the minimum annual Base Fee paid by the Partnership was raised to $288,300 and the maximum annual Expenses reimbursement was increased to $23,256.

For purposes of computing the four percent overall fee paid to the General Partner, gross receipts include amounts recovered in connection with the misappropriation of assets by the former general partners and their affiliates. The fee received by the General Partner from the Partnership on any amounts recovered reduce the four percent minimum fee by that same amount.

Amounts paid and/or accrued to the General Partner and its affiliates for the three and six month periods ended June 30, 2020 and 2019 are as follows:

	Incurred for the Three Months Ended 30-Jun-20 (unaudited)	Incurred for the Three Months Ended 30-Jun-19 (unaudited)	Incurred for the Six Months Ended 30-Jun-20 (unaudited)	Incurred for the Six Months Ended 30-Jun-19 (unaudited)
General Partner				
Management fees	$ 72,075	$ 70,794	$ 143,296	$ 140,464
Overhead allowance	5,814	5,712	11,560	11,334
Leasing commissions	-	6,453	-	12,906
Reimbursement for out-of-pocket expenses	-	-	2,500	2,500
Cash distribution	787	589	787	589
	$ 78,676	$ 83,548	$ 158,143	$ 167,793

At June 30, 2020 and December 31, 2019, $787 and $1,345, respectively, was payable to the General Partner.

As of June 30, 2020, Jesse Small, an Advisory Board Member, beneficially owned greater than ten percent of the Partnership's outstanding limited partnership interests. Amounts paid to Mr. Small for his services as a member of the Advisory Board for the three and six month periods ended June 30, 2020 and 2019 are as follows:

	Three Month Period ended June 30, 2020 (Unaudited)	Three Month Period ended June 30, 2019 (Unaudited)	Six Month Period ended June 30, 2020 (Unaudited)	Six Month Period ended June 30, 2019 (Unaudited)
Advisory Board Fees paid	$ 875	$ 875	$ 1,750	$ 1,750

At June 30, 2020 and December 31, 2019 there were no outstanding Advisory Board fees accrued and payable to Jesse Small.

6. CONTINGENT LIABILITIES:

According to the Partnership Agreement, TPG, as General Partner may receive a disposition fee not to exceed three percent of the contract price on the sale of the properties of the Partnership and two affiliated publicly registered limited partnerships, DiVall Insured Income Fund Limited Partnership ("DiVall 1"), which was dissolved December of 1998, and DiVall Income Properties 3 Limited Partnership, which was dissolved in December 2003 ("DiVall 3"), and together with the Partnership and DiVall 1, the "three original partnerships"). In addition, fifty percent of all such disposition fees earned by TPG were to be escrowed until the aggregate amount of recovery of the funds misappropriated from the three original partnerships by the former general partners was greater than $4,500,000. Upon reaching such recovery level, full disposition fees would thereafter be payable, and fifty percent of the previously escrowed amounts would be paid to TPG. At such time as the recovery exceeded $6,000,000 in the aggregate, the remaining escrowed disposition fees were to be paid to TPG. If such levels of recovery were not achieved, TPG would contribute the amounts escrowed toward the recovery until the three original partnerships were made whole. In lieu of a disposition fee escrow, fifty percent of all such disposition fees previously discussed were paid directly to a restoration account and then distributed among the three original partnerships; whereby the three original partnerships recorded the recoveries as income. After the recovery level of $4,500,000 was exceeded, fifty percent of the total disposition fee amount paid to the three original partnerships recovery through the restoration account (in lieu of the disposition fee escrow) was refunded to TPG during March 1996. The remaining fifty percent amount allocated to the Partnership through the restoration account, and which was previously reflected as Partnership recovery income, may be owed to TPG if the $6,000,000 recovery level is met. As of June 30, 2020, the Partnership may owe TPG $16,296 if the $6,000,000 recovery level is achieved. TPG does not expect any future refund, as it is uncertain that such a $6,000,000 recovery level will be achieved.

7. PMA INDEMNIFICATION TRUST:

The PMA provides that TPG will be indemnified from any claims or expenses arising out of, or relating to, TPG serving in the capacity of General Partner or as substitute general partner, so long as such claims do not arise from fraudulent or criminal misconduct by TPG. The PMA provides that the Partnership will fund this indemnification obligation by establishing a reserve of up to $250,000 of Partnership assets which would not be subject to the claims of the Partnership's creditors. An Indemnification Trust (the "Trust") serving such purposes has been established at United Missouri Bank, N.A. The corpus of the Trust has been fully funded with Partnership assets. Funds are invested in U.S. Treasury securities at fair value at level 1 (see Note 8). In addition, $229,436 of earnings has been credited to the Trust as of June 30, 2020. The rights of TPG to the Trust shall be terminated upon the earliest to occur of the following events: (i) the written release by TPG of any and all interest in the Trust; (ii) the expiration of the longest statute of limitations relating to a potential claim which might be brought against TPG and which is subject to indemnification; or (iii) a determination by a court of competent jurisdiction that TPG shall have no liability to any person with respect to a claim which is subject to indemnification under the PMA. At such time as the indemnity provisions expire or the full indemnity is paid, any funds remaining in the Trust will revert back to the general funds of the Partnership.

8. FAIR VALUE DISCLOSURES:

The Partnership has determined the fair value based on hierarchy that gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy under the accounting principle are described below:

Level 1. Quoted prices in active markets for identical assets or liabilities.

Level 2. Quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, and inputs other than quoted prices that are observable for the investment.

Level 3. Unobservable inputs for which there is little, if any, market activity for the investment. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation and the use of discounted cash flow models to value the investment.

The fair value hierarchy is based on the lowest level of input that is significant to the fair value measurements. The Partnership's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The Partnership assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Partnership's accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. For the six-month period ended June 30, 2020 and for the year ended December 31, 2019, there were no such transfers.

9. SUBSEQUENT EVENTS:

Wendy's lease amendments

On July 27, 2020, the Partnership filed an 8-k reporting the extension of two Wendcharles I, LLC property leases and one Wendcharles II, LLC property lease through December 31, 2040.

Consent Solicitation

On July 30, 2020, the Partnership filed its preliminary consent solicitation with the SEC in which it is requesting a vote of the partners to extend the expiration of the partnership agreement from November 30, 2020 to November 30, 2030.

Coronavirus Outbreak

During the first quarter of 2020, there was a global outbreak of a new strain of coronavirus, COVID-19 which continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines, placing restrictions on travel, and limiting hours of operations of non-essential offices and retail centers. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries, such as retail, restaurants and transportation. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the coronavirus. Nevertheless, the coronavirus presents material uncertainty and risk with respect to the Company's performance and financial results, such as the potential negative impact to the tenants of its properties, the potential closure of certain of its properties, increased costs of operations, decrease in values of its properties, changes in law and/or regulation, and uncertainty regarding government and regulatory policy. Up to the date of this filing, the Company has not received modification rent requests from any tenant except as disclosed in Note 3. All rent has been paid in full by each tenant.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY STATEMENT

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements are not historical facts but are the intent, belief or current expectations of management of DiVall Insured Income Properties 2 Limited Partnership (the "Partnership") based on its knowledge and understanding of the business and industry. Words such as "may," "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "would," "could," "should" and variations of these words and similar expressions are intended to identify forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Examples of forward-looking statements include, but are not limited to, statements we make regarding:

- our expectations regarding financial condition or results of operations in future periods;
- our future sources of, and needs for, liquidity and capital resources;
- our expectations regarding economic and business conditions;
- our business strategies;
- our decisions and policies with respect to the potential retention or disposition of one or more Properties;
- our ability to find a suitable purchaser for any marketed Properties;
- our ability to agree on an acceptable purchase price or contract terms;
- our ability to collect rents on our leases;
- our ability to maintain relationships with our tenants, and when necessary identify new tenants;
- future capital expenditures; and
- other risks and uncertainties described from time to time in our filings with the Securities and Exchange Commission (the "SEC").

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with US GAAP. The preparation of these financial statements requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On a regular basis, we evaluate these estimates, including investment impairment. These estimates are based on management's historical industry experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The Partnership believes that its most critical accounting policies deal with:

Depreciation methods and lives- Depreciation of the Properties is provided on a straight-line basis over the estimated useful life of the buildings and improvements. While the Partnership believes these are the appropriate lives and methods, use of different lives and methods could result in different impacts on net income. Additionally, the value of real estate is typically based on market conditions and property performance, so depreciated book value of real estate may not reflect the market value of real estate assets.

Revenue recognition- Rental revenue from investment properties is recognized on a straight-line basis over the life of the respective lease when collectability is assured. Percentage rents are accrued only when the tenant has reached the sales breakpoint stipulated in the lease.

Impairment- The Partnership periodically reviews its long-lived assets, primarily real estate, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Partnership's review involves comparing current and future operating performance of the assets, the most significant of which is undiscounted operating cash flows, to the carrying value of the assets. Based on this analysis, if deemed necessary, a provision for possible loss is recognized.

Investment Properties

As of June 30, 2020, the Partnership owned 10 Properties, nine of which contained fully constructed fast-food/casual dining restaurant facilities. The following are operated by tenants at the aforementioned nine Properties: eight separate Wendy's restaurants, and an Applebee's restaurant. The tenant for the Property operated as an Applebee's restaurant has been in Chapter 11 bankruptcy since May 2018 and, in January 2019, this tenant filed with the court to continue with the Partnership's lease without modification. As of September 30, 2018, the Martinez, GA Property was leased by Brakes4Less of Columbia, Inc. Per the terms of the First Amendment to the Brakes4Less lease dated January 15, 2019, the first 12 months' rent was abated. Brakes4Less of Columbia, Inc. began paying rent per the terms of their lease in May 2020. The 10 Properties are located in a total of three states.

Property taxes, general maintenance, insurance and ground rent on the Properties are the responsibility of the tenant. However, when a tenant fails to make the required tax payments or when a Property becomes vacant, the Partnership makes the appropriate property tax payments to avoid possible foreclosure of the property.

There were no building improvements capitalized during the three-month period ending June 30, 2020.

Net Income

Net income for the three-month periods ended June 30, 2020 and 2019 was $225,697 and $149,747, respectively. Net income per limited partnership interest for the three-month periods ended June 30, 2020 and 2019 was $4.83 and $3.20, respectively. Net income for the six-month periods ended June 30, 2020 and 2019 was $196,771 and $147,290, respectively. Net income per limited partnership interest for the six-month periods ended June 30, 2020 and 2019 was $4.21 and $3.15, respectively.

The increase is primarily the result of increased accrued percentage rents resulting from higher than expected sales at several of the Wendy's locations.

Factors Which May Influence Results of Operations

The Partnership is not aware of any material trends or uncertainties, other than national economic conditions affecting real estate generally, that may reasonably be expected to have a material impact, favorable or unfavorable, on revenues and investment property value. However, due to the recent outbreak of the coronavirus (COVID-19) in the U.S. and globally, our tenants and operating partners may be impacted. The impact of the coronavirus on our future results could be significant and will largely depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus, the success of actions taken to contain or treat the coronavirus, and reactions by consumers, companies, governmental entities and capital markets.

Results of Operations

Three-month period ended June 30, 2020 as compared to the three-month period ended June 30, 2019:

Operating Rental Income: Rental income for the three-month periods ended June 30, 2020 and 2019 was $382,504 and $320,578, respectively. The rental income was comprised primarily of monthly lease obligations and includes accruals for annual percentage rents earned year-to-date and adjustments for straight-line rent.

General and Administrative Expense: General and administrative expenses for the three-month periods ended June 30, 2020 and 2019 were $15,425 and $6,440, respectively. General and administrative expenses were comprised of management expense, state/city registration and annual report filing fees, XBRL outsourced fees, office supplies, printing costs, outside storage expenses, copy/fax costs, postage and shipping expenses, long-distance telephone expenses, website fees, bank fees and state income tax expenses. The increase in the three-month period ended June 30, 2020 versus the three-month period ended June 30, 2019 is due primarily to the increase in state income taxes paid in Q1 2020 for the 2019 tax year along with higher 2020 estimates than were paid in 2019.

Professional services: Professional services expenses for the three-month periods ended June 30, 2020 and 2019 were $32,845 and $52,758, respectively. Professional services expenses were primarily comprised of investor relations data processing, investor mailings processing, website design, legal, auditing and tax preparation fees, and SEC report conversion and processing fees. The decrease reflected in the three-month period ended June 30, 2020 versus the three-month period ended June 30, 2019 is primarily the result of lower investor relations fees due to lowering overall costs with the new contract that took effect in 2019.

Income from operations for the six-month periods ended June 30, 2020 and 2019 were $196,771 and $147,290, respectively. See paragraphs below for further information as to the primary factors that contributed to the variances in operating income and expense items from the 2019 periods to the 2020 periods.

Operating Rental Income: Rental income for the six-month periods ended June 30, 2020 and 2019 was $602,275 and $525,673, respectively. The rental income was comprised primarily of monthly lease obligations and includes accruals for annual percentage rents earned year-to-date and adjustments for straight line rent. The increase relates primarily to increase percentage rent accruals year-to-date due to higher than expected sales at several of the Wendy’s stores in the portfolio.

General and Administrative Expense: General and administrative expenses for the six-month periods ended June 30, 2020 and 2019 were $47,476 and $19,143, respectively. General and administrative expenses were comprised of management expense, state/city registration and annual report filing fees, office supplies, printing costs, outside storage expenses, copy/fax costs, postage and shipping expenses, long-distance telephone expenses, website fees, bank fees, state income tax expenses and bad debt allowance. The increase is due primarily to the increase in state income taxes paid for 2019 and estimates paid for 2020, which are much higher than what was paid in 2019.

Professional services: Professional services expenses for the six-month periods ended June 30, 2020 and 2019 were $137,964 and $148,651, respectively. Professional services expenses were primarily comprised of investor relations data processing, investor mailings processing, website design, legal, auditing and tax preparation fees, and SEC report conversion and processing fees. The decrease year-over-year is due to lower investor relations costs, as mentioned above, partially offset by higher than planned legal fees related to the six Wendy’s lease extensions.

Cash Flow Analysis

Net cash flows provided by operating activities for the six-month periods ended June 30, 2020 and 2019 were $693,094 and $605,094, respectively. The increase is attributed to higher net income year over year in addition to higher accrued percentage rents.

Cash flows used in investing activities for the six-month periods ended June 30, 2020 and 2019 were $3,862 and $5,350, respectively. These amounts represent interest earned on the indemnification trust account, with earnings in the 2019 period being higher than the same period in 2020.

For the six-month period ended June 30, 2020, cash flows used in financing activities was $600,787 and consisted of aggregate limited partner distributions of $600,000, and general partner distributions of $787.

For the six-month period ended June 30, 2019, cash flows used in financing activities was $600,589 and consisted of aggregate limited partner distributions of $600,000, and general partner distributions of $589.

Liquidity and Capital Resources

The Partnership's cash balance was $127,666 at June 30, 2020. Cash of $100,000 is anticipated to be used to fund the 2020 second quarter aggregate distribution to limited partners on or about August 14, 2020, and cash of approximately $10,638 is anticipated to be used for the payment of quarter-end accrued liabilities, which are included in the balance sheets.

The Partnership's principal on-going demands for funds are expected to be for the payment of operating expenses and distributions. Management anticipates that cash generated through the operations of the Properties, and from potential sales of Properties, will primarily provide the sources for future Partnership liquidity and limited partner distributions. During the process of leasing the Properties, the Partnership may experience competition from owners and managers of other properties. As a result, in connection with negotiating tenant leases, along with recognizing market conditions, the Partnership may offer rental concessions, or other inducements, which may have an adverse impact on the results of the Partnership's operations. The Partnership is also in competition with sellers of similar properties to locate suitable purchasers for its Properties. The two primary liquidity risks with respect to the on-going operations of the Properties in the absence of mortgage debt are the Partnership's inability to collect rent receivables and near-term or chronic property vacancies. The amount of cash to be distributed to our limited partners is determined by the General Partner and is dependent on a number of factors, including funds available for payment of distributions, capital expenditures, and taxable income recognition matching, which is primarily attributable to percentage rents and property sales.

As of June 30, 2020, the current ten Properties were 100% leased. In addition, the Partnership collected 100% of its base rent from current operating tenants for the period ended June 30, 2020 and the fiscal year ended December 31, 2019, which we believe is a good indication of overall tenant quality and stability.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

As a smaller reporting company, the Partnership is not required to provide the information required by Item 305 of Regulation S-K.

Item 4. Controls and Procedures

Controls and Procedures

As of June 30, 2020 the Partnership's management, including the persons serving as the Partnership's principal executive officer and principal financial officer, concluded that the Partnership's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report were effective based on the evaluation of these controls and procedures as required by paragraph (b) of Rule 13a-15 or Rule 15d-15 under the Exchange Act.

Changes in Internal Control over Financial Reporting

There has been no change in the Partnership's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ending June 30, 2020 that has materially affected, or is reasonably likely to materially affect, the Partnership's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

As of the date of this report, there are no material pending legal proceedings to which the Partnership is a party.

Item 1a. Risk Factors

Not Applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

(a) Listing of Exhibits

3.1 Certificate of Limited Partnership dated November 20, 1987, filed as Exhibit 3.7 to the Partnership's Annual Report on Form 10-K filed March 22, 2013, Commission File 0-17686, and incorporated herein by reference.

4.1 Agreement of Limited Partnership dated as of November 20, 1987, amended as of November 25, 1987, and February 20, 1988, filed as Exhibit 3A to Amendment No. 1 to the Partnership's Registration Statement on Form S-11 as filed on February 22, 1988, and incorporated herein by reference.

4.2 Amendments to Amended Agreement of Limited Partnership dated as of June 21, 1988, included as part of Supplement dated August 15, 1988, filed under Rule 424(b)(3), Commission File 0-17686, and incorporated herein by reference.

4.3. Amendment to Amended Agreement of Limited Partnership dated as of February 8, 1993, filed as Exhibit 3.3 to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1992, Commission File 0-17686, and incorporated herein by reference.

4.4 Amendment to Amended Agreement of Limited Partnership dated as of May 26, 1993, filed as Exhibit 3.4 to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1993, Commission File 0-17686, and incorporated herein by reference.

4.5 Amendment to Amended Agreement of Limited Partnership dated as of June 30, 1994, filed as Exhibit 3.5 to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1994, Commission File 0-17686, and incorporated herein by reference.

4.6 Amendment to Amended Agreement of Limited Partnership dated as of November 9, 2009, filed as Exhibit 4.1 to the Partnership's Quarterly Report on Form 10-Q filed November 12, 2009, Commission File 0-17686, and incorporated herein by reference.

31.1 Sarbanes-Oxley Section 302 Certification

31.2 Sarbanes-Oxley Section 302 Certification

32.1 Certification of Periodic Financial Report Pursuant to 18 U.S.C. Section 1350.

99.1 Correspondence to the Limited Partners, anticipated to be mailed on August 14, 2020, regarding the proposed sale of the Properties and liquidation of the Partnership.

101 The following materials from the Partnership's Quarterly Report on Form 10-Q for the quarter ended, formatted in XBRL (Extensible Business Reporting Language): (i) Unaudited Condensed Balance Sheets at June 30, 2020 and December 31, 2019, (ii) Unaudited Condensed Statements of Income for the three and six month periods ended June 30, 2020 and 2019, (iii) Unaudited Condensed Statement of Cash Flows for the six month periods ended June 30, 2020 and 2019, (iv) Unaudited Condensed Statements of Partners' Capital for the six month periods ended June 30, 2020 and 2019, and (v) Notes to the Unaudited Condensed Financial Statements.

SIGNATURES

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

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

By: */s/ Lynette L. DeRose*

Lynette L. DeRose
(Chief Financial Officer and
Duly Authorized Officer of the Partnership)

Date:August 7, 2020

Exhibit 31.1

**DIVALL INSURED INCOME PROPERTIES 2
LIMITED PARTNERSHIP**

CERTIFICATIONS

I, Lynette L. DeRose, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DiVall Insured Income Properties 2 Limited Partnership;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 7, 2020

By: */s/ Lynette L. DeRose*
Chief Financial Officer of the Partnership
(principal financial officer of the registrant)

Exhibit 31.2

DIVALL INSURED INCOME PROPERTIES 2
LIMITED PARTNERSHIP

CERTIFICATIONS

I, Bruce A. Provo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DiVall Insured Income Properties 2 Limited Partnership;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 7, 2020

By: */s/ Bruce A. Provo*
President, and Chief Executive Officer of The Provo Group, Inc., the General Partner of the Partnership
(principal executive officer of the registrant)

Exhibit 32.1

**DIVALL INSURED INCOME PROPERTIES 2
LIMITED PARTNERSHIP**

**Certification of Periodic Financial Report
Pursuant to 18 U.S.C. Section 1350**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned principal executive officer and principal financial officer of DiVall Insured Income Properties 2 Limited Partnership (the "Company") certify that this Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 7, 2020

By: */s/ Lynette L. DeRose*
Chief Financial Officer of the Partnership
(principal financial officer of the registrant)

By: */s/ Bruce A. Provo*
President, and Chief Executive Officer of The Provo Group, Inc., the General Partner of the Partnership
(principal executive officer of the registrant)

This certification is made solely for the purpose of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.

DiVall Insured Income Properties 2, L.P.
Quarterly News

August 14, 2020

AS REPORTED IN MAY 15, 2020 NEWSLETTER

"As mentioned in our last newsletter we had been negotiating extensions in 3 Wendy's locations (two in Aiken, SC and one in Augusta, GA). We executed these amended leases on April 23, 2020 and filed our Form 8-k on April 28, 2020. Here are the highlights:

Annual	*Richland Ave Aiken, SC*	*Whiskey Rd Aiken, SC*	*Peach Orchard Augusta, GA*	*Total*
Current Fixed Rent	*$ 90,480*	*$ 96,780*	*$ 86,160*	*$273,420*
New Fixed Rent	*167,500*	*210,632*	*188,000*	*566,132*
Increase	*$77,020*	*$113,852*	*$101,840*	***$292,712"***

AS OF AUGUST 15, 2020

We executed 3 additional Wendy's extensions (see also 8-k dated July 28, 2020) all located in the Charleston, S.C. area for the following stores:

Annual	Hwy 17 Bypass	Folly Rd	Sam Rittenburg	Total
Current Fixed Rent	$ 77,280	$ 70,200	$ 76,920	$224,400
New Fixed Rent	146,520	136,000	166,848	449,368
Increase	$ 69,240	$ 65,800	$ 89,928	**$224,968**

ALL 6 EXTENSIONS

Extension Period:	1/1/2021 to 12/31/2040 (20 years)
Percentage Rent:	7% above an 8% natural breakpoint
Rights of First Refusal:	Eliminated

COMBINED IMPACT

With the consummation of these 6 lease extensions we will be able to level out distributions in future years as $518,000 of previous percentage rents (received annually) will be received ratably as fixed rent monthly.

Our appraised values will increase based on long-term extensions and the conversion of variable rent (percentage rent) to fixed minimum rent. We expect the annual appraisals to be completed earlier this year with all the dramatic new lease activity consummated. We expect to report the 2020 Net Unit Value in the Q3 Newsletter.

INSIDE THIS ISSUE

PARTNERSHIP TERM EXTENSION

You will shortly be receiving a consent solicitation similar to the ten year extension approved in 2009 for the period November 30, 2020 to November 30, 2030. A comparison of the progress in strengthening the value of the portfolio for the previous ten calendar years can be demonstrated by the following data:

	12/31/2009	12/31/2019
Number of Properties	16	10
Net Unit Value	$330/unit	$380/unit
Property Values	$9,841,000	$15,775,000
Future Minimum Rents through lease expirations	$9,629,000	$6,340,000

With the six (6) new extended leases the future minimum rents through lease expirations will increase $17,416,000 to $23,756,000 effective January 1, 2021.

With $518,000 of additional future minimum rents commencing January 1, 2021; the elimination of 5 rights of first refusal by the tenant (6th store extended did not have a ROFR) and lease terms extended from 6 years to 20 years, we should be well positioned to sell the portfolio in the next five years after the uncertainties surrounding the pandemic and protests are better understood.

Distribution Highlights

- **$100,000 ($2.16 per unit)** will be distributed for the second quarter of 2020 on or about August 14, 2020.
- Since the Partnership's initial "investable" capital raise of $39 million (net of $7 million of syndication fees) in the early 1990's; the Partnership has distributed approximately $79 million to investors, from both operations and strategic sales.
- From January 1, 2009 (prior consent to extend was approved in 2009) through August 15, 2020 we have distributed $13,347,000 ($288/unit) from both operations and strategic sales.

QUESTIONS & ANSWERS

- ***When can I expect to receive my next distribution mailing?***
  Your distribution correspondence for the Third Quarter of 2020 is scheduled to be mailed on or about November 15, 2020.

- ***How can I obtain hard copies of Quarterly and Annual Reports or other SEC filings?***
  Please visit the Investor Relations page at the Partnership website at www.divallproperties.com or the SEC website at www.sec.gov to print a copy of the report(s) or contact Investor Relations.

- ***How do I have a question answered in the next Newsletter?***
  Please e-mail your specific question to Lynette DeRose at lderose@theprovogroup.com or visit the Investor Relations page at www.divallproperties.com.

- ***I've moved. How do I update my account registration?***
  Please mail or fax to DiVall Investor Relations a signed letter stating your new address and telephone number. Updates cannot be accepted over the telephone or via voicemail messages.

Access to Additional Financial Information

For further quarterly 2020 unaudited financial information, see the Partnership's interim financial reports filed as part of the Partnership's Form 10-Q. A copy of this filing and other public reports can be viewed and printed free of charge at the Partnership's website at www.divallproperties.com or at the SEC's website at www.sec.gov. The Partnership's 2019 Annual Report on Form 10-K was filed with the SEC on March 23, 2020, which also can be accessed via the websites listed.

DIVALL INVESTOR RELATIONS CONTACT INFORMATION:

MAIL: DiVall Investor Relations
c/o Phoenix American Financial Services, Inc
2401 Kerner Blvd.
San Rafael, CA 94901
PHONE: 1-844-932-1769 NOTE NEW NUMBER
FAX: 1-415-485-4553