

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

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

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
(State or other jurisdiction of
incorporation or organization)

39-1606834
(I.R.S. Employer
Identification No.)

1900 W 75th Street, Suite 100 Prairie Village, Kansas 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 Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act: Limited Partnership Interests

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 ☒ 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ 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 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 ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

The aggregate market value of the voting securities held by non-affiliates of the Registrant: The aggregate market value of limited partnership interests held by non-affiliates is not determinable since there is no public trading market for the limited partnership interests.

As of March 1, 2025 the registrant had 46,280.3 units of limited partnership interests issued and outstanding.

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PART I

Item 1. Business

Background

DiVall Insured Income Properties 2 Limited Partnership (the “Partnership”) is a limited partnership organized under the Wisconsin Uniform Limited Partnership Act pursuant to a Certificate of Limited Partnership dated as of November 20, 1987, and governed by a Limited Partnership Agreement, as amended from time to time (collectively, the “Partnership Agreement”). The Partnership is managed by its general partner, The Provo Group, Inc. (“TPG” or the “General Partner”). As of December 31, 2024, the Partnership had 1,089 limited partners owning an aggregate of 46,280.3 units of Limited Partnership Interests (the “Interests”).

The Partnership was engaged in the business of owning and operating an investment portfolio of commercial real estate properties (each a “Property,” and collectively, the “Properties”). At December 31, 2023, the Partnership owned three Properties, all located in South Carolina. During the year ended December 31, 2024, the Partnership closed on the sale of these three Properties, and no longer owns any Properties.

The Partnership Agreement provides that the Partnership would be dissolved on November 30, 2023, 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 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 a majority of the limited partners.

As previously disclosed by the Partnership, pursuant to a consent solicitation that concluded on October 15, 2020, the Partnership solicited and obtained the affirmative consent of limited partners holding more than a majority of the outstanding Interests to authorize the General Partner, to sell the Properties prior to November 30, 2023 if the General Partner determined such sale to be in the best interest of the Partnership and, upon the sale of all Properties, to commence an orderly liquidation, wind-up and dissolution of the Partnership. In connection with such consent, the limited partners approved a resolution granting the General Partner the authority to sell all or substantially all of the Partnership’s assets prior to November 30, 2023, and subsequently liquidate and dissolve the Partnership, without further approval from the limited partners.

On August 25, 2023, the General Partner adopted resolutions (a) determining that it is in the best interest of the Partnership to sell all or substantially all of the Partnership’s assets, and (b) providing that the General Partner will, upon the sale of such assets, liquidate and dissolve the Partnership in accordance with applicable law and the terms of the Partnership Agreement. In addition, the stated term of the Partnership ended on November 30, 2023, and, prior to that date the Partnership did not seek or obtain the consent of the limited partners to amend the Partnership Agreement to extend the Partnership’s term. As a result of the authority and authorization provided to the General Partner, and because the Partnership’s intended term lapsed on November 30, 2023, during the fiscal year ended December 31, 2023 the General Partner caused the Partnership to dispose of five of its now former Properties and during the fiscal year ended December 31, 2024 the General Partner caused the Partnership to dispose of its remaining three Properties. Substantially all of the net proceeds from these sales were distributed to the Limited Partners in 2023 and 2024. The Partnership expects to focus on wind-up related activities in 2025, such as satisfying any remaining Partnership obligations, preparing and distributing requisite tax forms and notifications, and accessing whether any additional Partnership assets are available for distribution to the Limited Partners after evaluating potential claims predominately from unknown exposures that may be arise from matters such as nuisance, but costly threats of litigation holding up final tax return preparation and Limited Partner distributions (if any).

The Permanent Manager Agreement

The Permanent Manager Agreement (“PMA”) was entered into on February 8, 1993, between the Partnership, DiVall 1 (which was dissolved in December 1998), DiVall 3 (which was dissolved in December 2003), the now former general partners, Gary J. DiVall and Paul E. Magnuson, their controlled affiliates, and TPG, naming TPG as the Permanent Manager. The PMA contains provisions allowing TPG to submit to the PMA, election of TPG as General Partner, and the issue of acceptance of the resignations of the former general partners to a vote of the limited partners through a solicitation of written consents.

TPG, as the General Partner, has been operating and managing the affairs of the Partnership in accordance with the provisions of the PMA and the Partnership Agreement since February 8, 1993.

Effective January 1, 2025, the PMA was renewed for a two-year period ending December 31, 2026. The PMA can be terminated earlier (a) by a vote at any time by a majority interest of the limited partners, (b) upon the dissolution and winding up of the Partnership, (c) upon the entry of an order of a court finding that TPG has engaged in fraud or other like misconduct or has shown itself to be incompetent in carrying out its duties under the Partnership Agreement, or (d) upon 60 days' written notice from TPG to the limited partners of the Partnership.

Advisory Board

The concept of the Advisory Board was first introduced by TPG during the solicitation of written consents seeking to elect TPG as the General Partner. The first Advisory Board was established in October 1993. Among other functions, the three-person Advisory Board has the following rights and duties: to review operational policies and practices; to review extraordinary transactions; to review internal financial controls and practices; and to review the performance of the independent auditors of the Partnership. The Advisory Board's powers are advisory only and the Advisory Board does not have the authority to direct management decisions or policies of the Partnership or remove the General Partner. The Advisory Board has full and free access to the Partnership's books and records, and individual Advisory Board members have the right to communicate directly with the limited partners concerning Partnership business. During the year ended December 31, 2024 members of the Advisory Board were compensated \$1,500.

The Advisory Board currently consists of limited partners of the Partnership: Jesse Small and Albert Kramer. For a brief description of each Advisory Board member, refer to Item 10, Directors and Executive Officers of the Registrant.

No Employees; Location of Business Operations

The Partnership has no employees.

All of the Partnership's business is conducted in the United States.

Available Information

The Partnership is required to file with the SEC annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, along with any related amendments and supplements to these periodic and current reports. The SEC maintains a website containing these reports and other information regarding our electronic filings at www.sec.gov.

We also make these reports and other information available either on or through our Internet Website at www.divallproperties.com as soon as reasonably practicable after such reports are available. Please note that any internet addresses provided in this Annual Report on Form 10-K are for information purposes only and are not intended to be hyperlinks. Accordingly, no information found and/or provided at such internet addresses is intended or deemed to be incorporated by reference herein.

Item 1A. Risk Factors

The Partnership is subject to a variety of risks attendant to its prior ownership and lease of commercial real property, including risks related to: (i) third-party claims related to, or liabilities attributed to, the period during which the Partnership owned a particular Property; (ii) tax audits and any related assessments and related obligations to defend against disputes arising from such assessments; (iii) potential claims from Limited Partners and stakeholders arising from the Partnership's operations and administration; and (iv) various other factors.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

The Partnership has not adopted any formal cybersecurity risk management program or formal processes for assessing, identifying, and managing material risks from cybersecurity threats. The General Partner has oversight responsibility for the Partnership's overall risk management, including cybersecurity risk, and has not delegated oversight authority for cybersecurity risks to any committee. In fiscal year 2024, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition.

Item 2. Properties

As of December 31, 2024, the Partnership did not own any Properties. As part of its wind-up process the Partnership sold a total of eight Properties during 2023 and 2024.

The Properties previously were leased to franchisees of national quick service restaurants.

The following summarizes activities related to the Properties sold during 2023 and 2024.

Sale of Martintown Road Property

On March 31, 2023, the Martintown Road Property was sold for approximately \$1.4 million. The Partnership received proceeds from the sale of approximately \$1.3 million, and the gain on the sale was approximately \$1.0 million.

Sale of Mt. Pleasant, SC Property

On June 6, 2023, the Partnership executed a listing agreement with Matthews Real Estate Investment Services, Inc. for the sale of the Property with an asking price of \$3.2 million. The Property listing went active on July 12, 2023.

On July 20, 2023, the Partnership accepted an offer to sell the Property at asking price. On August 31, 2023, the Partnership sold the Property for approximately \$3.2 million. The gain on the sale was approximately \$2.8 million.

Sale of Applebee's Property

On April 11, 2023, the Partnership signed a listing agreement to offer its Applebee's Property for a sale price of \$2.3 million. As of June 27, 2023, the tenant waived its right of first offer contained in the lease.

On July 13, 2023, the Partnership accepted an offer to sell the Property for approximately \$2.1 million. On September 7, 2023, the Partnership sold the Property and the gain on the sale was approximately \$1.6 million.

Wendy's – Peach Orchard Road, Augusta, GA Property

On June 6, 2023, the Partnership executed a listing agreement with Matthews Real Estate Investment Services, Inc. for the sale of the Property with an asking price of \$4.1 million. The Property listing went active on July 12, 2023.

On August 7, 2023, the Partnership accepted an offer to sell the Property for approximately \$3.8 million. The sale closed on November 1, 2023, and the gain was approximately \$3.4 million.

Wendy's – Whiskey Road, Aiken, SC

On June 6, 2023, the Partnership executed a listing agreement with Matthews Real Estate Investment Services, Inc. for the sale of the Property with an asking price of \$4.0 million. The Property listing went active on July 12, 2023.

On October 6, 2023, the Partnership accepted an offer to sell the Property for approximately \$3.8 million. The sale closed on November 6, 2023, and the gain was approximately \$3.2 million.

Wendy's – Folly Road, Charleston, SC

On June 6, 2023, the Partnership executed a listing agreement with Matthews Real Estate Investment Services, Inc. for the sale of the Property with an asking price of \$3.5 million. On March 8, 2024, the Partnership lowered the asking price of the Property to approximately \$3.3 million. On July 18, 2024, the Partnership accepted an offer of approximately \$2.9 million, as amended July 22, 2024, and the sale closed on October 15, 2024, and the gain was approximately \$2.5 million.

Wendy's – Richland Ave. Aiken, SC

On June 6, 2023, the Partnership executed a listing agreement with Matthews Real Estate Investment Services, Inc. for the sale of the Property with an asking price of \$3.4 million. On July 18, 2024, the Partnership accepted an offer of approximately \$3.0 million, as amended July 22, 2024, and the sale closed on October 15, 2024, and the gain was approximately \$2.6 million.

Wendy's – Sam Rittenberg, Charleston, SC

On June 6, 2023, the Partnership executed a listing agreement with Matthews Real Estate Investment Services, Inc. for the sale of the Property with an asking price of \$3.9 million. On March 8, 2024, the Partnership lowered the asking price of the Property to approximately \$3.7 million. On July 18, 2024, the Partnership accepted an offer of approximately \$3.1 million as amended July 22, 2024, and the sale closed on October 15, 2024, and the gain was approximately \$ 2.6 million.

Item 3. Legal Proceedings

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

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

- (a) Although from time to time some Interests have been traded, there historically was not an active public market for the Interests, and it is not anticipated that an active public market for the Interests will develop. As of January 1, 2022, the General Partner halted public trading of the Interests in anticipation of the winding-up and liquidation of the Partnership.
- (b) As of March 1, 2025, there were 1,089 record holders of Interests.
- (c) The Partnership does not pay dividends. However, the Partnership Agreement provides for net income and loss of the Partnership to be allocated on a quarterly basis, 99% to the limited partners and 1% to the General Partner. The Partnership Agreement provides for the distribution of net cash receipts and net proceeds to the limited partners and General Partner at times that the General Partner deems appropriate, but no less often than semi-annually, subject to the limitations on distributions to the General Partner described in the Partnership Agreement. See Note 4 to the financial statements for further information.
- (d) The Partnership has no equity compensation plans under which equity securities of the Partnership have been issued or are reserved for issuance.
- (e) The Partnership did not conduct sales of unregistered securities during the period covering this Annual Report.
- (f) The Partnership did not repurchase or redeem any Interests during the 2024 fiscal year.

Item 6. (Reserved)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY STATEMENT

This Annual Report on Form 10-K 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 the Partnership's management 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 our financial condition, and matters related to the timing to wind-up the Partnership's operations;
- our expectations regarding the timing and efforts to satisfy existing or potential Partnership obligations as we wind-up the Partnership;
- our expectations regarding economic and business conditions and how conditions could impact the wind-up of the Partnership;

- our decisions and policies with respect to the potential disposition of our remaining cash equivalent assets as we wind-up the Partnership;
- costs and expenses to complete the wind-up and dissolution of the Partnership;
- any contingent liabilities related to our former Properties or other Partnership matters; 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

The following discussion and analysis of financial condition and results of operations is based upon the Partnership’s 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 persons performing the functions of the Partnership’s 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 the General Partner’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 for the year ended December 31, 2024 pertain to:

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. Additionally, the value of real estate is typically based on market conditions and property performance. As a result, 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 the straight-line basis over the life of the respective lease when collectability is reasonably assured. Percentage rents are accrued only when the tenant has reached the sales breakpoint stipulated in the lease and collectability is reasonably assured.

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 of the individual properties. Based on this analysis, if deemed necessary, a provision for possible loss is recognized.

Investment Properties and Properties Held for Sale

As of December 31, 2023, the Partnership owned three Properties, all of which feature tenants that are Wendy’s franchisees. Those Properties were located in the state of South Carolina. These Properties were held for sale during 2024 until their final sale and disposition in October 2024. As of December 31, 2024, the Partnership owned no Properties.

Property taxes, general maintenance, insurance and ground rent on the Properties were the responsibility of the respective tenants. A more detailed discussion of tax payments, insurance and ground rent is provided in Item 2, and incorporated herein by this reference.

There were no building improvements capitalized during 2024 or 2023.

Further Information

A summary of significant developments for the year ended December 31, 2024, by Property, for Properties with such developments, can be found in Item 2, Properties.

Net Income

Net income for the fiscal years ended December 31, 2024 and 2023 was \$7,686,814 and \$12,283,772, respectively. Net income per Limited Partner Interest for the fiscal years ended December 31, 2024 and 2023 was approximately \$164 and \$263, respectively.

The decrease in net income from 2023 to 2024 was primarily the result of the Partnership owning fewer Properties during the 2024 fiscal year compared to the 2023 fiscal year which resulted in lower rental income, together with the gain on the Properties sold during 2024 when the Partnership sold its three remaining Properties versus 2023 when the Partnership sold five Properties. See the paragraphs below for further information as to variances in individual operating income and expense items.

Fiscal year ended December 31, 2024 as compared to fiscal year ended December 31, 2023:

Operating Rental Income: Operating rental income for the fiscal years ended December 31, 2024 and 2023 was \$370,462 and \$1,164,512, respectively. The rental income was comprised of monthly lease obligations per the tenant leases and percentage rents obligations related to operating tenants who had reached their sales breakpoint. The decrease in 2024 compared to 2023 was due to the lower base rental income and percentage rent due to sales of Properties in each of 2024 and 2023.

The Partnership is in its wind-up and liquidation process and will not have operating rental income in 2025.

Partnership Management Fees Expense: Partnership management fees expense for the fiscal years ended December 31, 2024 and 2023 were \$165,000 and \$272,316, respectively. The General Partner receives a fee for managing the Partnership. See Note 5, Transactions with General Partner and Its Affiliates, for further information.

General and Administrative Expense: General and administrative expenses for the fiscal years ended December 31, 2024 and 2023 were \$26,713 and \$34,558, respectively. General and administrative expenses were comprised of management expense, state/city registration and annual report filing fees, office supplies and printing costs, outside storage expenses, copy/fax costs, postage and shipping expenses, long-distance telephone expenses, website fees, and bank fees. Total operating general and administrative expenses for the fiscal year ended December 31, 2024 were lower than in the fiscal year ended December 31, 2023, primarily due to lower postage, printing and filing fee expenses.

State Income Tax Expense: During the year ended December 31, 2023, the Partnership began accruing the estimated state tax due for each property sold. Because five Properties were sold during 2023, a total of \$204,872 was accrued for payment of state tax and were paid with the state tax returns filed during the first quarter of 2024. State taxes paid on behalf of Limited Partners due to sales of three Properties located in South Carolina during 2024 were filed via a "composite" state tax return and deemed a partnership distribution of capital.

Professional Services: Professional services expenses for the fiscal years ended December 31, 2024 and 2023 were \$169,205 and \$130,889, respectively. Professional service expenses were primarily comprised of investor relations data processing, outsourced financial service fees, investor mailings processing, website design, legal, auditing and tax preparation fees, electronic tax filings, and SEC report conversion and processing fees. The primary reason for the increased professional services expenses year over year was the result of the Partnership's increased use of outsourced financial service fees for a portion the year ended December 31, 2024 and as a result of their reclassification from management fees per the Partnership Agreement (as amended).

Cash Flow Analysis

Net cash flows provided by operating activities for the fiscal years ended December 31, 2024 and 2023 were \$38,592 and \$805,669, respectively. Cash flows from operating activities was lower in 2024 primarily due to the decrease in net income year over year resulting from the Partnership holding fewer Properties during 2024 than in 2023 and offset by the gain on the sale of the Properties sold and the decrease in percentage rent receivable year over year. For 2023, cash flow from financing activities has been updated to reflect all distributions payable that were originally included in cash flow from operations.

Depreciation and amortization are non-cash items and do not affect the current operating cash flow of the Partnership or distributions to the limited partners.

Cash flows provided from investing activities for the fiscal years ended December 31, 2024 and 2023 were \$8,424,246 and \$13,409,990, respectively. The 2024 amount is primarily comprised of proceeds from the sales of three Properties during 2024. The 2023 amount is largely comprised of proceeds from the sales of five Properties during 2023.

For the fiscal year ended December 31, 2024 cash flows used in financing activities were \$(7,800,469) and consisted of aggregate limited partner distributions of \$7,734,495 and General Partner distributions of \$65,974. For the fiscal year ended December 31, 2023, cash flows used in financing activities were \$(14,207,150) and consisted of aggregate limited partner distributions of \$14,177,226 and General Partner distributions of \$29,924. Both limited partner and General Partner distributions have been, and will continue to be, made in accordance with the Partnership Agreement.

Liquidity and Capital Resources

The Partnership's cash and cash equivalent balance was \$842,114 at December 31, 2024.

The Partnership's principal demands for funds historically have been for the payment of expenses attendant to the ownership of real property assets, Partnership administration and distributions to limited partners. During 2024, after the sale of its remaining three Properties the Partnership distributed substantially all of the net sale proceeds to the limited partners. The Partnership has retained limited assets to administer its remaining wind-up activities, and after satisfying the Partnership's remaining obligations and settlement with the General Partner of unknown contingent liabilities hopes to make one or more further distributions to the Limited Partners. However, 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, payment of state income taxes and Partnership administrative costs.

As of December 31, 2024 and 2023, during the period in which the Partnership owned Properties, each Property owned was leased. In addition, the Partnership collected 100% of its base rent due from current operating tenants for the years ended December 31, 2024 and 2023.

All three remaining Properties the Partnership owned for a portion of 2024 prior to their sale, plus four out of the five properties sold during 2023, were/are operated as Wendy's fast food restaurants and are franchises of the International Wendy's Company.

Off-Balance Sheet Arrangements

The Partnership does not have any off-balance sheet arrangements that are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Disposition Policies

Under the Partnership's governing documents, the General Partner was granted discretion as to whether and when to sell a Property. In accordance with the Partnership Agreement and the authorization from, direction provided by, the limited partners in the 2020 consent solicitation the General Partner caused the Partnership to sell its remaining Properties during the 2023 and 2024 fiscal years.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Partnership is not subject to market risk as defined by Item 305 of Regulation S-K.

Item 8. Financial Statements and Supplementary Data

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP
(A Wisconsin limited partnership)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM



To the Partners
of DiVall Insured Income Properties 2 Limited Partnership

Opinion on the Financial Statements

We have audited the accompanying balance sheets of DiVall Insured Income Properties 2 Limited Partnership (the Partnership) as of December 31, 2024 and 2023, and the related statements of income, partners' capital and cash flows for the years then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there were no critical audit matters.

/s/ Boulay PLLP

We have served as the Partnership's auditor since 2019.

Minneapolis, Minnesota
April 15, 2025

MN: Eden Prairie, Mankato, Minneapolis (t) 952.893.9320
BoulayGroup.com

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

BALANCE SHEETS

ASSETS

	December 31, 2024	December 31, 2023
INVESTMENT PROPERTIES: (Note 3)		
Land	\$ -	\$ -
Buildings	-	-
Accumulated depreciation	-	-
Net investment properties	-	-
Properties held for sale	-	725,765
OTHER ASSETS:		
Cash and cash equivalents	842,114	179,745
Investments held in Indemnification Trust (Note 8)	514,687	487,947
Security deposits escrow	18,129	17,356
Rents and other receivables	-	145,120
Prepaid state income tax	10,222	35,118
Deferred closing costs	-	31,291
Prepaid insurance	-	1,577
Deferred charges, net	-	89,906
Total other assets	1,385,153	988,060
Total assets	\$ 1,385,153	\$ 1,713,825

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

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

BALANCE SHEETS

LIABILITIES

	December 31, 2024	December 31, 2023
LIABILITIES:		
Accounts payable and accrued expenses	\$ 13,551	\$ 6,466
Due to General Partner (Note 5)	166	29,048
Accrued state income tax	-	204,872
Distributions payable	231,000	234,495
Security deposits	-	17,230
Total liabilities	<u>244,717</u>	<u>492,111</u>
CONTINGENCIES AND COMMITMENTS (Note 7)	-	-
PARTNERS' CAPITAL: (Notes 1 and 4)		
General Partner (1993-Present)		
Cumulative net income (retained earnings)	620,209	543,341
Cumulative cash distributions	(269,558)	(232,466)
Total general partners' capital	<u>350,651</u>	<u>310,875</u>
Limited Partners (46,280.3 interests outstanding at December 31, 2024 and December 31, 2023)		
Distribution payable	-	-
Capital contributions	46,280,300	46,280,300
Offering costs	(6,921,832)	(6,921,832)
Cumulative net income (retained earnings)	67,766,535	60,156,589
Cumulative cash distributions	(105,494,989)	(97,763,989)
Total Limited Partners' capital	<u>1,630,014</u>	<u>1,751,068</u>
Former General Partner (1987-1993)		
Cumulative net income (retained earnings)	707,513	707,513
Cumulative cash distributions	(1,547,742)	(1,547,742)
Total former general partners' capital	<u>(840,229)</u>	<u>(840,229)</u>
Total partners' capital	<u>1,140,436</u>	<u>1,221,714</u>
Total liabilities and partners' capital	<u>\$ 1,385,153</u>	<u>\$ 1,713,825</u>

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

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

STATEMENTS OF INCOME

	Year then ended	
	December 31, 2024	December 31, 2023
OPERATING REVENUES:		
Rental income	\$ 370,462	\$ 1,164,512
TOTAL OPERATING REVENUES	370,462	1,164,512
EXPENSES:		
Partnership management fees	165,000	272,316
Insurance	1,678	2,732
General and administrative	26,713	34,558
Advisory Board fees and expenses	3,000	6,000
Professional services	169,205	130,889
State income tax expense	1,243	237,520
Amortization	89,905	168,488
TOTAL OPERATING EXPENSES	\$ 456,744	\$ 852,503
OTHER INCOME		
Other interest income	47,874	23,993
Gain on sale of property	7,725,221	11,947,770
TOTAL OTHER INCOME	7,773,095	11,971,763
NET INCOME	\$ 7,686,814	\$ 12,283,772
NET INCOME ALLOCATED - GENERAL PARTNER	\$ 76,868	\$ 122,838
NET INCOME ALLOCATED - LIMITED PARTNERS	\$ 7,609,946	\$ 12,160,933
Based on 46,280.3 interests outstanding: (Basic and diluted)		
NET INCOME PER LIMITED PARTNERSHIP INTEREST	\$ 164.43	\$ 262.77

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

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

STATEMENTS OF PARTNERS' CAPITAL

For the Years Ended December 31, 2024 and 2023

	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 Partners' Capital
BALANCE AT DECEMBER 31, 2023	\$ 543,341	\$ (232,466)	\$ 310,875	\$ 39,358,468	\$ 60,156,589	\$ (97,763,989)	\$ (840,229)	\$ 910,839	\$ 1,221,714
2024 Net Income	76,868	-	76,868	-	7,609,946	-	-	7,609,946	7,686,814
Distributions declared	-	(37,092)	(37,092)	-	-	(7,731,000)	-	(7,731,000)	(7,768,092)
BALANCE AT DECEMBER 31, 2024	<u>\$ 620,209</u>	<u>\$ (269,558)</u>	<u>\$ 350,651</u>	<u>\$ 39,358,468</u>	<u>\$ 67,766,535</u>	<u>\$ (105,494,989)</u>	<u>\$ (840,229)</u>	<u>\$ 789,785</u>	<u>\$ 1,140,436</u>
BALANCE AT DECEMBER 31, 2022	\$ 420,502	\$ (175,584)	\$ 244,918	\$ 39,358,468	\$ 47,995,656	\$ (83,352,268)	\$ (840,229)	\$ 3,161,627	\$ 3,406,545
2023 Net Income	122,839	-	122,839	-	12,160,933	-	-	12,160,933	12,283,772
Distributions declared	-	(56,882)	(56,882)	-	-	(14,411,721)	-	(14,411,721)	(14,468,603)
BALANCE AT DECEMBER 31, 2023	<u>\$ 543,341</u>	<u>\$ (232,466)</u>	<u>\$ 310,875</u>	<u>\$ 39,358,468</u>	<u>\$ 60,156,589</u>	<u>\$ (97,763,989)</u>	<u>\$ (840,229)</u>	<u>\$ 910,839</u>	<u>\$ 1,221,714</u>

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

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2024 and 2023

	Year then Ended	
	December 31, 2024	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 7,686,814	\$ 12,283,772
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	89,905	168,488
Gain on sale of property	(7,725,221)	(11,947,770)
Changes in operating assets and liabilities		
Decrease in rents and other receivables	145,120	197,239
Decrease (increase) in security deposit escrow	(774)	42,108
Decrease in prepaid insurance	1,577	938
(Decrease) increase in accounts payable and accrued expenses	7,085	(30,153)
(Decrease) increase in accrued state income tax	(204,872)	204,872
Prepaid state income tax	24,896	(6,743)
Prepaid rent	-	(53,114)
Deferred closing cost	31,291	(18,878)
Security deposit refund	(17,230)	(35,090)
Net cash from operating activities	<u>38,592</u>	<u>805,669</u>
CASH FLOWS PROVIDED FROM INVESTING ACTIVITIES:		
Proceeds from sale of Property, net	8,450,986	13,417,798
Interest applied to Indemnification Trust account	(26,740)	(7,808)
Indemnification Trust account withdrawal	-	-
Net cash provided from investing activities	<u>8,424,246</u>	<u>13,409,990</u>
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Cash distributions to Limited Partners	(7,734,495)	(14,177,226)
Cash distributions to General Partner	(65,974)	(29,924)
Net cash used in financing activities	<u>(7,800,469)</u>	<u>(14,207,150)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	662,369	8,509
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	179,745	171,236
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 842,114</u>	<u>\$ 179,745</u>
Supplemental disclosure of cash flow information		
Noncash investing activities		
Distributions declared, not yet paid	\$ 231,166	\$ 263,543

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

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

DiVall Insured Income Properties 2 Limited Partnership (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 units of limited partnership interests ("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 winding up its operations per the terms of Partnership Agreement as the Partnership's term expired November 30, 2023 and at December 31, 2024 no longer owned any real property assets. The Partnership was in the business of owning and operating its investment portfolio of commercial real estate properties (the "Properties") since the late 1980's. The Partnership sold its remaining eight Properties in the last two years.

During the 2020 consent solicitation process, the Limited Partners approved two separate amendments to the Partnership Agreement. The amendments served to: (i) extend the term of the Partnership by three (3) years to November 30, 2023, and (ii) permit the General Partner to effect distributions at times that it deems appropriate, but no less often than semi-annually.

On August 25, 2023, the General Partner adopted resolutions (a) determining that it is in the best interest of the Partnership to sell all or substantially all of the Partnership's assets, and (b) providing that the General Partner will, upon the sale of such assets, liquidate and dissolve the Partnership in accordance with applicable law and the terms of the Partnership Agreement. In addition, the stated term of the Partnership ended on November 30, 2023, and, prior to that date the Partnership did not seek or obtain the consent of the limited partners to amend the Partnership Agreement to extend the Partnership's term. As a result of the authority and authorization provided to the General Partner, and because the Partnership's intended term lapsed on November 30, 2023, during the fiscal year ended December 31, 2023 the General Partner caused the Partnership to dispose of five of its now former Properties and during the fiscal year ended December 31, 2024 the General Partner caused the Partnership to dispose of its remaining three Properties. Substantially all of the net proceeds from these sales were distributed to the Limited Partners in 2023 and 2024. The Partnership expects to focus on wind-up related activities in 2025, such as satisfying any remaining Partnership obligations, preparing and distributing requisite tax forms and notifications, and accessing whether any additional Partnership assets are available for distribution to the Limited Partners after evaluating potential claims predominately from unknown exposures that may be arise from matters such as nuisance, but costly threats of litigation holding up final tax return preparation and Limited Partner distributions (if any).

Significant Accounting Policies

Financial Statement Presentation

The accounts of the Partnership are maintained on the accrual basis of accounting for financial statement purposes.

Accounting Estimates

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. Significant items, subject to such estimates and assumptions, include the carrying value of real estate held for sale.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Cash Equivalents

All highly liquid investments with maturities of three months or less at the date of purchase are classified as cash equivalents.

Cash Concentrations of Credit Risk

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.

Rent and Other Receivables

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.

As of December 31, 2024 and 2023 there were no values for allowance for credit losses based on an analysis of specific accounts and historical experience.

Revenue Recognition

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

Original lease terms for the majority of the leased Properties were generally five to 20 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 the General Partner'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.

Income Taxes

No provision for federal income taxes has been made, as any liability for such taxes would be that of the individual partners rather than 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 to be 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 and audit by U.S. and state taxing authorities for three years from the date a return was filed (or the due date, if later).

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Reportable Segments

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.

Investment Properties and Properties Held for Sale

Depreciation of the Properties is 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 were capitalized and amortized over the term of the lease until sale, at which time such commission were incorporated in the sales gain. Leasing commissions related to Properties that were sold were removed from the balance sheet in 2023.

When the Partnership made the decision to sell a Property, it was reclassified from investment properties to properties held for sale. 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 was then 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.

Property held for sale

The Martintown Rd Property in North Augusta, SC was listed for sale on December 22, 2021 and the listing contract expired in 2023. The Property was sold without agency directly to the tenant on March 31, 2023.

The remaining three Wendy’s Properties were listed for sale on July 12, 2023.

The components of the properties held for sale in the condensed balance sheets as of December 31, 2023 are outlined below. There were no Properties held for sale as of December 31, 2024.

	December 31, 2023
Balance Sheet:	
Land	\$ 725,765
Building	1,810,991
Accumulated Depreciation	(1,810,991)
Properties held for sale	<u>\$ 725,765</u>

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 would be recognized, if any. There were no adjustments to carrying values for the fiscal years ended December 31, 2024 and 2023.

Fair Value Measurements

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. 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.

2. RECENTLY ISSUED ACCOUNTING PRINCIPLES

None that would have a significant impact on the Partnership.

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 December 31, 2023, the Partnership owned three Properties, all of which contained fully constructed Wendy’s restaurants. These Properties were all located in South Carolina and are included in Properties held for sale as of December 31, 2023 and sold during fiscal year 2024. As of December 31, 2024, the Partnership did not own any Properties.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

4. PARTNERSHIP AGREEMENT:

The Limited Partnership Agreement, as amended from time to time (collectively, the “Partnership Agreement”) was amended, effective as of October 20, 2020, to extend the term of the Partnership to November 30, 2023, or until dissolution prior thereto pursuant to the consent of the majority of the outstanding limited partnership interests.

Under the terms of the Partnership Agreement, net profits or losses from operations are allocated 99% to the limited partners and 1% to the current General Partner. The agreement also provided for distributions from Net Cash Receipts, as defined, to be made 99% to limited partners and 1% to 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 or her 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.

During the 2020 consent solicitation process, the Limited Partners approved two separate amendments to the Partnership Agreement. The amendments served to: (i) extend the term of the Partnership by three (3) years to November 30, 2023, and (ii) permit the General Partner to effect distributions at times that it deems appropriate, but no less often than semi-annually.

On August 25, 2023, the General Partner adopted resolutions (a) determining that it is in the best interest of the Partnership to sell all or substantially all of the Partnership’s assets, and (b) providing that the General Partner will, upon the sale of such assets, liquidate and dissolve the Partnership in accordance with applicable law and the terms of the Partnership Agreement. In addition, the stated term of the Partnership ended on November 30, 2023, and, prior to that date the Partnership did not seek or obtain the consent of the limited partners to amend the Partnership Agreement to extend the Partnership’s term. As a result of the authority and authorization provided to the General Partner, and because the Partnership’s intended term lapsed on November 30, 2023, during the fiscal year ended December 31, 2023 the General Partner caused the Partnership to dispose of five of its now former Properties and during the fiscal year ended December 31, 2024 the General Partner caused the Partnership to dispose of its remaining three Properties. Substantially all of the net proceeds from these sales were distributed to the Limited Partners in 2023 and 2024. The Partnership expects to focus on wind-up related activities in 2025, such as satisfying any remaining Partnership obligations, preparing and distributing requisite tax forms and notifications, and accessing whether any additional Partnership assets are available for distribution to the Limited Partners after evaluating potential claims predominately from unknown exposures that may be arise from matters such as nuisance, but costly threats of litigation holding up final tax return preparation and Limited Partner distributions (if any).

5. TRANSACTIONS WITH GENERAL PARTNER AND ITS AFFILIATES:

Pursuant to the terms of the Permanent Manager Agreement (the “PMA”) executed in 1993, and, effective January 1, 2025 renewed for an additional two-year term, the General Partner receives a Base Fee for managing the Partnership equal to four percent of gross receipts, subject to an initial annual minimum amount of \$159,000. 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 Expense reimbursement are subject to annual Consumer Price Index based adjustments. Effective March 1, 2021, management elected to roll back the last five years of CPI increases to their 2016 level and suspend any future CPI adjustments. Therefore, as of March 1, 2021, the minimum annual Base Fee paid by the Partnership was decreased to \$272,316 and the maximum annual Expenses reimbursement remained at \$23,256.

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

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Amount paid and/or accrued to the General Partner and its affiliates for the years ended December 31, 2024 and 2023, are as follows:

	Incurred for the Year Ended December 31, 2024 (unaudited)	Incurred for the Year Ended December 31, 2023 (unaudited)
General Partner		
Management fees	\$ 165,000	\$ 272,316
Overhead allowance	18,000	23,256
Property sale commissions	207,906	267,899
Reimbursement for out-of-pocket expenses	2,500	2,500
Cash distribution	37,092	56,882
Amounts paid and/or accrued to the General Partner	\$ 430,498	\$ 622,853

At December 31, 2024 and 2023, \$231,166 and \$263,543, respectively, were the distributions payable to the General Partner.

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

As of December 31, 2024, an Advisory Board Member, Jesse Small, beneficially owns greater than ten percent of the Partnership's outstanding limited partnership interests. Amounts paid to Mr. Small for the fiscal years ended December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Advisory Board Fees paid	\$ 1,500	\$ 3,000
	\$ 1,500	\$ 3,000

At December 31, 2024 and 2023, there were no outstanding Advisory Board fees accrued and payable to Mr. Small.

7. CONTINGENT LIABILITIES:

According to the Partnership Agreement, TPG, as General Partner of the Partnership, 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 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. TPG does not expect any future refund, as it has not deemed that the \$6,000,000 recovery level was not achieved.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

7. CONTINGENT LIABILITIES (cont'd):

As per the Partnership Agreement, it has been the consistent practice of the Partnership to compensate the General Partner ("G.P.") for leasing and property sales commissions. To the extent a particular property was sold, any unamortized leasing commissions earned previously by the G.P. for a property were applied as a reduction to the sales commission due the G.P.

During 2021, six (6) leases were extended twenty (20) years through 2040 with significant increases in fixed rents. Such extended terms and future rentals are subject to market leasing commissions for the G.P. not to exceed 3%, subject to the G.P.'s discretion.

Although the lease terms were extended twenty (20) years through December 31, 2040 and a 3% commission would equate to \$609,138 on guaranteed fixed rentals, the G.P. believes a market negotiation would limit any lease commission to the first 10 years of term. Accordingly, the commission for ten (10) years would equate to \$304,569 payable on the commencement date of the extended term as of January 1, 2021. However, it is the policy of the Partnership to reduce extended commissions due by the unamortized balance of deferred leasing commissions previously paid. In the instant case, the unamortized balance remaining at December 31, 2020 for the previous term through November 6, 2026 for the six (6) properties was \$81,935; which reduces the commission due on January 1, 2021 to \$222,634. If these properties were sold in two years the only amortized commission would be \$44,526 and the balance paid of \$178,108 would reduce the future property sales commissions earned by \$178,108. Accordingly, the net sales commission since liquidation was approximately 2.04% versus the 3.0% allowable.

The impact of the General Partner initiated policy of reducing sales commissions (up to 3% of sales price) by the unamortized leasing commissions at date of sale for the years ended December 31, 2023 and 2024 is summarized below:

Property	TPG Sales Commission Paid (Net of unamortized leasing commission)	
	Amount	Percentage
<u>2023 Sales</u>		
Martintown Rd	\$ 31,012	2.30%
Mt Pleasant, SC	66,225	2.06%
Applebee's	21,250	1.00%
Peach Orchard	77,282	2.02%
Whiskey Rd	72,128	1.90%
	<u>\$ 267,899</u>	
<u>2024 Sales</u>		
Folly Road	\$ 69,596	2.37%
Richland Ave.	67,421	2.24%
<u>Sam Rittenberg</u>	70,889	2.28%
	<u>\$ 207,906</u>	

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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 as the 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 ("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, \$264,687 of earnings has been credited to the Trust as of December 31, 2024. The rights of TPG to the Trust will 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. Alternatively, the General Partner may settle with the Partnership, with any such settlement to be submitted to, and approved through a Limited Partner consent solicitation, whereby the General Partner would assume all future exposures in exchange for a distribution of a portion of the undistributed, but taxed, General Partner taxable earnings to facilitate acceleration of the Partnership wind-up and allow for a final distribution to Limited Partners.

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 assets held in the indemnification trust account are invested in one year treasury bills which are measured using level 1 fair value inputs.

Except for the U.S. Treasury securities held by the PMA Indemnification Trust which are Level 1 securities, the Partnership did not have any assets or liabilities measured at fair value on a recurring or nonrecurring basis at December 31, 2024 and 2023.

10. SUBSEQUENT EVENTS

We have reviewed all material events through the date of the issuance of this report in accordance with ASC 855-10.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

See Item 14.

Item 9A. Control and Procedures

Disclosure Controls and Procedures.

Under the supervision and with the participation of management, including the persons performing the functions of principal executive officer and principal financial officer of the Partnership, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)), and, based upon that evaluation, concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and that such information is accumulated and communicated to management in a manner that allows timely decisions regarding required disclosure.

(b) Internal Control Over Financial Reporting. The General Partner, through its management, is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Exchange Act, and for performing an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2024. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP. Our system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with US GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management of the General Partner; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Management of the General Partner performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2024 based upon criteria in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on our assessment, management of the General Partner determined that our internal control over financial reporting was effective as of December 31, 2024 based on the criteria in Internal Control-Integrated Framework (2013) issued by the COSO.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by our registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management’s report in this annual report.

(ii) During the most recent period covered by this report, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the fiscal quarter ended December 31, 2024, none of the General Partner, nor any affiliate thereof, adopted or terminated any contract, instruction or written plan for the purchase or sale of any of the Partnership’s securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

The Partnership has not adopted insider trading policies and procedures governing the purchase, sale, and/or other dispositions of the Partnership’s securities by directors, officers and employees, or the Partnership as the Partnership’s securities are not, and have not been, listed on a national securities exchange or over the counter market and there is not a public market for the Interests.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

The Partnership itself does not have any employees, executive officers or directors and, therefore, has no board committees.

The General Partner of the Partnership is TPG. TPG's principal office is located at 1900 W 75th Street, Suite 100, Prairie Village, Kansas 66208. TPG was elected General Partner by vote of the Limited Partners effective on May 26, 1993. Prior to such date, TPG had been managing the Partnership since February 8, 1993, under the terms of the PMA, which remains in effect. See Items 1 and 13 hereof for additional information about the PMA and the election of TPG as General Partner.

The executive officer and director of the General Partner who controls the affairs of the Partnership is:

Bruce A. Provo, Age –74 - President, Founder and Director, TPG.

Mr. Provo has been involved in the management of real estate and other asset portfolios since 1979. TPG was founded by Mr. Provo in 1985 and he has served as its President since its formation. TPG's focus has been to provide professional real estate services to outside clients. Since the founding of TPG in 1985, Mr. Provo has also founded various entities engaged in unique businesses such as Rescue Services, Owner Representation, Asset Management, Managed Financial and Accounting Systems, Investments, and Virtual Resort Services. The entities are generally grouped under an informal umbrella known as The Provo Group of Companies. Since TPG was appointed General Partner to the Partnership in 1993, Mr. Provo has been primarily responsible for making management, leasing and disposition decisions on behalf of the Partnership.

From 1982 to 1986, Mr. Provo also served as President and Chief Operating Officer of the North Kansas City Development Company ("NKCDC"), North Kansas City, Missouri. NKCDC was founded in 1903 and the assets of the company were sold in December 1985 for \$102,500,000. NKCDC owned commercial and industrial properties, including an office park and a retail district, as well as apartment complexes, motels, recreational facilities, fast food restaurants, and other properties. NKCDC's holdings consisted of over 100 separate properties and constituted approximately 20% of the privately held real property in North Kansas City, Missouri (a four-square mile municipality). Following the sale of the company's real estate, Mr. Provo served as the President, Chief Executive Officer and Liquidating Trustee of NKCDC from 1986 to 1991.

Mr. Provo graduated from Miami University, Oxford, Ohio in 1972 with a B.S. in Accounting. He became a Certified Public Accountant in 1974 and was a manager in the banking and financial services division of Arthur Andersen LLP prior to joining Rubloff Development Corporation in 1979. From 1979 through 1985, Mr. Provo served as Vice President - Finance and then as President of Rubloff Development Corporation.

The members of the Advisory Board of the Partnership are identified below. The Advisory Board provides guidance to management of the Partnership; however, it does not have the express power or authority to oversee and direct the operations of the Partnership and its members are not deemed "Directors" or "Executive Officers" of the Partnership.

Jesse Small – CPA. Mr. Small has been a tax and business consultant in Hallandale, FL for more than 30 years. Mr. Small has a Master's Degree in Economics. Mr. Small is a Limited Partner, and the Partnership believes that as an Advisory Board member, he generally represents the views of Limited Partners. During the past five years after retiring from the accounting profession, Mr. Small has been developing property on the east and west coast of Florida.

Albert Kramer - Retired. Mr. Kramer is now retired, but previously worked as Tax Litigation Manager for Phillips Petroleum Company, now known as ConocoPhillips. His education includes undergraduate and MBA degrees from Harvard and a J.D. Degree from South Texas College of Law. Mr. Kramer is a Limited Partner, and the Partnership believes that as an Advisory Board member he generally represents the views of Limited Partners.

Code of Ethics

The Partnership has no executive officers or any employees and, accordingly, has not adopted a formal code of ethics.

Mr. Provo and TPG require that all personnel, including all employees, officers and directors of TPG: engage in honest and ethical conduct; ensure full, fair, accurate, timely and understandable disclosure; comply with all applicable governmental laws, rules and regulations; and report to Mr. Provo any deviation from these principles. Because TPG has two employees (including Mr. Provo), and because Mr. Provo is the ultimate decision maker in all instances, TPG has not adopted a formal code of ethics. Mr. Provo, as Chief Executive Officer and Chairman of the Board of Directors of TPG, negotiates and resolves all conflicts to the best of his ability and determines appropriate actions if necessary to deter violations and promote accountability, consistent with his fiduciary obligations to TPG and the fiduciary obligations of TPG to the Partnership.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires persons performing the functions of directors, executive officers, and persons who beneficially own more than ten percent of a registered class of our equity securities to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Executive officers, directors and greater than ten percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely upon a review of Forms 3 and 4 and amendments thereto furnished to us during the fiscal year ended December 31, 2024, Forms 5 and any amendments thereto furnished to us with respect to the fiscal year ended December 31, 2024, and the representations made by the reporting persons to us, we believe that during the fiscal year ended December 31, 2024, our executive officers and directors and all persons who own more than ten percent of a registered class of our equity securities complied with all Section 16(a) filing requirements.

Item 11. Executive Compensation

The Partnership has not paid any executive compensation to the General Partner or to the directors and officers of the General Partner. The person that performs the role of principal financial officer of the Partnership is a consultant to the General Partner and receives fees from the General Partner (but not directly from the Partnership) pursuant to that relationship. The General Partner's participation in the income of the Partnership is set forth in the Partnership Agreement, as amended. The General Partner received management fees and expense reimbursements during the year.

See Item 13, below, and Note 5 to the Financial Statements in Item 8 hereof for further discussion of payments by the Partnership to the General Partner and the former general partners. The principal executive officer of the General Partner is not directly compensated by the Partnership for controlling the affairs of the Partnership.

Item 12. Security Ownership of Certain Beneficial Owners and Management

(a) The following table sets forth certain information with respect to such beneficial ownership of the Partnership as of March 1, 2025. Based on information known to the Partnership or filed by limited partners with the SEC, the following persons are known to beneficially own 5% or more of the outstanding Interests as follows:

Title of Class	Name and Address of Beneficial Owner	Interests Beneficially Owned	Percentage of Interests Outstanding (1)
Limited Partnership Interest	Jesse Small 401 NW 10 th Terrace Hallandale, FL 33009	7,519.94	16.25%
Limited Partnership Interest	Ira Gaines 1819 E. Morten Ave., Suite 180 Phoenix, AZ 85020	4,160.03	8.99%
Limited Partnership Interest	Barry Zemel 1819 E. Morten Ave. Suite 180 Phoenix, AZ 85020	2,882.20	6.23%

(1) Based on 46,280.3 Interests outstanding as of March 1, 2025.

(b) As of March 1, 2025, the General Partner and the person who performs the functions of the principal executive officer of the General Partner did not beneficially own any Interests.

(c) Management knows of no contractual arrangements, the operation or the terms of which may at a subsequent date result in a change of control of the Partnership, except for provisions in the PMA.

Item 13. Certain Relationships and Related Transactions and Director Independence

Pursuant to the terms of the PMA, the General Partner receives a Base Fee for managing the Partnership equal to four percent of gross receipts, subject to a \$159,000 minimum, annually. The PMA also provides that the Partnership is responsible for reimbursement for office rent and related office overhead ("Expenses") up to a maximum of \$13,250 annually. Both the Base Fee and Expense reimbursement are subject to annual Consumer Price Index based adjustments. Effective March 1, 2021, the General Partner elected to roll back the last five years of CPI increases to their 2016 level and suspend any future CPI adjustments. Therefore, as of March 1, 2021, the minimum annual Base Fee paid by the Partnership was decreased to \$272,316 and the maximum annual Expenses reimbursement remained at \$23,256.

Additionally, TPG, or its affiliates, are allowed up to one-half of the commissions customarily charged by other brokers in arm's-length sales transactions involving comparable properties in the same geographic area, but such TPG commissions are not to exceed three percent of the contract price on the sale of an investment property. The payment of a portion of such fees is subordinated to TPG's success at recovering the funds misappropriated by the former general partners. See Note 7 to the financial statements for further information.

The PMA had an original expiration date of December 31, 2002. The term of the PMA has been extended multiple times and is currently set to expire on December 31, 2026. The PMA can be terminated earlier (a) by a vote at any time by a majority in interest of the Limited Partners, (b) upon the dissolution and winding up of the Partnership, (c) upon the entry of an order of a court finding that TPG has engaged in fraud or other like misconduct or has shown itself to be incompetent in carrying out its duties under the Partnership Agreement, or (d) upon sixty (60) days written notice from TPG to the Limited Partners of the Partnership. Upon termination of the PMA, other than by the voluntary action of TPG, TPG will be paid a termination fee of one month's Base Fee allocable to the Partnership, subject to a minimum of \$13,250. In the event that TPG is terminated by action of a substitute general partner, TPG shall also receive, as part of this termination fee, 4% of any proceeds recovered with respect to the obligations of the former general partners, whenever such proceeds are collected.

Under the PMA, TPG will be indemnified by the Partnership, DiVall and Magnuson, and their controlled affiliates, and held harmless from all claims of any party to the Partnership Agreement and from any third party including, without limitation, the Limited Partners of the Partnership, for any and all liabilities, damages, costs and expenses, including reasonable attorneys' fees, arising from or related to claims relating to or arising from the PMA or its status as Permanent Manager. The indemnification does not extend to claims arising from fraud or criminal misconduct of TPG as established by court findings. To the extent possible, the Partnership is to provide TPG with appropriate errors and omissions, officer's liability or similar insurance coverage, at no cost to TPG. In addition, TPG was granted the right to establish an Indemnification Trust in an original amount, not to exceed \$250,000, solely for the purpose of funding such indemnification obligations. Once a determination has been made that no such claims can or will be made against TPG, the balance of the Trust will become unrestricted property of the Partnership. The corpus of the Trust has been fully funded with Partnership assets.

Advisory Board Member Independence

Although not “directors” or “officers” of the Partnership, the Partnership does evaluate whether the members of the Advisory Board are “independent” by evaluating whether each member has any relationships or has engaged in any transactions that, in the opinion of the General Partner, would interfere with any Advisory Board member’s exercise of independent judgment with respect to matters concerning the Partnership. As a part of this evaluation the General Partner considers, among other things, transactions and relationships between any member of the Advisory Board or any member of his family and the Partnership. The General Partner believes that each of Messrs. Small and Kramer are “independent”.

The Partnership paid and/or accrued the following to the General Partner and its affiliates in 2024 and 2023:

	Incurred for the Year Ended December 31, 2024	Incurred for the Year Ended December 31, 2023
General Partner		
Management fees	\$ 165,000	\$ 272,316
Overhead allowance	18,000	23,256
Property sales commissions =	207,906	274,059
Reimbursement for out-of-pocket expenses	2,500	2,500
Cash distribution	37,092	56,882
Amounts paid and/or accrued to the General Partner	<u>\$ 430,498</u>	<u>\$ 629,013</u>

The General Partner intends to reduce continuing monthly management fees during 2025 in connection with an accelerated wind-up.

Item 14. Principal Accountant Firm Fees and Services

Audit Fees

Aggregate billings for the fiscal year ended December 31, 2024 and 2023 for audit and interim review services provided to the Partnership by its principal accounting firm, Boulay PLLP amounted to \$45,500 and \$59,093, respectively.

Audit-Related Fees

For the fiscal years ended December 31, 2024 and 2023, Boulay PLLP did not perform any assurance and related services that were reasonably related to the performance of the audit or interim reviews.

Tax Fees

Aggregate billings for the fiscal year ended December 31, 2024 and 2023, for tax preparation services provided to the Partnership by its principal accounting firm, Boulay PLLP amounted to \$32,000 and \$28,050, respectively.

All Other Fees

For the fiscal years ended December 31, 2024 and 2023, Boulay PLLP did not perform any management consulting or other services for the Partnership.

PART IV

Item 15. Exhibits and Financial Statement Schedule

(a) 1. Financial Statements

The following financial statements of DiVall Insured Income Properties 2 Limited Partnership are included in Part II, Item 8 of this Annual Report on Form 10-K:

[Report of Independent Registered Public Accounting Firm](#)

[Balance Sheets at December 31, 2024 and 2023](#)

[Statements of Income for the Years Ended December 31, 2024 and 2023](#)

[Statements of Partners' Capital for the Years Ended December 31, 2024 and 2023](#)

[Statements of Cash Flows for the Years Ended December 31, 2024 and 2023](#)

[Notes to Financial Statements](#)

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instruction or are inapplicable and, therefore, have been omitted.

3. Listing of Exhibits

- 3.1 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.
- 3.2 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), and incorporated herein by reference.
- 3.3 Amendment to Amended Agreement of Limited Partnership dated as of February 8, 1993, filed as Exhibit 3.3 to the Partnership's 10-K for the year ended December 31, 1992, Commission File 0-17686, and incorporated herein by reference.
- 3.4 Amendment to Amended Agreement of Limited Partnership dated as of May 26, 1993, filed as Exhibit 3.4 to the Partnership's 10-K for the year ended December 31, 1993, Commission File 0-17686, and incorporated herein by reference.
- 3.5 Amendment to Amended Agreement of Limited Partnership dated as of June 30, 1994, filed as Exhibit 3.5 to the Partnership's 10-K for the year ended December 31, 1994, Commission File 0-17686, and incorporated herein by reference.
- 3.6 [Amendment to Amended Agreement of Limited Partnership dated as of November 9, 2009, filed as Exhibit 4.1 to the Partnership Quarterly Report on Form 10-Q filed November 12, 2009, Commission File 0-17686, and incorporated herein by reference.](#)
- 3.7 [Amendment to Amended Agreement of Limited Partnership dated as of October 22, 2020, filed as Exhibit 4.7 to the Partnership Quarterly Report on Form 10-Q filed November 13, 2020, Commission File 0-17686, and incorporated herein by reference.](#)

- 3.8 Certificate of Limited Partnership dated November 20, 1987. Commission File 0-17686, filed March 22, 2013, and incorporated herein by reference.
- 4.1 [Description of Securities, filed as exhibit 4.1 to the Annual Report on 10-K dated March 27, 2023, Commission File 0-17686, and incorporated herein by reference.](#)
- 10.1 Permanent Manager Agreement filed as an exhibit to the Current Report on Form 8-K dated January 22, 1993, Commission File 33-18794, and incorporated herein by reference.
- 10.2 [Renewal of Permanent Manager Agreement dated January 1, 2025.](#)
- 31.1 [Sarbanes Oxley Section 302 Certifications.](#)
- 32.1 [Certification of Periodic Financial Report Pursuant to 18 U.S.C. Section 1350.](#)
- 101 The following materials from the Partnership's Annual Report on Form 10-K for the year ended, formatted in XBRL (Extensible Business Reporting Language): (i) Balance Sheets at December 31, 2024 and December 31, 2023, (ii) Statements of Income for the years ended December 31, 2024 and 2023, (iii) Statement of Cash Flows for the years ended December 31, 2024 and 2023, and (iv) Notes to the Financial Statements.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, L.P.

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

By: THE PROVO GROUP, INC., General Partner

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

Dated: April 15, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, the report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Bruce A. Provo
President, Chief Executive Officer and Director of The Provo Group, Inc., the General Partner of the Partnership

By: /s/ Caroline E. Provo
Director of The Provo Group, Inc., the General Partner of the Partnership

Date: April 15, 2025

RENEWAL OF PERMANENT MANAGER AGREEMENT

This Agreement, made as of January 1, 2025, by and among DiVall Insured Income Properties 2 Limited Partnership ("DiVail 2") formed under the Wisconsin Uniform Limited Partnership Act, and The Provo Group, Inc., an Illinois corporation ("TPG").

WITNESSETH:

WHEREAS, DiVall 2 and TPG are the only remaining parties to that certain Permanent Manager Agreement ("PMA") entered into on February 8, 1993;

WHEREAS, since the date of the execution of the original PMA, TPG has replaced Gary J. DiVall and Paul E. Magnuson as the general partner of DiVall 2;

WHEREAS, the original PMA as previously renewed, will expire on December 31, 2024.

WHEREAS, DiVall 2 and TPG desire to renew the PMA upon its expiration for a period of two (2) additional years;

NOW, THEREFORE, the parties agree as follows:

Beginning as of January 1, 2025, the parties hereto agree to renew the PMA for a period of two (2) years, expiring on December 31, 2026.

IN WITNESS WHEREOF, the parties have executed this Renewal of Permanent Manager Agreement as of the date first written above.

DIVALL IN INCOME PROPERTIES 2
LIMITED PARTNERSHIP

By: The Provo Group, Inc., general partner

By: /s/ Bruce A. Provo
Bruce A. Provo, President

PERMANENT MANAGER:

THE PROVO GROUP, INC.

By: /s/ Bruce A. Provo
Bruce A. Provo, President

**DIVALL INSURED INCOME PROPERTIES 2
LIMITED PARTNERSHIP**

CERTIFICATIONS

I, Bruce A. Provo, certify that:

1. I have reviewed this annual report on Form 10-K of DiVall Insured Income Properties 2 Limited Partnership;
2. Based on my knowledge, this annual 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: April 15, 2025

By: /s/ Bruce A. Provo

President and Chief Financial Officer of The Provo Group, Inc., the General Partner of
the Partnership
(principal executive officer and financial officer of the registrant)

**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 the Annual Report on Form 10-K of the Company for the year ended December 31, 2024 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: April 15, 2025

By: /s/ Bruce A. Provo

President, and Chief Executive Officer of The Provo Group, Inc., the General Partner of
the Partnership
(principal executive officer and principal financial 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.
