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 March 31, 2018

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.)*

1100 Main Street, Suite 1830 Kansas City, Missouri 64105
(Address of principal executive offices, including zip code)

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

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 and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted 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 and post 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 [ ] (Do not check if a smaller reporting company) 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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DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

CONDENSED BALANCE SHEETS

March 31, 2018 and December 31, 2017

ASSETS

	March 31, 2018 (unaudited)	December 31, 2017
INVESTMENT PROPERTIES: **(Note 2)**		
Land	$ 2,527,947	$ 2,527,947
Buildings	4,101,067	4,101,067
Accumulated depreciation	(3,776,334)	(3,745,299)
Net investment properties	$ 2,852,680	$ 2,883,715
OTHER ASSETS:		
Cash	$ 724,494	$ 145,674
Cash held in Indemnification Trust **(Note 8)**	460,444	457,821
Security deposits escrow	64,553	64,513
Rents and other receivables	-	595,399
Deferred tenant award proceeds escrow	80,232	85,617
Prepaid insurance	5,901	5,187
Utility deposit	6,530	6,530
Properties held for sale	317,151	317,151
Deferred charges, net	204,574	210,593
Total other assets	$ 1,863,879	$ 1,888,485
Total assets	$ 4,716,559	$ 4,772,200

The accompanying notes are an integral part of these unaudited condensed financial statements.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

CONDENSED BALANCE SHEETS

March 31, 2018 and December 31, 2017

LIABILITIES AND PARTNERS’ CAPITAL

	March 31, 2018 (unaudited)	December 31, 2017
CURRENT LIABILITIES:		

Accounts payable and accrued expenses	$	140,778	$	30,507
Property tax payable		1,545		-
Due to General Partner **(Note 5)**		-		1,238
Deferred rent		78,643		84,130
Security deposits		64,340		64,340
Unearned rental income		-		5,000
Total current liabilities	$	285,306	$	185,215
CONTINGENCIES AND COMMITMENTS **(Notes 7 and 8)**				
PARTNERS' CAPITAL: **(Notes 1 and 3)**				
General Partner -				
Cumulative net income (retained earnings)	$	364,759	$	365,316
Cumulative cash distributions		(151,449)		(151,449)
	$	213,310	$	213,867
Limited Partners (46,280.3 interests outstanding at March 31, 2018 and December 31, 2017)				
Capital contributions	$	46,280,300	$	46,280,300
Offering Costs		(6,921,832)		(6,921,832)
Cumulative net income (retained earnings)		42,476,972		42,532,147
Cumulative cash distributions		(76,777,268)		(76,677,268)
	$	5,058,172	$	5,213,347
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	$	4,431,253	$	4,586,985
Total liabilities and partners' capital	$	4,716,559	$	4,772,200

The accompanying notes are an integral part of these unaudited condensed financial statements.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

CONDENSED STATEMENTS OF INCOME (LOSS)

For the Three Month Periods Ended March 31, 2018 and 2017

		March 31, 2018 (unaudited)		March 31, 2017 (unaudited)
OPERATING REVENUES:				
Rental income **(Note 4)**	$	220,095	$	223,132
TOTAL OPERATING REVENUES	$	220,095	$	223,132
EXPENSES:				
Partnership management fees **(Note 5)**	$	68,148	$	67,106
Insurance		1,465		1,246
General and administrative		21,088		18,163

Advisory Board fees and expenses	2,625	2,625
Professional services	144,875	97,054
Depreciation	31,035	31,035
Amortization	6,019	6,255
TOTAL OPERATING EXPENSES	$ 275,255	$ 223,484
OTHER INCOME		
Other interest income	2,997	1,503
TOTAL OTHER INCOME	$ 2,997	$ 1,503
(LOSS) INCOME FROM CONTINUING OPERATIONS	$ (52,163)	$ 1,151
LOSS FROM DISCONTINUED OPERATIONS **(Note 2)**	$ (3,569)	$ (3,471)
NET LOSS	$ (55,732)	$ (2,320)
NET LOSS - GENERAL PARTNER	$ (557)	$ (23)
NET LOSS - LIMITED PARTNERS	$ (55,175)	$ (2,297)
PER LIMITED PARTNERSHIP INTEREST,		
Based on 46,280.3 interests outstanding:		
(LOSS) INCOME FROM CONTINUING OPERATIONS	$ (1.12)	$ 0.02
LOSS FROM DISCONTINUED OPERATIONS	$ (0.07)	$ (0.07)
NET LOSS PER LIMITED PARTNERSHIP INTEREST	$ (1.19)	$ (0.05)

The accompanying notes are an integral part of these unaudited condensed financial statements.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

CONDENSED STATEMENTS OF CASH FLOWS

For the Three Month Periods Ended March 31, 2018 and 2017

	Three Months Ended	
	3/31/18	3/31/17
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income from continuing operations	$ (52,163)	$ 1,151
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	37,054	37,290
Changed in operating assets and liabilities		
Decrease in rents and other receivables	595,399	581,324
Increase in security deposit escrow	(40)	(37)
(Increase) Decrease in prepaid insurance	(714)	6,506
Increase in accounts payable and accrued expenses	110,271	24,542
Increase in property tax payable	1,545	1,500
(Decrease) Increase in deferred award escrow	(102)	1,709
Payment of leasing commission	-	(90,765)
Decrease in due to General Partner	(1,238)	(1,242)
Decrease in prepaid rent	(5,000)	-
Cash used in discontinued operations - operating activities	(3,569)	(3,471)
Net cash from operating activities	$ 681,443	$ 558,507
CASH FLOWS FROM INVESTING ACTIVITIES:		

Interest applied to Indemnification Trust account	$	(2,623)	$	(1,115)
Net cash used in investing activities	$	(2,623)	$	1,115)
CASH FLOWS USED IN FINANCING ACTIVITIES:				
Cash distributions to Limited Partners	$	(100,000)	$	(100,000)
Cash distributions to General Partner		-		-
Net cash used in financing activities	$	(100,000)	$	(100,000)
NET INCREASE IN CASH	$	578,820	$	457,392
CASH AT BEGINNING OF PERIOD		145,674		200,369
CASH AT END OF PERIOD	$	724,494	$	657,761
CASH PAID FOR INTEREST	$	-	$	-
CASH PAID FOR TAXES	$	-	$	-
NON-CASH INVESTING AND FINANCING ACTIVITIES	$	-	$	-

The accompanying notes are an integral part of these unaudited condensed financial statements.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

These unaudited interim condensed financial statements should be read in conjunction with DiVall Insured Income Properties 2 Limited Partnership's (the "Partnership") 2017 annual audited financial statements within its Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 23, 2018.

These unaudited interim condensed financial statements and notes have been prepared on the same basis as the Partnership's annual audited financial statements and include all normal and recurring adjustments, which are in the opinion of management, necessary to present a fair statement of the Partnership's financial position, results of operations and cash flows as of and for the interim periods presented. The results of operations for the three month period ended March 31, 2018 are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2018, for any other interim period, or for any other future year.

The condensed balance sheet as of December 31, 2017 contained herein has been derived from the audited financial statements as of December 31, 2017, but does not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP").

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

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 March 31, 2018, the Partnership owned eleven Properties, which are located in a total of four 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 approval 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 previously by the limited partners. The Partnership continues to operate as a going concern. See Note 10 for subsequent event disclosure regarding the approval of limited partners owning a majority of the outstanding limited partner interests to dissolve the Partnership.

Significant Accounting Policies

Rental revenue from the Properties is recognized on a straight-line basis over the term of the respective lease. Percentage rents are only accrued when the tenant has reached the sales breakpoint stipulated in the lease.

Rents and other receivables are comprised of billed but uncollected amounts due for monthly rents and other charges, and amounts due for scheduled rent increases for which rentals have been earned and will be collected in the future under the terms of the leases. Receivables are recorded at management's estimate of the amounts that will be collected.

Based on an analysis of specific accounts and historical experience, as of March 31, 2018 and December 31, 2017, there was $0 recorded as allowance for doubtful accounts.

The Partnership considers its operations to be in only one segment, the operation of a portfolio of commercial real estate leased on a triple net basis, and therefore no segment disclosure is made.

Depreciation of the Properties are provided on a straight-line basis over the estimated useful lives of the buildings and improvements.

Deferred charges represent leasing commissions paid when the Properties are leased and upon the negotiated extension of a lease. Leasing commissions are capitalized and amortized over the term of the lease. As of March 31, 2018 and December 31, 2017, accumulated amortization amounted to $30,763 and $24,744, respectively. Fully amortized deferred charges of $9,099 and $183,021, including related accumulated amortization, were removed from the balance sheets as of December 31, 2017 and 2016, respectively.

Deferred tenant award proceeds escrow represents the portion of the award proceeds from the County of Charleston's partial taking of a portion of the Mt. Pleasant, SC property that are being paid to the tenant ratably over 99 months beginning August 1, 2013.

The Partnership generally maintains cash in federally insured accounts which, at times, may exceed federally insured limits. The Partnership has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk.

Financial instruments that potentially subject the Partnership to significant concentrations of credit risk consist primarily of cash investments and leases. Additionally, as of March 31, 2018, eight of the Partnership's eleven Properties are leased to three significant tenants, Wendgusta, LLC ("Wendgusta"), Wendcharles I, LLC ("Wendcharles I") and Wendcharles II, LLC ("Wendcharles II"), all three of whom are Wendy's restaurant franchisees. The property leases for the three tenants comprised approximately 52%, 17% and 9%, respectively, of the total operating base rents reflected as of March 31, 2018.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Assets disposed of or deemed to be classified as held for sale require the reclassification of current and previous years' operations to discontinued operations in accordance with GAAP applicable to "Accounting for the Impairment or Disposal of Long Lived Assets". As such, prior year operating results for those properties considered as held for sale or properties no longer considered for sale have been reclassified to conform to the current year presentation without affecting total income. When properties are considered held for sale, depreciation of the properties is discontinued, and the properties are valued at the lower of the depreciated cost or fair value, less costs to dispose. If circumstances arise that were previously considered unlikely, and, as a result, the property previously classified as held for sale is no longer to be sold, the property is reclassified as held and used. Such property is measured at the lower of its carrying amount (adjusted for any depreciation and amortization expense that would have been recognized had the property been continuously classified as held and used) or fair value at the date of the subsequent decision not to sell.

Assets are classified as held for sale, generally, when all criteria within GAAP applicable to "Accounting for the Impairment or Disposal of Long Lived Assets" have been met.

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, a provision for possible loss is recognized, if any. There were no adjustments to carrying values for the three month periods ended March 31, 2018 and 2017.

The Financial Accounting Standards Board ("FASB") guidance on "Fair Value Measurements and Disclosure" defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measures required under other accounting pronouncements, but does not change existing guidance as to whether or not an instrument is carried at fair value. The adoption of the provisions of this FASB issuance, with respect to nonrecurring fair value measurements of nonfinancial assets and liabilities, including (but not limited to) the valuation of reporting units for the purpose of assessing goodwill impairment and the valuation of property and equipment when assessing long-lived asset impairment, did not have a material impact on how the Partnership estimated its fair value measurements but did result in increased disclosures about fair value measurements in the Partnership's financial statements as of and for the three month period ended March 31, 2018 and the year ended December 31, 2017. See Note 9 for further disclosure.

GAAP applicable to Disclosure About Fair Value of Financial Instruments, requires entities to disclose the fair value of all financial assets and liabilities for which it is practicable to estimate. Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The General Partner believes that the carrying value of the Partnership's assets (exclusive of the Properties) and liabilities approximate fair value due to the relatively short maturity of these instruments.

No provision for federal income taxes has been made, as any liability for such taxes would be that of the individual partners rather than of the Partnership.

The Partnership is not subject to federal income tax because its income and losses are includable in the tax returns of its partners, but may be subject to certain state taxes. FASB has provided guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the entity's tax returns to determine whether the tax positions are more-likely-than-not of being sustained when challenged or when examined by the applicable taxing authority. Management has determined that there were no material uncertain income tax positions. Tax returns filed by the Partnership generally are subject to examination by U.S. and state taxing authorities for the years ended after December 31, 2014.

2. INVESTMENT PROPERTIES AND PROPERTIES HELD FOR SALE:

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 March 31, 2018, the Partnership owned eleven Properties that contained fully constructed fast-food/casual dining restaurant restaurants. The following are operated by tenants at the Properties: eight separate Wendy's restaurants, an Applebee's restaurant, and a KFC restaurant. Following its lease expiration on November 6, 2016, the Martinez, GA Property is vacant. The eleven Properties are located in a total of four states.

Discontinued Operations

During the three month periods ended March 31, 2018 and 2017, the Partnership recognized a loss from discontinued operations of $(3,569) and $(3,471), respectively. The loss from discontinued operations was attributable to the Martinez, GA Property, which has been vacant since the fourth quarter of 2016. As of December 15, 2016, the Martinez, GA Property was deemed to be held for sale.

The components of property held for sale in the balance sheets as of March 31, 2018 and December 31, 2017 are outlined below:

	March 31, 2018	December 31,2017
Balance Sheet:		
Land	$ 266,175	$ 266,175
Buildings, net	50,976	50,976
Properties held for sale	$ 317,151	$ 317,151

The components of discontinued operations included in the statements of income for the three months ended March 31, 2018 and 2017 are outlined below:

	March 31, 2018	March 31, 2017
Revenues		
Base Rent	$ -	$ -
Total Revenues	$ -	$ -
Expenses		
Insurance	$ 798	$ 518
Property tax expense	1,545	1,500
Maintenance expense	1,226	1,453
Total Expenses	$ 3,569	$ 3,471
Net Loss from Discontinued Operations	$ (3,569)	$ (3,471)

3. 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. See Note 10 for subsequent event disclosure regarding the approval of limited partners owning a majority of the outstanding limited partner interests to dissolve the Partnership.

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.

4. LEASES:

Original lease terms for the Properties were generally five to twenty years from their inception. The leases generally provide for minimum rents and additional rents based upon percentages of gross sales in excess of specified breakpoints. The lessee is responsible for occupancy costs such as maintenance, insurance, real estate taxes, and utilities. Accordingly, these amounts are not reflected in the statements of income except in circumstances where, in management's opinion, the Partnership will be required to pay such costs to preserve its assets (i.e., payment of past-due real estate taxes). Management has determined that the leases are properly classified as operating leases; therefore, rental income is reported when earned on a straight-line basis and the cost of the property, excluding the cost of the land, is depreciated over its estimated useful life.

As of March 31, 2018, the aggregate minimum operating lease payments (including the aggregate total of the first quarter of 2018 collected revenues of $220,095) to be received under the current operating leases for the Properties are as follows:

Year ending December 31,	
2018	$ 828,433
2019	798,433
2020	798,433
2021	801,725
2022	820,380
Thereafter	3,271,163
	$ 7,318,567

At March 31, 2018 and December 31, 2017, rents and other receivables included $0 and $595,399, respectively, of unbilled percentage rents. As of March 31, 2018, all of the 2017 percentage rents had been billed and collected.

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, 2017, 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, 2018, the minimum annual Base Fee and the maximum Expenses reimbursement increased by 2.13% from the prior year, which represents the allowable annual Consumer Price Index adjustment per the PMA. Therefore, as of March 1, 2018, the minimum annual Base Fee paid by the Partnership was raised to $276,432 and the maximum annual Expenses reimbursement was increased to $22,308.

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-month periods ended March 31, 2018 and 2017 are as follows:

	Incurred for the Three Months Ended March 31, 2018 (unaudited)	Incurred for the Three Months Ended March 31, 2017 (unaudited)
General Partner		
Management fees	$ 68,148	$ 67,106
Overhead allowance	5,499	5,414
Leasing commissions	-	90,765
Reimbursement for out-of-pocket expenses	2,500	2,500
Cash distribution	-	-
	$ 76,147	$ 165,785

At March 31, 2018 and December 31, 2017, $0 and $1,238, respectively, was payable to the General Partner.

6. TRANSACTIONS WITH OWNERS WITH GREATER THAN TEN PERCENT BENEFICIAL INTERESTS:

As of March 31, 2018, Jesse Small, an Advisory Board Member, beneficially owns 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 month periods ended March 31, 2018 and 2017 are as follows:

	Incurred for the Three Month Period ended March 31, 2018 (Unaudited)	Incurred for the Three Month Period ended March 31, 2017 (Unaudited)
Advisory Board Fees paid	$ 875	$ 875

At March 31, 2018 and December 31, 2017 there were no outstanding Advisory Board Fees accrued and payable to Jesse Small.

7. 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 March 31, 2018, 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.

8. 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 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. In addition, $210,444 of earnings has been credited to the Trust as of March 31, 2018. 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.

9. 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 three month period ended March 31, 2018 and the year ended December 31, 2017, there were no such transfers.

10. SUBSEQUENT EVENTS:

On April 5, 2018, the Partnership filed with the Securities and Exchange Commission and distributed to limited partners a consent solicitation statement, pursuant to which the Partnership is soliciting the affirmative consent of limited partners to a sale of the Partnership's assets, and a subsequent liquidation and dissolution of the Partnership.

As of the date of this report, the Partnership has already received the required affirmative consents from holders of a majority of the outstanding limited partner interests to approve the proposed sale of assets and liquidation. Limited partners may continue to provide consent cards until the previously disclosed consent deadline of May 18, 2018. The proposed sale of assets and liquidation is expected to be completed by December 31, 2018.

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 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 decisions and policies with respect to the disposition of Properties and the subsequent liquidation and dissolution of the Partnership;
- 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 ability to collect rents on our leases;
- future capital expenditures; and
- other risks and uncertainties described from time to time in our filings with the Securities and Exchange Commission (the "SEC").

Forward-looking statements that were true at the time made may ultimately prove to be incorrect or false. The Partnership cautions readers not to place undue reliance on forward-looking statements, which reflect management's view only as of the date of this Form 10-Q. All subsequent written and oral forward-looking statements attributable to the Partnership, or persons acting on the Partnership's behalf, are expressly qualified in their entirety by this cautionary statement. Management undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results. Factors that could cause actual results to differ materially from any forward-looking statements made in this Form 10-Q include, without limitation, the inability of the General Partner to find a suitable purchaser for the Properties, the inability to agree on an acceptable purchase price or contract terms, a decrease in the financial performance of the Properties, the discovery of an environmental condition impacting one or more of the Properties, the inability to realize value for limited partners upon disposition of the Partnership's assets, changes in general economic conditions, changes in real estate conditions, including without limitation, decreases in valuations of real properties, increases in property taxes, lease-up risks, ability of tenants to fulfill their obligations to the Partnership under existing leases, sales levels of tenants whose leases include a percentage rent component, adverse changes to the restaurant market, entrance of competitors to the Partnership's lessees in markets in which the Partnership's investment portfolio of commercial real estate properties (collectively, the "Properties") are located, the potential need to fund tenant improvements or other capital expenditures out of operating cash flows, and such other factors as discussed in our Annual Report on Form 10-K for the year end December 31 2017, and other reports we file with 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 accounting principles generally accepted in the United States of America ("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 significant 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.

Recent Developments

On April 5, 2018, the Partnership filed with the SEC and distributed to limited partners a consent solicitation statement, pursuant to which the Partnership is soliciting the affirmative consent of limited partners to a sale of the Partnership's assets, and a subsequent liquidation and dissolution of the Partnership.

As of the date of this report, the Partnership has already received the required affirmative consents from holders of a majority of the outstanding limited partner interests to approve the proposed sale of assets and liquidation. Limited partners may continue to provide consent cards until the previously disclosed consent deadline of May 18, 2018. The proposed sale of assets and liquidation is expected to be completed by December 31, 2018.

Investment Properties

As of March 31, 2018, the Partnership owned eleven Properties, each currently containing a fully constructed fast-food or casual restaurant. One Property is located on a parcel of land which is subject to a ground lease. The current tenants are franchisees of casual restaurants and as a result the following are operated at the Properties: eight Wendy's restaurants, an Applebee's restaurant, and a KFC restaurant. Following its lease expiration on November 6, 2016, the Property in Martinez, GA is vacant, and as of December 15, 2016, this Property has been held for sale. The Properties are located in a total of four 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. The Partnership pays for insurance and maintenance related to the vacant Property.

Such taxes, insurance and ground rent are accrued in the period in which the liability is incurred. The Partnership leases one Property to a restaurant which is located on a parcel of land in Santa Fe, New Mexico where the Partnership holds a long-term ground lease, as lessee, which is set to expire on June 30, 2018. The Partnership does not expect to exercise its option to renew this ground lease, and the General Partner is expected to explore strategic options with respect to this Property. As a result, the Santa Fe, New Mexico Property is not included among the ten Properties that are expected to be sold pursuant to the planned sale of the Partnership's assets. The Partnership owns all improvements constructed on the land (including the building and improvements) until the termination of the ground lease, at which time all constructed improvements will become the land owner's property. The tenant, the operator of a KFC restaurant, is responsible for the $3,400 per month ground lease payment per the terms of its lease with the Partnership.

There were no building improvements capitalized during the three month period ending March 31, 2018.

Net Income

Net loss for the three month periods ended March 31, 2018 and 2017 were $(55,732) and $(2,320), respectively. Net loss per limited partnership interest for the three month periods ended March 31, 2018 and 2017 were $(1.19) and $(0.05), respectively.

This is primarily the result of an increase in the usage of outside professional services in the first quarter of 2018 compared to the first quarter of 2017 in connection with the proposed sale of the Partnership's assets.

Results of Operations

(Loss) Income from continuing operations for the three month periods ended March 31, 2018 and 2017 was $(52,163) and $1,151, respectively.

Three month period ended March 31, 2018 as compared to the three month period ended March 31, 2017:

Operating Rental Income: Rental income for the three month periods ended March 31, 2018 and 2017 was $220,095 and $223,132, respectively. The rental income was comprised primarily of monthly lease obligations.

General and Administrative Expense: General and administrative expenses for the three month periods ended March 31, 2018 and 2017 were $21,088 and $18,163, 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 for the quarter ended March 31, 2018 compared to the quarter ended March 31, 2017 is due primarily to fees in connection with the proposed sale of the Partnership's assets.

Professional Services: Professional services expenses for the three month periods ended March 31, 2018 and 2017 were $144,875 and $97,054, 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 increase for the quarter ended March 31, 2018 compared to the quarter ended March 31, 2017 is due primarily to increased legal and audit fees.

Cash Flow Analysis

Net cash flows provided by operating activities for the three month periods ended March 31, 2018 and 2017 were $681,443 and $558,507, respectively. The variance in cash provided by operating activities for the three months ended March 31, 2018 compared to the three months ended March 31, 2017 is primarily due to the payment of leasing commissions during the first quarter of 2017, but offset, in part, by the decreased net income during the first quarter of 2018 compared to the first quarter of 2017.

Cash flows used in investing activities for the three month periods ended March 31, 2018 and 2017 were $(2,623) and $(1,115), respectively. These amounts represented the interest earned on the indemnification trust account.

For the three month period ended March 31, 2018 and 2017 cash flows used in financing activities was $100,000 and consisted of aggregate Limited Partner distributions of $100,000. Distributions have been and are expected to continue to be made in accordance with the Partnership Agreement.

Liquidity and Capital Resources

The Partnership's cash balance was $724,494 at March 31, 2018. Cash of $450,000 is anticipated to be used to fund the 2018 first quarter aggregate distribution to limited partners on or about May 15, 2018, and cash of approximately $142,323 is anticipated to be used for the payment of quarter-end accrued liabilities, which are included in the balance sheets. The remainder represents amounts deemed necessary to allow the Partnership to operate normally.

The Partnership's principal demands for liquidity historically have been for the payment of operating expenses and distributions. Management anticipates that cash generated through the operations of the Properties will primarily provide the sources for future Partnership liquidity and Limited Partner distributions of cash flows from operations. In addition, Management anticipates that cash generated through expected sale of Properties will primarily provide the source for liquidating distributions to limited partners. The Partnership is in competition with sellers of similar properties to locate suitable purchasers for its Properties. The two primary liquidity risks in the absence of mortgage debt with respect to the on-going operations of the Properties 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 March 31, 2018, the current eleven Properties were leased 91%. In addition, the Partnership collected 100% of its base rent from current operating tenants for the period ended March 31, 2018 and the fiscal year ended December 31, 2017, which we believe is a good indication of overall tenant quality and stability.

The only lease set to expire during 2018 is in Santa Fe, NM where the Partnership holds a long-term ground lease, as lessee, which is set to expire on June 30, 2018. The Partnership does not expect to exercise its option to renew this ground lease, and the General Partner is expected to explore strategic options with respect to this property. In January 2017, the Partnership received lease extension notices relating to seven of the eight Properties that are leased to Wendy's franchisees. Pursuant to such notices, each of Wendgusta, LLC, Wendcharles I, LLC and Wendcharles II, LLC exercised the option in their respective property leases to renew such lease for five years beyond the prior expiration date of November 6, 2021. As a result, all eight of the Properties that are leased to Wendy's franchisees now feature a lease expiration date of November 6, 2026.

Eight of the eleven Properties are operated as Wendy's fast food restaurants and are franchises of the international Wendy's Company. Operating base rents from these eight leases comprised approximately 77% of the total 2017 operating base rents included in operating rental income of the Partnership. During the year ended December 31, 2017, additional percentage rents totaled $595,399, all of which were unbilled and were accrued in relation to the Properties operated as Wendy's restaurants. Therefore, during 2017, the Partnership generated approximately 86% of its total operating revenues from those eight Properties. As of March 31, 2018, the eight Properties operated as Wendy's restaurants exceeded 72% of the Partnership's total Properties, both by asset value and number.

Since more than 72% of the Properties, both by historical asset value and number, are leased to Wendy's franchises, the financial status of the three tenants may be considered material to investors. At the request of the Partnership, Wendgusta, Wendcharles I and Wendcharles II provided the Partnership with a copy of their reviewed financial statements for the fiscal years ended December 31, 2017 and December 25, 2016. Those reviewed financial statements prepared by Wendgusta's, Wendcharles I's and Wendcharles II's accountants are attached as Exhibits 99.0, 99.1 and 99.2, respectively, to the Partnership's December 31, 2017 Annual Report on Form 10-K, filed with the SEC on March 23, 2018. The Partnership has no rights to audit or review Wendgusta's, Wendcharles I's or Wendcharles II's financial statements and the Partnership's independent registered public accounting firm has not audited or reviewed the financial statements received from Wendgusta, Wendcharles I or Wencharles II.

Disposition Policies

The General Partner has historically planned to hold the Properties until such time as a sale or other disposition appeared to be advantageous to achieve the Partnership's investment objectives or until it appeared that such objectives would not be met. In deciding whether to sell Properties, the General Partner has considered factors including, but not limited to, potential capital appreciation or depreciation, market and economic conditions and the general strength of the real estate market, cash flow and federal income tax considerations.

As previously disclosed, on April 5, 2018, the Partnership filed with the SEC and distributed to Limited Partners a consent solicitation statement, pursuant to which the Partnership is soliciting the affirmative consent of limited partners to a sale of the Partnership's assets, and a subsequent liquidation and dissolution of the Partnership. As of the date of this report, the Partnership has already received the required affirmative consents from holders of a majority of the outstanding limited partnership interests to approve the proposed sale of assets and liquidation. Limited partners may continue to provide consent cards until the previously disclosed consent deadline of May 18, 2018. The proposed sale of assets and liquidation is expected to be completed by December 31, 2018.

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 March 31, 2018 the Partnership's management, including the persons performing the functions of the Partnership's principal executive officer and principal financial officer, have 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 March 31, 2018 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 Form10-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 Form10-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 SOX 302 Certification

31.2 SOX 302 Certification

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

99.1 Correspondence to the Limited Partners, scheduled to be mailed on or about May 15, 2018, regarding the first quarter of 2018 distribution.

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 March 31, 2018 and December 31, 2017, (ii) Unaudited Condensed Statements of Income (Loss) for the three month periods ended March 31, 2018 and 2017, (iii) Unaudited Condensed Statements of Cash Flows for the three month periods ended March 31, 2018 and 2017, and (iv) 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: May 15, 2018

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: May 15, 2018

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: May 15, 2018

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 March 31, 2018 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: May 15, 2018

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
Quarterly News

REQUIRED CONSENTS HAVE BEEN RECEIVED TO AUTHORIZE THE SALE OF ALL PROPERTIES

As previously disclosed in the consent solicitation statement we filed on April 5, 2018 and distributed to Limited Partners, we are soliciting the affirmative consent of Limited Partners to a sale of the Partnership's assets and a subsequent liquidation and dissolution of the Partnership.

As of May 15, 2018, we have already received the required affirmative consents from holders of a majority of our outstanding Units to approve the proposed sale of assets and liquidation. Limited Partners may continue to provide consent cards until the consent deadline of May 18, 2018.

The proposed sale of assets and liquidation is expected to be completed by December 31, 2018. We intend to conduct a sealed bid process to promote uniformity and comparability of bid terms. This process was used for the identification of a buyer and sale of DiVall Insured Properties 1, LP in 1998. We intend to stipulate that the "minimum" bid price will be the total of the independently appraised values of each property being held for sale.

Distribution Highlights

- **$450,000 ($9.72 per unit)** will be distributed for the first quarter of 2018 on or about May 15, 2018.

- Since the Partnership's initial capital raise of $46 million in the early 1990's, the Partnership has distributed approximately $77 million to investors, from both operations and strategic sales.

INSIDE THIS ISSUE

Additional financial information

For further quarterly 2018 unaudited fina
Partnership's interim financial reports filed
Form 10-Q. A copy of this filing and other pu
and printed free of charge at the
www.divallproperties.com or at the SEC's
The Partnership's 2017 Annual Report on F
SEC on March 23, 2018, which also can be
listed.

Additional Information and

In connection with the proposed sale of ass
Insured Income Properties 2, LP (the "Partn
Securities and Exchange Commission ("SE
Partnership's limited partners (the "Limited
consent solicitation statement dated April 5
ANY VOTING DECISION, LIMITED PART
READ CAREFULLY AND IN ITS ENTIRET
CONSENT SOLICITATION STATEMENT.
obtain, without charge, a copy of the conse
and other relevant documents that have be
the SEC's website at http://www.sec.gov. L
obtain, without charge, a copy of the conse
and other relevant documents by directing
Investor Relations, c/o Phoenix American F
2401 Kerner Blvd, San Rafael, CA 94901, b
telephone to DiVall Investor Relations at 1-
edevera@phxa.com, or the Partnership's w
www.divallproperties.com.

The Partnership, The Provo Group, Inc., the
Partnership (the "General Partner"), the exe
of the General Partner who performs the fu
executive of the General Partner, and certa
employed officers, agents and employees o
may be deemed to be participants in the so
the Limited Partners in favor of the propose
liquidation. The General Partner and the pri
General Partner do not have beneficial own
interests in the Partnership. Other informati
Partner and the principal executive of the G
in the Partnership's Annual Report on Form
ended December 31, 2017, which was filed
23, 2018. Limited Partners may obtain addi
regarding the interests of the General Partn
executive of the General Partner in the prop
liquidation, which may be different than thos
generally, by reading the consent solicitatio

QUESTIONS & ANSWERS

- ***When can I expect to receive my next distribution mailing?***
  Your distribution correspondence for the Second Quarter of 2018 is scheduled to be mailed on or about

- ***When will the Partnership mail the 2017 K-1's?***
  The 2018 K-1's were mailed during the second week of March, 2018.

- ***What was the estimated December 31, 2017 Net Unit Value ("NUV")?***
  Management has estimated the December 31, 2017 Net Unit Value of each interest of the Partnership to a
  note that the estimated year-end NUV should be adjusted (reduced) for any subsequent property sale(s)
  write-downs during the following year. As with any valuation methodology, the independent third-
  methodology was based upon a number of estimates and assumptions that may not be accurate or co
  with different assumptions and estimates could derive a different estimated NUV. Accordingly, with
  NUV, the Partnership can give no assurance that:

  - an investor would be able to resell his or her Units at this estimated NUV;
  - the Units would trade at the estimated NUV in a secondary market; or
  - the methodology used to estimate the Partnership's NUV would be acceptable under ERISA
    reporting requirements.

- ***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
  www.sec.gov to print a copy of the report(s) or contact Investor Relations.

- ***What is the meaning of the word "Insured" in the name of this investment?***
  In the offering materials from the late 1980's, sponsored by the former general partners, there was
  "guarantee") that the Partnership would seek to insure rents from vacant properties. Although, there wa
  of very restrictive and limited (one year) insurance, that availability vanished in the early 1990's.
  In other words, the former general partners were "fast and loose" with professing the concept of "Insur
  partnership they sold did not use the term in the investment's name.

- ***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 Inv
  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
  be accepted over the telephone or via voicemail messages.

- ***If I have questions or comments, how can I reach DiVall Investor Relations?***
  You can reach DiVall Investor Relations at the address and/or number(s) listed below.

CONTACT INFORMATION

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FORWARD LOOKING STATEMENTS

Forward-looking statements may differ materially from actual results. Investors are cautioned not to place undue reliance on forward-looking state